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From: Means, Edward [Edward.Means@arcadis-us.com]
Sent: Thursday, October 20, 2011 3:58 PM
To: Fernando Paludi
Cc: Kevin P. Hunt; Hurley, Michael; Richard Nagel; Harvey De La Torre; Pettijohn, David
Subject: Re: RE:

We could keep an informal one. Ed

Ed Means

On Oct 20, 2011, at 3:30 PM, "Fernando Paludi" <fernandop@westbasin.org> wrote:

> In the interest of not advertising the specific topics of the
> workgroup to outside interested parties, I suggest we have a fairly
> sanitized agenda, if one at all.

>
> Fernando

> -----Original Message-----

> From: Kevin P. Hunt [mailto:khunt@mwdoc.com]
> Sent: Thursday, October 20, 2011 2:08 PM
> To: Hurley, Michael; Richard Nagel; Harvey De La Torre; Pettijohn,
> David; Fernando Paludi
> Cc: Means, Edward
> Subject: RE:

>
> Michael Are we addressing whether to send a letter in response to
> SDCWA "Cabal" comments.? Kevin

> -----Original Message-----

> From: Hurley, Michael [mailto:Michael.Hurley@arcadis-us.com]
> Sent: Thursday, October 20, 2011 1:28 PM
> To: Richard Nagel; Kevin P. Hunt; Harvey De La Torre; Pettijohn,
> David; Fernando Paludi (fernandop@westbasin.org)
> Cc: Means, Edward
> Subject:

> Gentlemen,

> Based on the comments received so far, below is the draft agenda for
> next week.

> Let me know if you comments or questions.

> Thanks,

> Michael

> AGENDA

> Member Agency Managers Working Group

> October 28, 2011
 > Lunch @ 12:00
 > Meeting from 12:30 p.m. to 2:30 p.m.
 > Malcolm Pirnie - Los Angeles Office
 > 888 West 6th Street, LA, CA 90017
 >
 > 12:30 - 12:35 Introductions/Additions to the Agenda
 >
 > 12:35 - 12:45 Debrief on October MWD Meetings
 >
 > * Committee and Board meetings
 > o Blue Ribbon Committee
 > * Member Agency Managers' meeting
 > o Long Range Finance Plan\Rate Refinement
 >
 > 12:45 - 1:15 MWD Replenishment Program
 >
 > 1:15 - 1:45 MWD Local Resources Process
 >
 > 1:45 - 2:15 Bay Delta Activities
 >
 > 2:15 - 2:25 Working Group Finances
 >
 > 2:25 - 2:30 Next Steps
 >
 > * Items for Next MWD Member Agency Managers meeting
 > * Review Action Items
 > * Schedule next meeting
 >
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From: Hurley, Michael <Michael.Hurley@arcadis-us.com>
Sent: Thursday, April 21, 2011 12:36 PM
To: 'fernandop@westbasin.org'; 'richardn@westbasin.org'; Kevin P. Hunt <khunt@mwdoc.com>; 'David.Pettijohn@WATER.LADWP.com'; Harvey De La Torre <HDeLaTorre@mwdoc.com>
Cc: Means, Edward <Edward.Means@arcadis-us.com>
Subject: Re: Draft agenda for 5/2 MAM Working Group meeting

Will do Fernando.

----- Original Message -----

From: Fernando Paludi <fernandop@westbasin.org>
To: Hurley, Michael; Richard Nagel <richardn@westbasin.org>; khunt@mwdoc.com <khunt@mwdoc.com>; Pettijohn, David <David.Pettijohn@WATER.LADWP.com>; Harvey De La Torre <HDeLaTorre@mwdoc.com>
Cc: Means, Edward
Sent: Thu Apr 21 15:13:54 2011
Subject: RE: Draft agenda for 5/2 MAM Working Group meeting

Michael, please add this letter to the agenda. It's not strictly related to the lawsuit, so I don't think it should go under that item.

Also, we may want to remove the "Economic Report" item and fold it into the "SDCWA Lawsuit" item, but maybe that's just me being paranoid.

Fernando

-----Original Message-----

From: Hurley, Michael [<mailto:Michael.Hurley@arcadis-us.com>]
Sent: Tuesday, April 19, 2011 9:36 PM
To: Richard Nagel; Kevin Hunt (khunt@mwdoc.com); Pettijohn, David; 'Harvey De La Torre'; Fernando Paludi
Cc: Means, Edward
Subject: Draft agenda for 5/2 MAM Working Group meeting

Gentlemen,

The following is a draft agenda for the next Working Group meeting on 5/2.

Please let me know if you have comments or questions.

Thanks,

Michael

12:30 - 12:35 Introductions/Additions to the Agenda

12:35 - 12:45 Debrief on April MWD Meetings

- * Committee and Board meetings
 - o SDCWA Budget Letter
- * MWD Member Agency Managers meeting

12:45- 1:15 Discounted Water/Replenishment

1:15 - 1:30 Blue Ribbon Committee

1:30 - 1:45 Economic Report

OCPR00027182

1:45 - 2:00 MWD Allocation Plan 3-Year Review

2:00 - 2:10 MWD Local Resources Review

2:10 - 2:20 SDCWA Lawsuit

2:20 - 2:30 Next Steps

- * Items for Next MWD Member Agency Managers meeting
- * Review Action Items
- * Schedule next meeting

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9/30/11 MAMWG

- Debra Replenishment discussions -
- information board report - Oct, ^{approved} on policy principles for replenishment plan. Come up w/ options to be considered in Nov.
- Devon - surplus water that MWD would be storing - in TRP - key change - input of demands going forward
- 2015 - probability of having water to put in regional storage is 65%
- Article 21 - DWR - storage ^{at} ~~to~~ ⁵⁰ % of Delta is full, demands are met, excess water is available, does not count against Table A.
- Hayward 6 of 100 last 18 years.
- Forecast for Article 21 water is for 30% of time.
- Bottom line: about 25% of time, more water projected to be avail than MWD could store.
- But: does not necessarily translate into replenishment water being avail. 30% of time.
- Devon - it is a different program today. Replenishment does not automatically start when there is a surplus.
- Debra - in the past, we have spilled Art. 21 water. structuring a program to prevent that would be good.
- LA is concerned (as is San Diego) about revenues - is MWD foregoing a full service sale by offering replacement water at a reduced rate?

reasons for replacement water.

Harvey - regional benefit? or surplus condition?

what he sees so far, is we are leaning toward regional benefit.

- Fernando - goal is regional benefit, but needs to be revenue neutral.

- Policy principles going to board in Oct.

- Dave P. had a major concern w/ policy principle 2) (flex. to manage delivery of asset supplies, ... storage), that it would not apply just to Article 21 water, but all water that MWD could store. And this would happen at a level 2 condition. He wants it to apply only above MWD's ability to store water.

SD lawsuit - 1st hearing this last week in S.F.

- Judge did IID to join the lawsuit (and Vemp, SD tax assoc)

not good.

- Judge accepted the amended complaint, will hear it in detail
breach of exchange ^{agmt.} rate structure integrity and breach of fiduciary responsibility,
MWD feels pretty strongly on their ability to defend all issues.

Message to our directors: I am doing my job, to make sure our interests are heard at MWD in relation to other agencies.

If San Diego asked to join our group, we would say no, because they are suing us (our interests)

Non - this is all about us being able to do our jobs.

Make sure we don't get blow back from our directors.

- Kevin is inclined not to respond.
- Non's point - what is our "label"?
the audience: Legislature, MWD board.
- Dave P., changed his opinion, inclined to respond.
- LA EDC report is coming out.
- SDCWA will want to get an anti-san diego label on this study.
- We need to educate our board members, that the purpose of this group is to educate ourselves ~~with~~ so that we can do what is best for our region.
- Non can help draft a letter.
- Letter to not be anti san diego, 2) educational benefits, 3) forum to have discussions independ of MWD.
- Letter from managers to the MWD board chair.
- Non will get a draft on Monday.

John V. Foley, Chairman

DRAFT

[Title and Address]

Re: Regional Water Supply Reliability

Dear Chairman Foley,

The purpose of this letter is to address references recently made by the San Diego County Water Authority (SDCWA) in correspondence to Metropolitan dated September 29, 2011, and in the Amended Petition for Writ of Mandate originally filed by SDCWA against Metropolitan on June 11, 2010. Specifically, these documents refer to a group of member agency managers that have allegedly formed a so-called "Anti-San Diego Coalition."

At the outset, we'd like to clarify that our interests and those of our agencies, both individually and collectively, are to ensure the institutional, financial and operational integrity of Metropolitan. We clearly recognize the value Metropolitan provides our agencies as a regional collaborative. The undersigned are not an "Anti-San Diego Coalition," but rather independent agency managers that gather to review, analyze and provide constructive input to our elected boards and Metropolitan representatives on key policy issues facing Metropolitan and the Southern California water community. Fundamentally, the managers believe that the missions of our agencies and that of Metropolitan are inseparable and that Metropolitan's success as a regional water provider is absolutely essential.

Metropolitan, and consequently the entire Southern California region that Metropolitan serves, is currently facing significant financial and political decisions that will affect our future water supply reliability. At such times as these, the managers of the individual member agencies have always played an important and essential role to provide professional analysis and recommendations to our elected boards and Metropolitan representatives. This role is both our responsibility and our duty.

We meet this responsibility in various ways. With the extensive operational and public policy experience we bring, we assist our respective member agency boards and representatives on the Metropolitan Board in evaluation and participation in the regional policy development and decision making that occurs at Metropolitan. While the members of Metropolitan's Board of Directors make their decisions based on their personal experience and input from all interested participants, they also have an obligation under the Metropolitan Water District Act to represent their appointing authorities and to understand the relationship of their decisions to their respective member agencies' interests. Member agency managers are relied upon by their agencies and representative Metropolitan Board members to be aware of and prepared to articulate the potential impact of Metropolitan Board decisions on their agencies.

On some issues of major importance to the region we have sought to increase our own knowledge through study and discussion, and wherever possible, to build consensus among the member agency managers. When appropriate and relevant, we have chosen to state our shared views in letters and in public forums. This is exemplified in the seven letters that some or all of the undersigned managers have submitted to Metropolitan since 2009 providing professional analysis and opinion on a variety of critical topics. These letters have addressed an array of issues such as Metropolitan's Integrated Resources Plan, the Bay Delta Conservation Plan, Metropolitan's Rate Structure and Cost of Service Methodology, and the Metropolitan Blue Ribbon Committee report.

Working together in this manner we have been generally supportive of the integrity of Metropolitan's rate structure, cost allocation, governance structure, wheeling rate, and incentives for conservation and local projects. In the same fashion, we expect to study and will likely provide input on other major issues of concern such as Metropolitan's investments in water management programs, and Metropolitan's Long Range Financial Plan.

Although in some cases the positions and recommendations expressed by the managers may differ from those taken by the SDCWA, the fact is that our objective has been to communicate constructive, professionally derived perspectives on a broad spectrum of issues confronting Metropolitan; not simply those pertaining to the SDCWA and its litigation. As such, labeling the managers who have provided this analysis and input as an "Anti-San Diego Coalition" unfairly mischaracterizes our actions and simply does not represent the group's or our individual purpose, objectives and activities.

Our unifying goal and commitment is to ensure the success of Metropolitan in meeting the water supply and water quality needs of all the member agencies and the region. Please be assured that the managers will not be deterred from our commitment or continued engagement by efforts to mischaracterize our activities.

Sincerely,

Chris Theisen

From: Chris Theisen
Sent: Tuesday, October 11, 2011 1:11 PM
To: David Gustavson
Subject: FW: Draft Letter Supporting Managers Working Group

From: Susan Mulligan [SMulligan@calleguas.com]
Sent: Tuesday, October 11, 2011 9:44 AM
To: Fernando Paludi; bmace@ci.burbank.ca.us; CReyes@lvmwd.com; cmiller@ieua.org; Chris Theisen; David Gustavson; davids@ci.fullerton.ca.us; dcalkins@anaheim.net; Delon.Kwan@ladwp.com; Gil Borboa; Harvey, Michael ; hdelatorre@mwdoc.com; Henry Graumlich; Jack Safely; jrossi@wmwd.com; Kevin Hunt; McDaniel, Jim ; Mundy, John; njazmadarian@fmwd.com; jonesp@emwd.org; PKavounas@ci.glendale.ca.us; Pettjohn, Dave ; pcurrie@cityofpasadena.net; rbeste@torrnet.com; rburk@santa-ana.org; Rhansen@lvmwd.com; Richard Nagel; Shan Kwan; shane@usgvmwd.org; TLove@ieua.org; Walsh, Jolene
Cc: E.J. Caldwell; Leighanne Kirk; Means, Edward
Subject: RE: Draft Letter Supporting Managers Working Group

Thank you for preparing this. However, I propose that we consider some key questions before signing this letter.

- *What do we have to gain by defending ourselves against San Diego's allegations?*

Are we doing this to provide Metropolitan with documentation for their litigation? Has it been requested by their counsel? Does the letter provide a benefit to our individual agencies?

The only real issue here is the claim in SDCWA's litigation that our MWD Board members are influenced by recommendations emanating from our working group. That is a very difficult thing for them to prove, and the diversity of voting on the part of our Board members effectively refutes that argument.

- *What do we stand to lose by responding?*

We could lose credibility. SDCWA could read this letter about how the group is working on all of these different issues, and call us on it by asking to join. I'm not sure how we would respond to that.

By providing a detailed response to a contention in a lawsuit, the signatories are vulnerable to being deposed on the accuracy of every nuance of the letter. In litigation, our counsel advises us to put as little as possible in writing for precisely this reason.

By sending a letter directly to Chairman Foley, we would help prove SDCWA's point that we are a direct conduit to the MWD Board.

In this case, I think the most effective strategy is to refrain from engaging in this war of words. Thank you for your consideration.

Susan B. Mulligan, General Manager
Calleguas Municipal Water District
2100 Olsen Road, Thousand Oaks, CA 91360
smulligan@calleguas.com (805) 579-7115

Our mission is to provide the service area with a reliable supply of quality

From: rongastelum@aol.com
Sent: Thursday, October 06, 2011 9:58 AM
To: Jones, Paul; Tom Love (tlove@ieua.org); Fernando Paludi; Harvey De La Torre (HDeLaTorre@mwdoc.com); Richard Nagel
Cc: 'Randy Record (rrecord@att.net)'
Subject: Re: Revised Draft letter

Paul,

I think you have captured the comments from the group. As we discussed, I recommend we move forward to get the further input we agreed upon before sending out for signatures from individual managers. Thanks.

Ron

Sent from my Verizon Wireless BlackBerry

From: "Jones, Paul" <jonesp@emwd.org>
Date: Thu, 6 Oct 2011 14:56:48 +0000
To: rongastelum@aol.com<rongastelum@aol.com>; Tom Love (tlove@ieua.org)<tlove@ieua.org>; Fernando Paludi (fernandop@westbasin.org)<fernandop@westbasin.org>; Harvey De La Torre (HDeLaTorre@mwdoc.com)<HDeLaTorre@mwdoc.com>; Richard Nagel (richardn@westbasin.org)<richardn@westbasin.org>
Cc: 'Randy Record (rrecord@att.net)'<rrecord@att.net>
Subject: Revised Draft letter

Gentlemen-

Attached is a clean version of the letter that attempts to incorporate the items discussed during yesterday's call and the feedback Rich received from L.A. Please let me know if I've left anything out or if the letter needs any major edits.

I believe from here West Basin was going to take the lead in having the letter reviewed then distributing the letter for consideration by the full managers group.

Thanks to everyone for your ideas and input.

Paul Jones

Nina Jazmadarian

From: Fernando Paludi <fernandop@westbasin.org>
Sent: Friday, October 14, 2011 4:26 PM
To: Nina Jazmadarian
Subject: RE: Letter

Understood. Agencies are peeling off (USGVMWD, IEUA, and maybe LVMWD) just to let you know.

Fernando

From: Nina Jazmadarian [mailto:njazmadarian@fmwd.com]
Sent: Friday, October 14, 2011 3:37 PM
To: Richard Nagel; Fernando Paludi
Subject: Letter

Please do not sign my name to the letter going to Chairman Foley until I have had a chance to communicate with Rich Atwater.

Thanks,
Nina

Nina Jazmadarian

*General Manager
Foothill Municipal Water District
4536 Hampton Road
La Canada Flintridge, CA 91011*

*Phone (818) 790-4036
Fax (818) 790-9418
Cell (213) 709-9142*

Nina Jazmadarian

From: Henry Graumlich <HGraumlich@calleguas.com>
Sent: Thursday, October 13, 2011 8:32 AM
To: Fernando Paludi
Cc: bmace@ci.burbank.ca.us; CReyes@lvmwd.com; cmiller@ieua.org; ctheisen@beverlyhills.org; dgustavson@beverlyhills.org; davids@ci.fullerton.ca.us; dcalkins@anaheim.net; Delon.Kwan@ladwp.com; Gil Borboa; Harvey, Michael; hdelatorre@mwdoc.com; Jack Safely; jrossi@wmwd.com; Kevin Hunt; McDaniel, Jim; Mundy, John; Nina Jazmadarian; jonesp@emwd.org; PKavounas@ci.glendale.ca.us; Pettijohn, Dave; pcurrie@cityofpasadena.net; rbeste@torrnet.com; rburk@santa-ana.org; Rhansen@tvmwd.com; Richard Nagel; Shan Kwan; shane@usgvmwd.org; Susan Mulligan; TLove@ieua.org; Walsh, Jolene; E.J. Caldwell; Charlene Jensen
Subject: Re: Conf Call Tomorrow to Discuss Workgroup Letter

I won't be able to join you today on the conference call. Susan's email and subsequent conversation with Rich Nagel provides our perspective.

On Oct 12, 2011, at 3:03 PM, "Fernando Paludi" <fernandop@westbasin.org<mailto:fernandop@westbasin.org>> wrote:

Managers,

Thanks to many of you for responding to my email from last Friday requesting feedback or approval of the joint letter (attached) drafted by several managers. Some of you that were not at our last workgroup meeting have questions regarding the motivation and purpose of the letter. At the workgroup meeting, a Sept. 29 letter to Chairman Foley from SDCWA was distributed (attached) which may help with background.

West Basin has scheduled a conference call for 8:30am tomorrow, Thursday, for all who can participate to discuss the letter again prior to sending.

Conf Call #: 800-550-8102
Access #: 6606214

Sorry for the very late notice. Talk to you tomorrow.

Fernando

DoubleCheck identified this as CLEAN. Give feedback: This is SPAM<<http://mx2.allconnected.net/ms?k=SOUxGlwwwJeA>>
· More<<http://mx2.allconnected.net/md?k=SOUxGlwwwJeA>>
<John_V_Foley_draft_letter3.docx>
<SDCWA Foley 092911.pdf>

From: Beste, Robert
Sent: Wednesday, November 02, 2011 1:18 PM
To: 'Chris Theisen'
Subject: RE: MWD Letter

I believe it is. I don't see any risk with the letter in the current form. It is really just stating the facts that we support good water policy and takes out any reference to litigation.

Rob Beste
Public Works Director
City of Torrance | 20500 Madrona Avenue | Torrance CA 90503 | 310.781.6900 voice | 310.781.6902 fax | rbeste@torranceCA.gov

From: Chris Theisen [mailto:ctheisen@beverlyhills.org]
Sent: Wednesday, November 02, 2011 1:10 PM
To: Chris Theisen; Beste, Robert
Subject: RE: MWD Letter

I would do it if he won't and as long as he doesn't try to tell me not to do it. When is it being finalized, today?

From: Chris Theisen
Sent: Wednesday, November 02, 2011 1:02 PM
To: 'Beste, Robert'
Subject: RE: MWD Letter

Let me ask Dave if he wants to sign it.

From: Beste, Robert [mailto:RBeste@TorranceCA.gov]
Sent: Wednesday, November 02, 2011 11:51 AM
To: Chris Theisen
Subject: MWD Letter

Were you ok signing the letter? Fernando will add you if you are.

Rob Beste
Public Works Director
City of Torrance | 20500 Madrona Avenue | Torrance CA 90503 | 310.781.6900 voice | 310.781.6902 fax | rbeste@torranceCA.gov

From: Beste, Robert
Sent: Wednesday, November 02, 2011 1:08 PM
To: 'Chris Theisen'
Subject: RE: MWD Letter

Okay

Rob Beste
Public Works Director
City of Torrance | 20500 Madrona Avenue | Torrance CA 90503 | 310.781.6900 voice | 310.781.6902 fax | rbeste@torranceCA.gov

From: Chris Theisen [mailto:ctheisen@beverlyhills.org]
Sent: Wednesday, November 02, 2011 1:02 PM
To: Beste, Robert
Subject: RE: MWD Letter

Let me ask Dave if he wants to sign it.

From: Beste, Robert [mailto:RBeste@TorranceCA.gov]
Sent: Wednesday, November 02, 2011 11:51 AM
To: Chris Theisen
Subject: MWD Letter

Were you ok signing the letter? Fernando will add you if you are.

Rob Beste
Public Works Director
City of Torrance | 20500 Madrona Avenue | Torrance CA 90503 | 310.781.6900 voice | 310.781.6902 fax | rbeste@torranceCA.gov

From: Fernando Paludi [fernandop@westbasin.org]
Sent: Tuesday, November 01, 2011 2:28 PM
To: bmace@ci.burbank.ca.us; CReyes@lvmwd.com; cmiller@ieua.org;
ctheisen@beverlyhills.org; dgustavson@beverlyhills.org; davids@ci.fullerton.ca.us;
dcalkins@anaheim.net; Delon.Kwan@ladwp.com; Gil Borboa; Harvey, Michael ;
hdelatorre@mwdoc.com; HGraumlich@calleguas.com; Jack Safely; jrossi@wmwd.com;
Kevin Hunt; McDaniel, Jim ; Mundy, John; njazmadarian@fmwd.com; jonesp@emwd.org;
PKavounas@ci.glendale.ca.us; Pettijohn, Dave ; pcurrie@cityofpasadena.net; Beste, Robert;
rburk@santa-ana.org; Rhansen@tvmwd.com; Richard Nagel; Shan Kwan;
shane@usgvmwd.org; smulligan@calleguas.com; TLove@ieua.org; Walsh, Jolene
Cc: Edward G Means (edmeans@pirnie.com)
Subject: Comments Received on Draft Working Group Letter
Attachments: Foley Letter 102011v2 chapman comments.doc

All,

Shane Chapman submitted suggested revisions to the draft letter after our working group meeting last Friday, which would allow him to sign the letter. Rich Nagel and I believe that Shane's edits enhance the letter without materially changing it, and we recommend accepting the changes.

I am attaching the draft with the edits in strikethrough/underline for transparency, and leaving the comment period open until Wednesday afternoon's 4pm conference call on the MWD talking points, where we can make the final decision.

Thanks for your patience in striving for a better collective working group product. Talk to you tomorrow.

Fernando Paludi, PE , MBA
Manager of Water Policy & Resources Development
West Basin Municipal Water District
310-660-6214 Office
213-369-7071 Cell
fernandop@westbasin.org

[MANAGERS' WORKING GROUP LETTER TO CHAIRMAN FOLEY]

DRAFT

DRAFT

DRAFT

October xx, 2011

John V. Foley, Chairman of the Board
Metropolitan Water District of Southern California
Address
Address

Dear Chairman Foley:

The undersigned managers of member agencies of the Metropolitan Water District of Southern California (Metropolitan) are regrettably compelled to respond to false mischaracterizations in correspondence to Metropolitan dated September 29, 2011 from representatives of the San Diego County Water Authority. It was alleged that we exist for the purpose of opposing the Water Authority.

Quite simply, we caucus as agency managers to share perspectives and formulate recommendations in our advisory role to our elected boards and Metropolitan representatives, who in turn debate and shape policy through the Metropolitan Board process. Several areas demand our attention, including the potential adverse impact on our ratepayers of actions by the Water Authority to shift the costs of their Imperial Irrigation District water transfer to other Metropolitan member agencies; attempts to imperil Metropolitan's credit rating; and continued questioning of the willingness of the member agencies to pay for the Bay Delta Conservation Plan. This role is both our responsibility and our duty.

Deleted: independent

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Deleted: from within or outside the Metropolitan board, including the well documented, repeated attempts

Deleted: onto the

Although individual perspectives may differ on many issues, we share a fundamental belief in the value of Metropolitan as regional provider, and have been generally supportive of the integrity of Metropolitan's rate structure, cost allocation, governance structure, long-term resources planning, and regional approach to conservation and local project development. On several occasions since 2009, we have chosen to collectively share our technical experience and openly state our shared views, on an array of issues including Metropolitan's Integrated Resources Plan, the Bay Delta Conservation Plan, Metropolitan's Rate Structure and Cost of Service Methodology, and the Metropolitan Blue Ribbon Committee report.

Deleted: in letters and in public forums

We will continue to engage on issues of critical importance to our agencies and the region and look forward to informing open and transparent policy discussions among elected officials.

Deleted: Please be assured that the managers will not be deterred from our commitment or

Deleted: d

Deleted: men

November 3, 2011

Mr. John V. Foley, Chairman
Metropolitan Water District of Southern California
P. O. Box 54153
Los Angeles, CA 90054

NOV 2011

Dear Chairman Foley:

The undersigned managers of member agencies of the Metropolitan Water District of Southern California (Metropolitan) are regrettably compelled to respond to mischaracterizations in correspondence to Metropolitan dated September 29, 2011 from representatives of the San Diego County Water Authority (Water Authority). It was alleged that we exist for the purpose of opposing the Water Authority.

Quite simply, we caucus as agency managers to share perspectives and formulate recommendations in our advisory role to our elected boards and Metropolitan representatives, who in turn debate and shape policy through the Metropolitan Board process. Several areas demand our attention, including the potential adverse impact on our ratepayers of actions by the Water Authority to shift the costs of their Imperial Irrigation District water transfer to other Metropolitan member agencies; attempts to potentially undermine Metropolitan's credit rating; and continued questioning of the willingness of the member agencies to pay for the Bay Delta Conservation Plan. This role is both our responsibility and our duty.

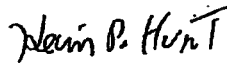
Although individual perspectives may differ on many issues, we share a fundamental belief in the value of Metropolitan as regional provider, and have been generally supportive of the integrity of Metropolitan's rate structure, cost allocation, governance structure, long-term resources planning, and regional approach to conservation and local project development. On several occasions since 2009, we have chosen to collectively share our technical experience and openly state our shared views, on an array of issues including Metropolitan's Integrated Resources Plan, the Bay Delta Conservation Plan, Metropolitan's Rate Structure and Cost of Service Methodology, and the Metropolitan Blue Ribbon Committee report.

We will continue to engage on issues of critical importance to our agencies and the region and look forward to informing open and transparent policy discussions.

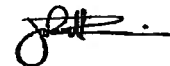
Sincerely,



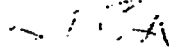
Paul Jones
Eastern MWD



Kevin Hunt
MWD of Orange County



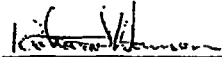
John Rossi
Western MWD



Robert Beste
City of Torrance



James B. McDaniel
Los Angeles DWP



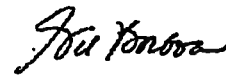
Richard Hansen
Three Valleys MWD



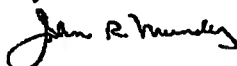
Raymond L. Burk
City of Santa Ana



Rich Nagel
West Basin MWD



Gil Borboa
City of Santa Monica



John Mundy
Las Virgenes MWD



Don Calkins
City of Anaheim, Pub. Utilities