



San Diego
Regional
Economic
Development
Corporation

June 10, 2013

Mr. Jack Foley, Chairman
and Members of the Board of Directors
Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054-0153

RE: Opposition to Board Memo 8-1 - Request refund to ratepayers of excess reserves
Opposition to Board Memo 8-2 - Oppose suspending Metropolitan tax rate limitations

Dear Chairman Foley and Members of the Board:

San Diego Regional Economic Development Corporation (EDC) is a privately-funded non-profit organization with the mission to maximize the region's economic prosperity and global competitiveness. As a part of this mission, EDC is sensitive to measures that will increase costs for businesses and challenge the competitiveness of our region. Higher rates will affect business decisions to expand or relocate to the region.

For the above reasons, I am writing to object to Board Memos 8-1 and 8-2, which propose that the Board transfer and reinvest excess reserves and lift the state mandated property tax rate limit. The need for the increase is unclear to EDC and the community it represents, and no documents have been provided that would help organizations such as ours understand why higher rates are necessary at this time. As stated, higher rates will negatively impact the businesses in the region and adversely affect our capacity to attract and retain business.

Without detailed findings and analysis, the proposal to increase taxes creates confusion given Metropolitan Water District's current financial condition. According to the San Diego County Water Authority, Metropolitan Water District has over-collected \$314 from its ratepayers; is \$75 million over its reserves; and is planning to spend the excess funds on unbudgeted expenses, beyond its board-adopted budget. We propose that instead of increasing MWD's spending, MWD work to refund the over-collected ratepayer money that will in return spur investment locally.

Suspending the property tax limitations at this time is wholly unnecessary and punitive to water ratepayers that have suffered through increases of more than 100 percent over the last decade. We urge you to adopt a transparent, comprehensive, long-term financial plan that lays out how MWD intends to provide a reliable water supply at a reasonable and affordable cost. San Diego Regional EDC opposes suspending the property tax rate at this time, and urges Metropolitan's board to return the over-collected funds to its member agencies in proportion to their payments.

I ask that you include this letter as part of the public record for the rate hearing on Tuesday, June 11, 2013.

Sincerely,

Mark Cafferty
President and CEO

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