

Resolution # 2012-1

A RESOLUTION OF THE SOUTH BAY CITIES COUNCIL OF GOVERNMENTS OPPOSING SAN DIEGO COUNTY WATER AUTHORITY'S COST-SHIFT

WHEREAS, the South Bay Cities Council of Governments is a joint powers authority consisting of sixteen cities in Los Angeles County and unincorporated areas of the South Bay, all of which receive potable drinking water through the Metropolitan Water District (MWD) system from the respective Metropolitan member agencies, including West Basin Municipal Water District, the City of Torrance and the City of Los Angeles; and

WHEREAS, the South Bay Cities Council of Governments strongly supports the regional cooperative approach to water supply reliability and MWD's open and transparent rate setting process whereby the rates are adopted by a vote of the MWD Board of Directors, representing every region within MWD's service area; and

WHEREAS, San Diego County Water Authority (SDCWA) filed a lawsuit in June 2010 challenging MWD's water rates and charges and claiming that SDCWA is over-charged, despite their own declaration that they pay 25 percent of MWD's revenue and receive 25 percent of the water supply; and

WHEREAS, the lawsuit filed by SDCWA, if successful, would unfairly and significantly increase the cost of water to water users outside of the San Diego region, including the entire South Bay region; and

WHEREAS, the three MWD member agencies providing water to the South Bay region, West Basin Municipal Water District, the City of Torrance and the City of Los Angeles have joined the lawsuit to support MWD's rate structure and protect the rate payers in the South Bay region; and

WHEREAS, an independent report from the Los Angeles Economic Development Corporation has found that SDCWA investments in water

independence and declining water sales are significantly impacting water rates to SDCWA rate payers; and

WHEREAS, the South Bay Cities Council of Governments supports local investments that increase regional water supply reliability such as those undertaken by SDCWA, to the extent those costs are not borne disproportionately by ratepayers outside of their local service area; and

WHEREAS, SDCWA has launched a negative public relations campaign associated with their lawsuit to divert attention from their water supply decisions and the increasing opposition to the \$3 billion cost-shift that would be forced on MWD Member Agencies and their ratepayers in Riverside, San Bernardino, Orange, Los Angeles and Ventura Counties if SDCWA is successful; and

WHEREAS, the South Bay Cities Council of Governments and its members have a responsibility to protect the residents, businesses and communities in the region from this unfair and unjust cost-shift that provides no new water supplies or benefits to the South Bay region.

THEREFORE BE IT RESOLVED, that the South Bay Cities Council of Governments strongly opposes the SDCWA lawsuit against MWD and resolves to support MWD and its member agencies as they continue to protect the region and the local ratepayers from this unfair cost shift which would dramatically increase water rates with no additional benefits.

Chair

ATTEST:

Secretary