



Item No. 6

April 3, 2020

Mr. Robert Hunter
General Manager
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708

Re: Upcoming MWDOC Committee Meetings

Rob:

There are two items on the upcoming MWDOC Committee meetings that are deeply concerning to IRWD: Items 4, 6 and 7 on the agenda for the April 6, 2020, MWDOC Planning and Operations Committee meeting and Item 6 on the agenda for the April 8, 2020, MWDOC Administration & Finance Committee meeting. Both of these items come as a surprise to IRWD (and I believe most retail water agency managers) since they were not discussed at the monthly managers meetings, and we recommend deferring these items to a later date.

Regarding the P&O item, MWDOC inserting itself into another agency's project is quite unique. To be clear, IRWD is not opposed to the Doheny Desal Project. We do have a very clear and long-standing policy that states the beneficiaries of a water supply or reliability project should pay for the benefits received, and that the agencies that do not wish to receive benefits should not pay. It is surprising that this item was placed on the agenda for action without any discussion among the broader group of retail agencies; it is also problematic that it appears to be categorized as a "core" project for which IRWD and other non-benefiting agencies would be financially obligated by MWDOC. IRWD requests that this project be categorized as a "choice" project and that the discussion be deferred until it has been discussed among the agencies' managers.

Regarding the A&F item, it appears that MWDOC is codifying a drastic expansion of its scope in the proposed Rate Resolutions (first paragraph). While the Municipal Water Code grants certain abilities to municipal water districts, the language added into the proposed Rate Resolutions is alarming in how it could fundamentally change MWDOC. Like the P&O item mentioned above, there was no mention of this change in any of the managers' meetings. The need for this language is not explained, so it is a mystery as to why MWDOC feels the need to add this language at this time. We understand MWDOC needs to move forward with the Rate Resolutions, but we recommend doing so without the language inserted into the first paragraph.

The lack of transparency with the retail water agencies on both of these issues is stunning, mostly because many of us were under the impression that substantial issues being contemplated at MWDOC would be discussed in some forum with the retail agencies; that has not happened.

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Beyond the lack of transparency with its “member agencies” on these two topics, I find it profoundly unsettling that during this time of grave difficulty and tumult, MWDOC would even contemplate taking actions like these. MWDOC’s assistance to the retail agencies during this pandemic (e.g., the unified public service announcement, WEROC’s support of our efforts) illustrate how we benefit from a strong collaborative relationship; placing important topics that could impact all agencies on committee meeting agendas with no discussion among the retail agencies has the opposite effect.

I, and I’m sure many other agencies, would appreciate an explanation on why MWDOC is taking this approach at this time. Until then, please consider these recommendations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul A. Cook".

Paul A. Cook, P.E.
General Manager

cc: MWDOC Board of Directors