



CITY OF OCEANSIDE

MAYOR
JIM WOOD

COUNCIL MEMBERS
GARY FELIEN
JACK FELLER
JEROME M. KERN
ESTHER C. SANCHEZ

February 19, 2014

Jack Foley, Chairman of the Board
and MWD Board Members
P.O. Box 54153
Los Angeles, CA 90054-0153

Re: 2015 and 2016 Water Rates

Dear Chairman Foley and Board Members:

Based on the amount of revenues that have been over-collected by MWD over the past two years – more than \$600 million more than needed to pay 100 percent of MWD's budgeted costs (and exceeding MWD's own board-established maximum reserve level by \$320 million) – we ask that the board consider implementing zero rate increases for 2015 and 2016, or explain why it is unable to do so in light of these facts.

We are fully aware of the importance of a reliable water supply, and trust that MWD has and will continue to plan for it adequately in its adopted budget and rates. When MWD's budget estimations prove to be materially different than anticipated, such as over the past two years, MWD should take timely action to make the adjustments necessary to avoid continuing to collect revenues far in excess of its budgeted costs.

We do not support the decision the MWD board has made to simply spend over-collected revenues to pay unbudgeted costs. This practice undermines public confidence in MWD's budget and rate-setting process.

Sincerely,

Oceanside City Council