



The Metropolitan Water District of Southern California

NEWS RELEASE

P. O. Box 54153, Los Angeles, California 90054-0153 • (213) 217-6485 • www.mwdh2o.com

Contacts: Bob Muir, (213) 217-6930; (213) 324-5213, mobile
Armando Acuña, (213) 217-6853; (530) 574-3111, mobile

Sept. 27, 2017

METROPOLITAN GENERAL MANAGER ISSUES STATEMENT AFTER STATE SUPREME COURT DENIES SAN DIEGO'S PETITION TO REVIEW RATE DECISION

Jeffrey Kightlinger, general manager of the Metropolitan Water District of Southern California, issues the following statement on the California Supreme Court's decision today to deny San Diego County Water Authority's petition for review of the Court of Appeal's decision on litigation challenging Metropolitan's water transportation rates:

"We are pleased that the Supreme Court took the appropriate step by denying to review this case, reaffirming a major legal victory for Metropolitan and its member public agencies, that directly or through their own sub-agencies provide water to nearly 19 million residents throughout Southern California.

"In June, the Court of Appeal decided entirely in favor of Metropolitan on the central issue in the litigation, finding that it is reasonable and legal for Metropolitan to include in its transportation rates and wheeling rate the water transportation costs it incurs for its integrated system, which includes the State Water Project.

"This case concerns a contract dispute between two parties. The San Diego County Water Authority requested that the transportation rates form the price in a unique exchange agreement with Metropolitan. The agreement provides for an 'exchange' in which the Water Authority provides Metropolitan with Colorado River water, and in return it receives a like amount of water from any of Metropolitan's supplies.

"The agreement also provided that in return for payment of the agreed upon price term, the Water Authority received over \$1 billion in assets from Metropolitan. The Water Authority then sued for a lower contract price, attempting to shift its costs to Metropolitan's other member agencies throughout Southern California.

"As directed by the appellate court, certain matters in the case will now be remanded to the trial court for redetermination. This may provide further financial relief for Metropolitan and its member agencies.

more

“We are particularly gratified that the court was not swayed by the Water Authority’s last-ditch effort to introduce new, completely unrelated issues to the case, in its continued effort to shift its costs to others. During these court proceedings, the Water Authority has engaged in an aggressive public relations campaign as part of its litigation strategy to attack Metropolitan’s fiscal integrity and decision-making. Most recently, the Water Authority expanded its legal attack with new litigation challenging Metropolitan’s efforts to collect funds to help financially support the development of local water supplies and more conservation.

“After prevailing on the major legal and financial issues in this litigation, we believe it’s time to move on to more productive activities on behalf of our member agencies and the Southern California region. Metropolitan hopes Water Authority officials will finally realize that throwing mud and endlessly fighting in the courts are losing strategies, with millions of rate payer funds spent on legal costs. We remain committed to working toward real solutions for our future water needs and invite the Water Authority to join as a cooperative partner.”

###

The Metropolitan Water District of Southern California is a state-established cooperative of 26 cities and water agencies serving nearly 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.