



The Metropolitan Water District of Southern California

NEWS RELEASE

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METROPOLITAN WATER DISTRICT GENERAL MANAGER ISSUES STATEMENT ON SAN DIEGO COUNTY WATER AUTHORITY LITIGATION

Jeffrey Kightlinger, general manager of the Metropolitan Water District of Southern California, issues the following statement on the decision by the California Court of Appeal on two lawsuits by the San Diego County Water Authority challenging Metropolitan's rate structure.

“This ruling by the three-justice panel of the California Court of Appeal scores a major legal and financial victory not only for Metropolitan, but for the district's cooperative of member public agencies as well as the millions of consumers they serve. We are gratified that the court sided with Metropolitan on the central issue in this case, finding *“the California Aqueduct unquestionably is an integral part of the system by which Metropolitan transports water to its member agencies”* and it is lawful for Metropolitan to recover its State Water Project conveyance costs in its wheeling rate and the transportation rates charged under its exchange agreement with San Diego County Water Authority.

“The Water Authority's years-long effort to shift costs relating to their own water supply onto ratepayers elsewhere in Southern California has failed. We are equally pleased the court upheld Metropolitan's full service rate—which represents the vast majority of Metropolitan's revenues—including our ability to fund projects advancing conservation and local resource development through that rate.

“In the end, years of litigation brought by the Water Authority and tens of millions of dollars in related costs borne by ratepayers have fundamentally changed no major aspect of Southern California water management or financing. While Metropolitan has prevailed as to the overwhelming majority of costs under challenge in this litigation, nobody is a winner when water districts decide to fight in court rather than resolve their differences in a democratic and collaborative fashion.”

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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.