

MOTION

The Los Angeles region and the majority of the state experienced high levels of rainfall during the recent winter and spring seasons. The high rainfall was welcomed throughout the state since the severe drought conditions which had persisted for several years. In addition, snowpack levels in the Sierra-Nevada's increased to pre-drought levels which served to increase the City's water supply.

During the drought years, the City was less reliant on water from the Sierra-Nevada's and the adjoining Los Angeles Aqueduct. To meet local water demand, the City purchased greater amounts of water from the Metropolitan Water District (MWD) which is tied in to water supplies from the Colorado River and the Bay-Delta region.

However, the MWD charged higher rates for this water which impacted the Department of Water and Power's (DWP) ratepayers. The higher rates were surprising to most ratepayers as they had lowered water use to meet drought-related conservation goals.

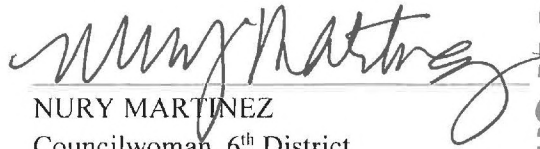
The higher rates led to questions regarding how the MWD sets rates on member agencies and what policies are employed to ensure a stable and equitable rate environment.

The City representatives on the MWD's Board of Directors work closely with other member agencies to develop rate policy for the MWD. Given this, the DWP should report to the Council regarding MWD's rate setting practices and approaches they employ to ensure an equitable rate environment.

I THEREFORE MOVE that the Department of Water and Power report to the City Council in 30 days on the Metropolitan Water District's (MWD) rate setting practices and approaches, including the following:

- Comparison of the adopted rates for MWD member agencies versus forecasted rates under the MWD's long range plan;
- City resident/ratepayer contributions to MWD over the last 5 years;
- Current balance on MWD's unrestricted cash reserves, unrestricted debt and the accompanying requirements versus agency policies on reserves and debt;
- Identify what the long-term effect on MWD rates will be with the current increase in water supply; and
- Efforts by the MWD to create viable long-term storage for the water supply in order to balance rates during the next water shortage.

PRESENTED BY:


 NURY MARTINEZ
 Councilwoman, 6th District

SECONDED BY:



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