

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the Sacramento-San Joaquin River Delta (Delta), hub of California's water supply, is facing major challenges, including aging levees, increased urbanization, ecosystem degradation, a lack of fresh water, and a reduced and inconsistent annual snowpack, sea-level rise and flooding resulting from climate disruption; and

WHEREAS, the City purchases, on average, 50% of its water supply from the Metropolitan Water District (MWD); and

WHEREAS, the City acknowledges the importance of the health of the Delta to the City's water supplies; and

WHEREAS, the City plans to reduce its purchases of imported water by 50% by 2025 and to increase development of local water supply projects, pursuant to the Sustainable City pLAN; and

WHEREAS, the proposed WaterFix plan includes building at a presented cost of nearly \$17 billion, two tunnels that are 35-miles-long and 40-feet-in-diameter to divert a portion of the Sacramento River in a stated attempt to achieve a reliable water supply for California; and

WHEREAS, the WaterFix plan would have significant negative environmental impacts, yet no additional water would be available for the City; and

WHEREAS, the City's ratepayers would be expected to contribute substantially to pay for the WaterFix, but would have little to no control over those costs because MWD charges are automatically passed through to Los Angeles Department of Water and Power (LADWP) customers, including as property taxes controlled by MWD regardless of the City's use of imported water; and

WHEREAS, the State Auditor has warned that the State has not demonstrated that WaterFix is financially feasible, and plans to fund WaterFix have been inconsistent and lacked transparency; and

WHEREAS, the CVP allows its contractors to opt out of funding WaterFix and the Westland Water District, which was expected to contribute more than \$3 billion to the project, recently voted against participation in WaterFix, which dramatically increases the potential cost burden on the City's ratepayers; and

WHEREAS, the current financing proposal allocates 45% of the \$16.7 billion cost of the project to contractors of the Central Valley Project (CVP), despite the vote by the Westlands Water District to reject funding for the project, and other financing gaps for costs assumed to be assigned to CVP contractors; and

WHEREAS, the MWD Board will vote October 10, 2017, whether to pay 26% of the total cost of the project; and

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WHEREAS, the MWD Board will vote October 10 on whether or not to establish two Joint Powers Authorities (JPA), one for the design and construction of the tunnels and one for the financing of the tunnels; and

WHEREAS, if the two Joint Powers Authorities proposed on the October 10 MWD Board agenda were to be approved, the financing of the tunnels would be controlled by a board of directors not accountable to the City's ratepayers; and

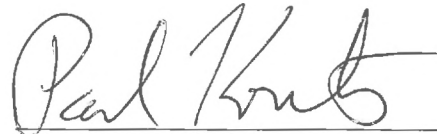
WHEREAS, the City Council adopted on September 26, 2017, a request (CF 17-0930) that MWD provide specific assurances that the City's financial, environmental, and local water principles are protected, including but not limited to that the project cost will be based on either the \$16.7 billion estimate or the amount validated by the Department of Water Resources, whichever is lower; that MWD's participation, if any, shall be capped at 26% of this cost; that any increase in MWD's participation rate above these amounts should be approved by ballot measure; and that any participation by MWD shall be contingent upon the California EcoRestore Initiative being fully funded; and

WHEREAS, the October 10 MWD board report does not meet most of of the City's requests; and

WHEREAS, under the JPAs proposed, the costs of the WaterFix project are subject to higher than projected rate and property tax increases to the ratepayers of the City;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby OPPOSES the Metropolitan Water District Board of Director's consideration of the California WaterFix, because the City's reasonable requests have not been met and a stable, reliable, democratic and transparent cost and financing plan has not been established.

PRESENTED BY:



PAUL KORETZ
Councilmember, 5th District

SECONDED BY:

