



The Metropolitan Water District of Southern California

NEWS RELEASE

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May 18, 2010

METROPOLITAN OPPOSES
PROPOSITION 16 ON JUNE BALLOT
**Initiative would give investor-owned utilities
an advantage over publicly owned utilities**

An initiative on the June 8 ballot that would give investor-owned utilities an advantage over publicly owned utilities in expanding electric facilities and services has been opposed by the board of directors of the Metropolitan Water District of Southern California.

If approved by voters, Proposition 16—"The Taxpayers' Right to Vote Act"—would require local governments to obtain two-thirds voter approval before incurring debt or using public funds to establish or expand electric delivery service.

"The effect of this initiative is to limit the ability of publicly owned utilities to provide expanded electric service compared with investor-owned utilities, which can spend funds to expand facilities and services without voter approval," said Timothy F. Brick, chairman of Metropolitan's board, which at its monthly meeting May 11 voted to oppose Prop. 16.

"The proposed bill would usurp local government autonomy and set a dangerous precedent by mandating a two-thirds voting requirement for public agencies expending funds derived from revenue-supported operations," Brick said. "Prop. 16's proposed voter approval requirement would take away the discretion of local governments to use ratepayer revenues to expand electric service beyond their current boundaries or to enter into the electric service market in the future."

Prop. 16 proposes adding a new section to Article XI of the California Constitution, which grants local government agencies powers to establish and operate utilities for light, water, power, heat, transportation and communications services. The proposed new section would limit the authorization for utilities to provide electric service that is currently granted under Article XI.

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Sponsored by Pacific Gas & Electric Corp., Prop. 16 is opposed by the Association of California Water Agencies, California Municipal Utilities Association, League of California Cities, Sierra Club, California Association of Realtors and cities and counties throughout the state, including Pasadena, Glendale and Riverside.

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The Metropolitan Water District of Southern California is a cooperative of 26 cities and water agencies serving 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.