



May 12, 2015

Mr. Michael Ott
Executive Director
San Diego Local Agency Formation Commission
9335 Hazard Way, Suite 200
San Diego, Ca 92123

Subject: Fallbrook Public Utility District (FPUD) Reorganization Application
Consideration Timeline

Dear Mike,

Over 14 months ago, FPUD submitted an application to the Local Agency Formation Commission (LAFCO) for the dissolution of Rainbow Municipal Water District (RMWD). During this time frame RMWD has taken a number of actions, from a Resolution of Objection approved by the Board of Directors, to responding to various informational requests from LAFCO staff.

It was our understanding that applications to LAFCO are generally resolved in a matter of months, with some applications taking up to a year to process. We are now well beyond that time frame and we would like to receive some information from you about when you expect this matter to be brought to the Commission for their consideration.

The reason for this request is that the presence of an application to dissolve an agency has a number of negative consequences. The fate of RMWD is uncertain and this uncertainty is the root cause of these negative issues, including but not limited to:

- Diversion of RMWD Board and staff time from projects important to our ratepayers to dealing with this hostile takeover attempt
- Loss of senior management staff due to uncertainty about the future
- Inability to recruit replacements at the senior management level due to uncertainty about the future of the agency
- Increased stress and distraction for all RMWD employees due to uncertainty about the prospect for layoffs
- Increased stress on all RMWD employees related to uncomfortable interactions with FPUD staff

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- Additional costs to RMWD ratepayers for consultants to assist with opposition to the application
- Additional legal costs related to responding to LAFCO requests and other matters

We have been told by LAFCO staff that this matter may not reach the Commission until the fall of 2015. We feel that such a delay would only be warranted if there were significant new information to be considered. At this point we are unclear as to why the review should take so long to complete.

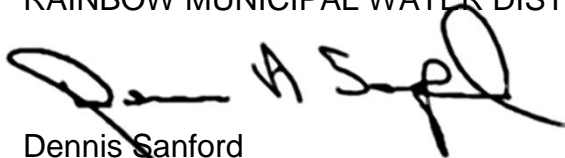
Last month LAFCO gathered information related to the California Voting Rights Act (CVRA). After reviewing the information submitted by both parties, along with information from the Mexican American Legal Defense and Educational Fund (MALDEF), we feel that the CVRA objections highlighted by the RMWD Board of Directors since early 2014 have been validated and should be given "great weight" as provided by statute when considering the application.

In a recent development, the CVRA case in Palmdale is now concluded with the City agreeing to change to district-based elections. As you may recall, the City of Palmdale argued that its charter city status exempted it from the CVRA, but the Court of Appeal agreed that the CVRA trumps the charter city powers. FPUD's argument that the Public Utilities Code prevents them from moving to divisional elections also falls short in the light of this case law.

A recent LA Times article about this settlement is attached to this letter for your reference. I would appreciate it if you could respond with a timeline of when the FPUD application will be considered.

Sincerely,

RAINBOW MUNICIPAL WATER DISTRICT



Dennis Sanford
RMWD Board President

cc: Bill Pellman, Special Counsel
Adriana Ochoa, General Counsel
RMWD Board of Directors

L.A. Now

California: This just in

Palmdale officials settle lawsuit, agree to voting by district

By **JEAN MERL**

MAY 6, 2015, 10:46 PM

Palmdale officials Wednesday night announced that they have agreed to major changes in their elections system, settling a widely watched lawsuit over minority representation and the California Voting Rights Act.

Until now, Palmdale was a lone holdout in a string of lawsuits filed against cities that resisted district voting, which backers say helps minority groups gain elected office.

The city agreed to align its balloting to coincide with state and federal general elections, starting in November 2016. It also agreed to have voters choose elected officials by four geographic districts, including two with Latino majorities, rather than from the city as a whole.

Palmdale also will pay \$4.5 million plus interest to lawyers for the three minority plaintiffs who argued that the city's at-large voting system deprived them of opportunities to elect representatives of their choice.

The current City Council members will continue to serve until the next election, when the balloting for mayor — elected at large every two years — also will be held. Council terms can be staggered after that, according to the agreement.

The settlement represents the end of a three-year court battle and a major victory for voting rights activists.

Most cities, school districts and other jurisdictions targeted under the state's voting rights law have switched rather than wage costly court battles. Santa Barbara and Whittier are among the most recent cities to agree to change from at-large to by-district elections.

Jurisdictions vulnerable to lawsuits under the act generally have significant minority populations but few or no minority elected officials. In Palmdale, minorities make up almost 75% of the population, but candidates of color rarely have won a seat on the City Council.

Advocates of district elections say they are one remedy to the vote dilution that is characteristic of at-large elections and that minorities have a better chance of winning elections from districts made up of a large proportion of their peers. They also say minorities have a better chance of winning when turnout is highest, so they have pushed for local governments to hold their contests to coincide with federal and state elections, held in November of even-numbered years.

Palmdale voters Juan Jaurequi, Jesse Smith and Nigel Holly sued the city under the state's voting rights law in 2012. City officials resisted settling, saying that their residents had voted for at-large elections and asserting that the city had a right to determine how it wanted to conduct its own balloting.

The following year, Los Angeles County Superior Court Judge Mark V. Mooney ruled the city's system of electing council members was illegal and ordered officials to come up with a new system of district elections.

The city lost a series of appeals, held an election that plaintiffs argued was illegal and was awaiting a hearing before a California appellate court, which also is to be resolved in the settlement agreement announced Wednesday.

Kevin I. Shenkman, an attorney for the plaintiffs, said he was “very pleased with the result.”

“Not only will Palmdale have fair and inclusive elections, but other cities will look to Palmdale as an example of what happens if they refuse to comply with the California Voting Rights Act,” Shenkman said.

Palmdale's elected officials continued to blast the lawsuit even as they approved the settlement.

Councilman Fred Thompson, an African American, said his 2013 election proved the lawsuit was “both unnecessary and disingenuous.”

Mayor Pro Tem Mike Dispensa called on the state Legislature to make changes in the voting rights law.

“This lawsuit has never been about race or voting rights,” Mayor Jim Ledford said, adding it “always has been about money and politics.” Ledford produced a list of 25 voting rights cases across California that he said have cost taxpayers more than \$13.8 million.

But R. Rex Parris, another plaintiffs' attorney and mayor of neighboring Lancaster, said Palmdale officials had no one but themselves to blame for the costly legal battle.

“While we were never in doubt about our legal position, I am deeply disappointed that Palmdale City Council spent millions of ... precious tax dollars fighting to keep a system that violated the law

of California and amounted to electoral discrimination,” Parris said.

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UPDATED

10:46 p.m.: This post was updated to reflect the city's decision to move to by-district voting.

This post was originally published at 5:23 p.m.
