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September 10, 2020

Chair Dianne Jacob
San Diego County Local Agency Formation Commission
9335 Hazard Way, Suite 200
San Diego, CA 92123

RE: Fallbrook – Rainbow Water Detachment

Dear Chair Jacob,

On behalf of the Olivenhain Municipal Water District (OMWD), I am writing to express our agency's support for the currently underway comprehensive evaluation of the detachments of Fallbrook Public Utilities District (FPUD) and the Rainbow Municipal Water District (Rainbow) from the San Diego County Water Authority (SDCWA).

OMWD is a member agency of the SDCWA and our General Manager serves on both the Special Districts Advisory Committee (SDAC) for the San Diego Local Agency Formation Commission (SDLAFCO) and the Advisory Committee for the FPUD/Rainbow Detachment. As such, OMWD has a first-hand appreciation for the deliberation and thoughtfulness given to this detachment by SDLAFCO to date and supports your continued efforts to evaluate and study the impacts of both of the detachment proposals not only on the respective applicant agencies, but also on the retail water agencies that comprise the SDCWA.

OMWD supports the Advisory Committee's current consensus that independent consultants be retained by SDLAFCO to analyze the following three topics:

1. **Water Supply Reliability:** Reviewing the source, availability, and reliability of the SDCWA and the Eastern Municipal Water District.
2. **Ratepayer Impacts:** Reviewing the potential rate savings to the FPUD and Rainbow customers versus the potential impacts to the remaining retail water agencies that comprise the SDCWA.
3. **Potential Departure Fees:** What should the financial "true-ups" be for the departing agencies and should there be SDLAFCO conditions to make the member agencies of the SDCWA whole if the detachment moves forward.



OMWD supports the detailed analysis of the aforementioned topics by an independent consultant who is familiar in water supply, water resources, and financial analysis. The potential detachments of these two water agencies will have lasting financial impacts to the remaining retail water agencies that comprise the SDCWA and analyzing those impacts now and developing a fair and equitable "true-up" for FPUD and Rainbow is a key important step prior to the detachment process moving forward. Thank you for your careful and thoughtful deliberation in this process.

Thank you for consideration of our comments.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Ed Sprague". The signature is fluid and cursive, with a large initial "E" and "S".

Ed Sprague
Board President
Olivenhain Municipal Water District

cc. OMWD Board of Directors
OMWD General Manager
OMWD General Counsel
SDLFACO Executive Director