

February 4, 2022

MEMBER AGENCIES

Carlsbad
Municipal Water District

City of Del Mar

City of Escondido

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City of Oceanside

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City of San Diego

Fallbrook
Public Utility District

Helix Water District

Lakeside Water District

Olivenhain
Municipal Water District

Otay Water District

Padre Dam
Municipal Water District

Camp Pendleton
Marine Corps Base

Rainbow
Municipal Water District

Ramona
Municipal Water District

Rincon del Diablo
Municipal Water District

San Dieguito Water District

Santa Fe Irrigation District

South Bay Irrigation District

Vallecitos Water District

Valley Center
Municipal Water District

Vista Irrigation District

Yuima
Municipal Water District

**OTHER
REPRESENTATIVE**

County of San Diego

VIA E-MAIL

Keene Simonds, Executive Officer
San Diego LAFCO
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

RE: February 7, 2022 - Commission Regular Meeting Agenda Item 6a: Final Report
for the Municipal Service Review on the Fallbrook Region

Dear Mr. Simonds:

The San Diego County Water Authority writes regarding the Draft Municipal Service Review ("MSR") for the Fallbrook Region, which is scheduled for initial consideration at the February 7, 2022, Commission meeting.

We understand that you confirmed with our counsel Claire Collins today that staff will recommend that the Commission table this item for at least one month, thus allowing the findings of LAFCO's independent consultant Dr. Michael Hanemann to be incorporated, and allowing the Detachment Advisory Committee to have the opportunity to review, deliberate, and comment on the MSR as well. We concur with this staff recommendation.

As you are aware, San Diego LAFCO is currently processing the applications of Rainbow Municipal Water District ("Rainbow") and Fallbrook Public Utility District ("Fallbrook") to detach from the Water Authority and join Riverside County's Eastern Municipal Water District ("Eastern") for the purpose of wholesale water supply. In connection with that proceeding, LAFCO established an Advisory Committee which, among other things, is reviewing the LAFCO Hanemann report related to water supply reliability and financial impacts to Rainbow and Fallbrook related to the proposed detachment.

Originally, the LAFCO Hanemann report was to be delivered in December 2021, which aligned with the review period for the MSR and would be discussed by the Advisory Committee in January. However, the LAFCO Hanemann report was ultimately not delivered until Friday, January 14, 2022, and the Advisory Committee meeting scheduled for January was cancelled and postponed until February 17, 2022.

In order to allow the Advisory Committee time to review and deliberate on the MSR at their upcoming February 17th meeting, especially in connection with the recently-released LAFCO Hanemann report, staff's recommendation that the Commission table this item until its March meeting will allow the time for comments to be extended by one month.

Mr. Keene Simonds

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We recommend that in the interim the findings included in the LAFCO Hanemann report be incorporated, where appropriate, into the MSR. There are at least four issues in the LAFCO Hanemann report that are relevant to the MSR and should be integrated into that analysis:

- Risk of higher prices and lower reliability of water supplies in the event of a detachment
- Potential impact of those changes on economic growth and residential development in the Fallbrook/Rainbow region
- Potential impact of less reliable water supplies for fire response
- Reasons for the loss of agricultural acreage in the region

The Water Authority has substantive comments on the MSR that it intends to discuss with the Advisory Committee prior to formal submission to LAFCO. Many of those comments arise out of the recently-released LAFCO Hanemann report, and we believe that providing additional time for the stakeholders to review that report in connection with the MSR would be beneficial to the Commission's complete understanding of the local conditions.

I intend to appear at the Commission meeting on Monday and would be happy to answer any questions from the Commission.

Sincerely,



Sandra L. Kerl
General Manager