



March 3, 2022

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

VIA EMAIL

Subject: SDCWA Comment Letter on North County MSR

Dear Keene:

While I feel that continuing the ongoing back and forth letter writing campaign that is being sustained by SDCWA legal counsel and staff is not helpful to the process, the contents of the most recent document sent to LAFCO regarding the North County MSRs compelled me to provide this brief response. It is clear that SDCWA is merely attempting to subvert the normal MSR process and conflate the detachment application process with the MSR process. In addition, the topics in the letter could have been sent to LAFCO during the normal comment process. The MSR process is in no way tied to the Hanneman report and it is clear that SDCWA just waited to comment to drag out the MSR approval process. These are separate and normal functions of LAFCO and should be handled that way. In this letter I will address some of SDCWA's confusion over the topics listed in its letter

### **Population Estimate**

During the preparation of the MSR, Rainbow MWD had just completed the analysis of the 2020 census data for our District. These numbers were provided to LAFCO and represent the best actual enumeration of the population of the District at the time of the MSR. Why SDCWA is focused on SANDAG is unclear to me as the actual enumeration of population by the Census process is more accurate than any SANDAG projection.

### **Ag Impacts**

SDCWA goes to great lengths here to somehow conclude that agricultural production is not under severe stress in our region. LAFCO is just presenting the data on the loss of avocado acreage in our service area. The data is the data. The single biggest cost for avocado production is the cost of water and while SDCWA uses a blog from one of FPUD's directors to try and understate the impact of water costs on loss of avocados – the data again is clear. SDCWA cherry picks excerpts from other reports in order to produce a false conclusion here. Come up to our region and look around

at all the dead groves – the decline of ag (especially avocado) is clear for anyone who wishes to see it. These groves have not been replaced by housing or taken out of production for planned development. The economics of the avocado operations become increasingly financially unviable, mainly due to water costs. The fact that SDCWA does not understand the impact of water costs on agriculture is one of the main reasons we need to switch to a more cost effective water wholesaler in EMWD.

### **Consolidation**

Again, SDCWA somehow feels that LAFCO must again revisit a concept that the Commission itself rejected nearly 7 years ago. Why SDCWA feels that this needs to be revisited is a mystery. Perhaps SDCWA should focus its attention internally to its own issues rather than worry about consolidation in our region. FPUD and RMWD could choose to explore consolidation in the future if they thought it could lead to additional savings, but it does not eliminate the immediate savings the Districts would realize by purchasing water through EMWD instead of SDCWA.

### **Growth**

Growth in our regions will be dictated by the County planning process which, as any observer who pays attention to land use planning for unincorporated areas will tell you, will likely not place any significant development in our region due to the rules surrounding Vehicle Miles Traveled (VMT) and other land use policies. I informed LAFCO staff, during the regular comment process, that I disagreed with the growth projections from SANDAG for our region. Time will tell, of course, but with recent history as a guide, significant new development in this region will be very limited.

### **Financial Stress**

The three significant districts covered by the MSR (FPUD, RMWD and NCFPD) all commented on some aspects in the way the LAFCO financial metrics may not provide a clear assessment of financial conditions. This topic was also discussed at the LAFCO Special District Advisory Committee, which recommended having some review and evaluation of the financial metrics with outside experts for use in future MSRs. The general picture painted by the MSR is accurate that the cost of water has been increasing substantially and this puts financial stress on the agencies. This is exactly why FPUD and RMWD have undertaken their detachment efforts. Even with these challenges, all three agencies are in sound financial condition.

### **Reorganizations are on the minds of locals**

Yes, our communities are very focused on controlling water costs and are concerned about the current cost/benefits ratio associated with being part of SDCWA. As noted above, the reorganization proposals are separate from the MSR process and LAFCO can always do an amendment if necessary.

**SGMA**

SDCWA has developed a whole new line of questions now on SGMA but fails to recognize that neither RMWD nor FPUD have outstanding compliance requirements under this statute. FPUD has a groundwater project, but it is already part of a long established, federally adjudicated basin managed by a court appointed Watermaster that exceeds the requirements of SGMA. RMWD has no groundwater resources nor any discharges. The fact that SDCWA even brings up TMDL designations for the Rainbow Creek area displays its complete lack of understanding of not only our Districts operations but the application of law in this regard.

**Growth and SDCWA Voting Rights at MWD**

SDCWA somehow thinks that growth rates in our region will somehow surpass the rates of growth in other parts of San Diego County or even Riverside County and that somehow this will significantly impact SDCWA voting rights at MWD. First, voting rights at MWD are based on assessed valuation which, the last time we checked, is owned by the property owners in our region, not SDCWA, and only represents 0.2% of the MWD voting entitlement. The CWA Act gives the voters in our region the choice as to who represents them at MWD – not SDCWA. Second, the tiny percentage of the overall MWD vote will change each year as assessed valuations in the whole of Southern California changes. To think that somehow there will be a level of growth in our region that will so greatly surpass that of the seven counties in the MWD service area is fanciful and downright misleading. If you were to project the expected growth of other areas (including Riverside County) as compared to Fallbrook or Rainbow you would see that the 0.2% associated with Fallbrook and Rainbow will be overshadowed by the relative growth rate of other areas in MWD's service area – including the remaining service area of SDCWA.

The remaining comments by SDCWA are irrelevant and do not warrant a specific response. We encourage LAFCO to proceed with the approval of the MSRs and rapidly bring the processing of the detachment applications to conclusion.

Sincerely,

RAINBOW MUNICIPAL WATER DISTRICT

  
Tom Kennedy  
General Manager