



THE CITY OF SAN DIEGO

TODD GLORIA

MAYOR

November 30, 2022

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

RE: Proposed Reorganizations of Fallbrook Public Utilities District and Rainbow Municipal Water District

Dear Executive Officer Simonds and Members of the LAFCO Commission:

Since March of 2020, the City of San Diego has monitored and been engaged in San Diego County LAFCO's review of the proposals from the Fallbrook Public Utilities District (FPUD) and Rainbow Municipal Water District (RMWD) to detach from the San Diego County Water Authority (Water Authority). The City has been part of the 10-member Ad-Hoc Committee and has reviewed the correspondence and reports associated with the Ad-Hoc Committee's work. This includes the Hanemann report and municipal service reviews of FPUD, RMWD, and Eastern Municipal Water District. The City has also met with FPUD and RMWD as well as the Water Authority at various points throughout the LAFCO review process and is in receipt of the prospectus and tentative conclusions by LAFCO staff.

It is clear to the City that the detachment of FPUD and RMWD from the Water Authority will result in impacts to all water agencies and ratepayers in San Diego County. This is noted several times throughout LAFCO's prospectus and tentative conclusions. Notably, LAFCO staff acknowledges that ratepayers of Water Authority member agencies will see cost increases should detachment be approved. The City also believes the impacts of detachment have the potential to not just exist in the short-term, but long-term, and could create uncertainty for years in the region. An example is the proportional change in voting rights for San Diego County at the Metropolitan Water District of Southern California (MWD) should detachment be approved, which LAFCO staff also acknowledges in its tentative conclusions (the City notes, however, that LAFCO staff's possible solution is likely not legal under state law). This would mean San Diego County would have less voting power at MWD should detachment be approved.

It is with this in mind that, while the City respects the spirit and perspective in which both FPUD and RMWD seek to detach from the Water Authority, the City cannot support their detachment. Put simply, we do not believe it is the appropriate solution to the challenges presented by both agencies.

Throughout the process of considering the proposed detachment, and with the acknowledgement that the development of local supplies are underway in several jurisdictions (including the City's Pure Water program), the City recognizes that important issues have arisen concerning the Water Authority's long-term planning, procurement of water, and service delivery system, which the City believes warrant further discussions amongst the Water Authority's Board of Directors specifically as it pertains to equitable and cost-effective distribution to each of its member agencies and their ratepayers. It is our hope that this process will serve as a catalyst for further discussions on these issues, and the City makes itself available to work in partnership with the Authority and its member agencies in this endeavor.

We appreciate the opportunity to provide feedback and our position on the proposed detachment of FPUD and RMWD. Should you have any questions, please contact my Deputy Chief of Staff, Nick Serrano, at (619) 533-6516 or NSSerrano@sandiego.gov.

Sincerely,



TODD GLORIA

Mayor

City of San Diego

CC:

San Diego City Council

Adam Wilson, Moderator, San Diego County LAFCO

Mel Katz, Chair, San Diego County Water Authority

Sandra Kerl, General Manager, San Diego County Water Authority

David Edwards, General Counsel, San Diego County Water Authority

Tom Kennedy, General Manager, Rainbow Municipal Water District

Jack BeBee, General Manager, Fallbrook Public Utility District