



June 5, 2023

Local Agency Formation Commission (LAFCO), San Diego
Chair Jim Desmond

Re: June 5, 2023 LAFCO meeting

Agenda Item No. 6a: Proposed “Rainbow Municipal Water District and Fallbrook Public Utility District Reorganizations: Wholesale Water Services” | Concurrent Annexations to Eastern Municipal Water District and Detachments from San Diego County Water Authority with Related Actions (RO20-05 & RO20-04)

Sent via email to erica.sellen@sdcounty.ca.gov

Honorable Chair Desmond and Commissioners:

The California Avocado Commission (Commission) is established in state law and authorized to represent California’s 3,000 commercial growers who produce avocados on about 50,000 acres. California produces 90% of total U.S. avocado production and 100% of domestic Hass production, with an average annual farmgate value of more than \$400 million.

One out of five California avocado growers farm within the Rainbow Municipal Water District and Fallbrook Public Utility District. In these two districts, approximately 600 growers produce about ten percent of the state’s crop on about 5,300 acres.

For these growers, water is the highest input cost and continues to increase year-after-year. In addition, they have experienced tremendous cost increases in other areas including labor, fertilizer, and energy. All this while increasing avocado imports continue to put downward pressure on revenue.

California avocados are a highly nutritious and healthy fruit, grown locally for local consumers. The avocado groves sequester carbon, provide open green space, and serve as a hedge against urban sprawl and wildfires, all of which help to mitigate climate change. While our growers provide these environmental benefits, they also provide local jobs and generate local taxes.

If our growers are unable to pay their bills, the inevitable is obvious. When they go out of business the environmental and socio-economic benefits they provide will disappear, as well.

Currently, agricultural customers account for 60-65% of Rainbow’s total water sales and 30% of Fallbrook’s. Unfortunately, over the past few years, some growers have been forced to turn off their water, resulting in abandoned groves and eventual urban development. Many remaining growers are in peril. A stabilization in water rates will provide much needed relief.

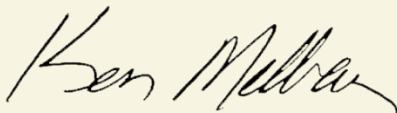
Accordingly, the Commission strongly supports LAFCO's Option One:

"Approve both reorganization proposals as submitted (no modifications) with standard conditions. No exit fees would apply given deference to the County Water Authority principal act and its silence on the topic. Approval is prefaced on prioritizing the standalone merits of the proposals and its local benefits – including direct support to agriculture in North County. Approval includes exemption findings under CEQA and subject to confirmation by registered voters within the affected territory." (LAFCO June 5, 2023 meeting; LAFCO staff 6a Agenda Report, Public Hearing: www.sdlafco.org/home/showpublisheddocument/6896/638211259312070000)

The Commission remains hopeful this process will be completed in accordance with existing law and in a timely manner. The Commission will oppose any legislative effort that attempts to circumvent the will of our growers.

Thank you for your thoughtful consideration of the foregoing.

Respectfully submitted,



Ken Melban
Vice President, Industry Affairs & Operations

Cc: Rob Grether, Chair
Jeff Oberman, President
Michael Perricone, District #1 Board Member
Jessica Hunter, District #1 Board Member
Ohannes Karaoghlanian, District #2 Board Member
John Cornell, District #2 Board Member
Robert Jackson, District #1 Board Alternate
Charley Wolk, District #2 Board Alternate