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RECORDING REQUESTED BY:
San Diego County
Local Agency Formation Commission (LAFCO)

Nov 05, 2024 02:02 PM
OFFICIAL RECORDS
JORDAN Z. MARKS,
SAN DIEGO COUNTY RECORDER
FEES: \$0.00 (SB2 Atkins: \$0.00)

PAGES: 15

AND WHEN RECORDED MAIL TO:
San Diego LAFCO
2250 Fifth Avenue, Suite 725
San Diego, California 92103
MS: O216

CERTIFICATE OF COMPLETION

“Rainbow Municipal Water District Reorganization: Wholesale Water Services”
Concurrent Annexation to Eastern Municipal Water District and Detachment
From San Diego County Water Authority with Related Actions
LAFCO File No. RO20-04

SAN DIEGO COUNTY
Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, California 92103

CERTIFICATE OF COMPLETION
“Rainbow Municipal Water District Reorganization: Wholesale Water Services”
LAFCO File No. RO20-04

Pursuant to Government Code Sections 57200 and 57201, this Certificate is hereby issued with an effective date of November 1, 2024.

The name of each subject agency included in this reorganization and associated action follows:

Subject Agency	Jurisdictional Change
Eastern Municipal Water District	Annexation
San Diego County Water Authority	Detachment

A certified copy of the resolution ordering this reorganization without an election is attached and by reference incorporated herein. This includes a map and geographic description of the affected territory. All terms and conditions referenced in the ordering resolution have been satisfied.

I hereby certify I have examined the above-cited resolution order of the reorganization and have found the document be fully in compliance with the Commission’s actions taken on July 10, 2023.

I further certify a master property tax exchange agreement pertinent to the jurisdictional changes is on file.

Attest,



Keene Simonds
Executive Officer

Date: November 1, 2024

RESOLUTION NO. 2023-15

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

**ORDERING “RAINBOW MUNICIPAL WATER DISTRICT REORGANIZATION:
WHOLESALE WATER SERVICES” TO PROCEED SUBJECT TO REMAINING TERMS”
CONCURRENT ANNEXATION TO EASTERN MUNICIPAL WATER DISTRICT AND DETACHMENT
FROM SAN DIEGO COUNTY WATER AUTHORITY WITH RELATED ACTIONS
LAFCO FILE NO. RO20-04**

WHEREAS, the Rainbow Municipal Water District (MWD) filed a resolution of application on March 18, 2020 with the San Diego County Local Agency Formation Commission (Commission) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the reorganization proposal filed by the Rainbow MWD was assigned a file number of RO20-04; and

WHEREAS, application seeks approval to reorganize and transfer wholesale water service responsibilities within Rainbow MWD’s jurisdictional boundary – totaling approximately 50,857 acres – from the San Diego County Water Authority (CWA) to Eastern Municipal Water District (MWD); and

WHEREAS, the Commission adopted a resolution to conditionally approve the reorganization without modifications at a noticed public hearing held on July 10, 2023 in a manner provided under law; and

WHEREAS, the Commission’s conditional approval of the reorganization on July 10, 2023 included conforming sphere of influence amendments to the San Diego CWA and Eastern MWD and - subject to the outcome of a protest hearing specific to the annexation of the affected territory to Eastern MWD;

WHEREAS, the Commission provided landowners and registered voters with notice of the protest hearing specific to the annexation of the affected territory to Eastern MWD in a manner provided under law;

WHEREAS, the Commission through the delegation to its Executive Officer opened the submittal period for the protest hearing on July 28, 2023;

WHEREAS, the protest hearing submittal period remained open through the close of the noticed protest hearing date held on August 18, 2023; and

WHEREAS, at the close of the protest hearing held on August 18, 2023, no written objections were filed by either landowners and/or registered voters.

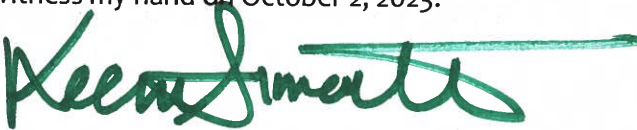
NOW THEREFORE, BE IT RESOLVED, the Commission hereby finds, determines, and orders the following:

1. The August 18, 2023 protest hearing held on the reorganization specific to the annexation of the affected territory to Eastern MWD yielded no written objections or protest from landowners or registered voters.
2. The Commission certifies the results of the protest proceedings as detailed in Paragraph 1 above, and under Government Code Section 57077.4(a), the Commission orders the reorganization without an election specific to the annexation of the affected territory to Eastern MWD subject to the completion of all remaining approval terms.
3. As allowed under Government Code 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

**STATE OF CALIFORNIA |
COUNTY OF SAN DIEGO**

I, KEENE SIMONDS, Executive Officer of the Local Agency Formation Commission of the County of San Diego do hereby certify the foregoing ordering resolution is true and correct, and as provided under Government Code 57000(c) is approved with my signature.

Witness my hand on October 2, 2023.



Keene Simonds
Executive Officer
San Diego County Local Agency Formation Commission

RESOLUTION NO. 2023-12

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

MAKING DETERMINATIONS AND APPROVING A REORGANIZATION

**“RAINBOW MUNICIPAL WATER DISTRICT REORGANIZATION:
WHOLESALE WATER SERVICES”**

**CONCURRENT ANNEXATION TO EASTERN MUNICIPAL WATER DISTRICT AND DETACHMENT
FROM SAN DIEGO COUNTY WATER AUTHORITY WITH RELATED ACTIONS
LAFCO FILE NO. RO20-04**

WHEREAS, on March 18, 2020 and March 19, 2020, the Rainbow Municipal Water District (MWD) and Fallbrook Public Utility District (PUD), respectively, filed a resolution of application to initiate proceedings with the San Diego County Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, on April 28, 2020 the Executive Officer administratively combined the proposals for hearing purposes (Combined Proposals); and

WHEREAS, each application seeks approval to reorganize and transfer wholesale water service responsibilities within each applicant’s jurisdictional boundaries – totaling approximately 79,050 acres – from the San Diego County Water Authority (CWA) to Eastern Municipal Water District (MWD); and

WHEREAS, of that total acreage, the jurisdictional boundary of Rainbow MWD totals approximately 50,857 acres; and

WHEREAS, the Combined Proposals necessitate concurrent annexations to Eastern MWD and detachments from San Diego CWA with conforming sphere of influence amendments to accommodate the jurisdictional changes; and

WHEREAS, on October 24, 2019, pursuant to Government Code Section 56124, San Diego LAFCO entered into a memorandum of understanding (MOU) with Riverside LAFCO. The MOU delegates to San Diego LAFCO the responsibility to process the Combined Proposals and prepare related analyses – including, but not limited to – a municipal service review on Eastern MWD to inform a conforming sphere of influence action; and

WHEREAS, on April 2, 2020, pursuant to Government Code Section 56127, CWA applied for “non-district” status for purposes of Part 4 (conducting authority proceedings) of CKH as it relates to the Combined Proposals; and

WHEREAS, on May 4, 2020, pursuant to Government Code Section 56128, San Diego LAFCO determined CWA is not a district or special district for purposes of Part 4 (conducting

authority proceedings) of CKH as it relates to the Combined Proposals, resulting in protest and election proceedings taking place under CWA's principal act should the Commission approve Fallbrook PUD and/or Rainbow MWD's reorganization proposals; and

WHEREAS, on June 1, 2020, San Diego LAFCO approved the establishment of an advisory committee to directly assist the Executive Officer in the administrative review of the Combined Proposals; and

WHEREAS, on February 7 & March 7, 2022, San Diego LAFCO received and approved a final report on a scheduled municipal service review on the Fallbrook region and the local agencies operating therein subject to the Commission's oversight – including Fallbrook PUD and Rainbow MWD; and

WHEREAS, an applicable master property tax transfer agreement, dated December 2, 1982, applies to the Combined Proposals; and

WHEREAS, the Commission's Executive Officer has reviewed the combined proposals and prepared a report with recommendations; and

WHEREAS, the Executive Officer's report and recommendations on the combined proposals have been presented to the Commission in the manner provided by law; and

WHEREAS, staff published an advertisement notice of public hearing regarding combined proposals in the San Diego Tribune and Village News on April 24th and May 4th, respectively; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a noticed public meeting on the combined proposals on June 5, 2023 and July 10, 2023; and

WHEREAS, the Commission considered all the factors required by law under Government Code Sections 56425, subdivision (a), and 56668 and adopted local policies and procedures.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. The Recitals above are incorporated herein by reference.
2. At the hearing, the Commission called for, heard, and considered all public comments by interested parties and read and considered the Executive Officer's report.
3. The Commission serves as responsible and lead agency under the California Environmental Quality Act (CEQA) in considering the two distinct "projects" associated with the proposed reorganization and as detailed in the Executive Officer's report: (a) reorganization and (b) the related conforming sphere of influence action. The Commission's findings follow.

- a) Rainbow MWD's initiating action involving the reorganization proposal positions it to serve as lead agency in assessing the potential impacts - and specifically the annexation to Eastern MWD and detachment from County Water Authority - under CEQA. In their role as lead agency, Rainbow MWD has made findings that the proposal qualifies as a project but is exempt from further review under State CEQA Guidelines Section 15320. The Commission independently concurs this exemption appropriately applies given the underlying action involves the transfer of existing municipal service functions within the same area with no additional powers or expansions therein.
 - b) San Diego County LAFCO serves as lead agency under CEQA for the conforming sphere of influence actions associated with accommodating the reorganization. The Commission finds these actions - and specifically establishing a sphere for Eastern MWD covering its wholesale function to include the affected territory and concurrently removing these lands from the County Water Authority sphere - collectively qualify as a project under CEQA but exempt from further review under State Guidelines 15061(b)(3). This exemption appropriately applies given it can be seen with certainty that spheres are planning policies and any associated actions (establishment, update, or amendment) in and of itself does not change the environment or authorize any new uses or services.
4. The Commission CONDITIONALLY APPROVES concurrent actions to establish a sphere of influence for Eastern MWD to include all of the affected territory and amend the sphere of influence for County Water Authority to remove all of the affected territory and does so by making the determinative statements covering the factors under Government Code Section 56425 provided in the Executive Officer's report.
 - a) Approval of the sphere of influence actions as described are contingent upon the approval and related issuance of a Certificate of Completion.
 5. The Commission CONDITIONALLY APPROVES the reorganization without modifications and subject to conditions as provided. Approval involves all of the following.
 - a) Annexation of the affected territory to the Eastern MWD as shown in "Exhibit A-1" and described in "Exhibit A-2" and specific and limited to providing wholesale water class.
 - b) Detachment of the affected territory from the San Diego CWA as shown in "Exhibit A-1" and described in "Exhibit A-2."
 6. The Commission CONDITIONS all approvals on the following terms being satisfied by July 10, 2024 unless an extension is requested in writing and approved by the Executive Officer:

- a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.
 - b) Completion of applicable conducting authority proceedings specific to the portion of the reorganization involving annexation of the affected territory to Eastern MWD.
 - c) Submittal to the Commission of final map and geographic description of the affected territory as approved by the Commission conforming to the requirements of the State Board of Equalization – Tax Services Division.
 - d) Submittal to the Commission of the following payments:
 - A check made payable to LAFCO in the amount of \$100.00 for the County of San Diego-Clerk Recorder to reimburse for filing a CEQA Notices of Determination for the Sphere of Influence update and the reorganization consistent with the findings in the resolution.
 - A check made payable to the State Board of Equalization for processing fees in the amount of \$300.00.
 - A check made payable to San Diego LAFCO in the amount of \$1,439.96 to reimburse one-half of the cost of the public hearing notice published in the San Diego Union Tribune.
 - A check made payable to San Diego LAFCO in the amount of \$400 to reimburse one-half of the cost of the public hearing notice published in the Village News.
 - e) Within 30 days of the adoption of this Resolution, the execution of an obligation to indemnify and hold harmless, to the fullest extent permitted by law, the Commission, including its officers, agents, employees and volunteers, from and against any and all claims, losses, costs and expenses for any damage or injury arising out of or in connection with the reorganization, and, upon the Commission's request, the deposit of funds for the defense of the Commission. Such costs and expenses shall include reasonable attorneys' fees due to counsel of Commission's choice, expert fees and all other expenses of litigation.
 - f) Pursuant to Government Code Section 56886, subdivision (v), the Commission imposes an exit fee of \$15,798,250.00 to be paid by Rainbow MWD to CWA in five annual installments of \$3,159,650.00. The first payment shall be made to CWA within 30 days of the certification of the election results described below if a majority of the electorate votes in support of Rainbow's proposal.
7. The four remaining annual installments of \$3,159,650.00 for the exit fee described in 6.e above shall each be paid to CWA on the successive yearly anniversaries of the initial payment until completed.

8. The Commission assigns the proposal the following short-term designation:

“Rainbow MWD Reorganization: Wholesale Water Services”

9. The affected territory as designated by the Commission is inhabited as defined in Government Code Section 56046.
10. The Commission delegates to the Executive Officer the performance of all conducting authority proceeding requirements under Government Code Section 57000 for purposes of the Eastern MWD annexation.
11. Pursuant to Water Code Appendix Section 45-11, subdivision (a)(2), the Board of Directors of Rainbow MWD shall submit to its electors at the next available general or special election the proposition of detaching from CWA. The provisions of the County Water Authority Act regarding such elections in effect at the time the Executive Officer issued the Certificate of Filing for the proposal shall govern such election.
12. In the above-referenced election, the voters shall approve the proposition of detaching from CWA.
13. The Eastern MWD is a registered-voter district.
14. The Eastern MWD utilizes the County of Riverside assessment roll.
15. The affected territory will be liable for any existing bonds, contracts, and/or obligations of the Eastern MWD as provided under Government Section 57328, and will be subject to any previously authorized taxes, benefit assessments, fees, or charges of Eastern MWD provided under Government Code Section 57330, which Eastern MWD shall be authorized to assess, levy, and/or collect within its boundaries.
16. Pursuant to Government Code section 57202, the effective date of the approval shall occur only after all terms set forth in Number 6 above have been completed as attested by the Executive Officer.
 - a) The Executive Officer attests the effective date of November 1, 2024.
17. As allowed under Government Code Section 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defects, errors, irregularities, or omissions.
18. Under Government Code Sections 56880-56882, the Executive Officer is hereby authorized and directed to mail copies of this Resolution.

19. The Executive Officer is further authorized and directed to prepare, execute, and record a Certificate of Completion, make the required filings with the County Assessor, County Auditor, and the State Board of Equalization as required by Section 57200, et seq., of the Government Code.

**

PASSED AND ADOPTED by the Commission on July 10, 2023 by the following vote:

AYES: Desmond, Drake (voting), Willis, White, and Vanderlaan

NOES: Anderson, Becker, and Whitburn

ABSENT: Mackenzie

ABSTAIN: None

**

**STATE OF CALIFORNIA |
COUNTY OF SAN DIEGO**

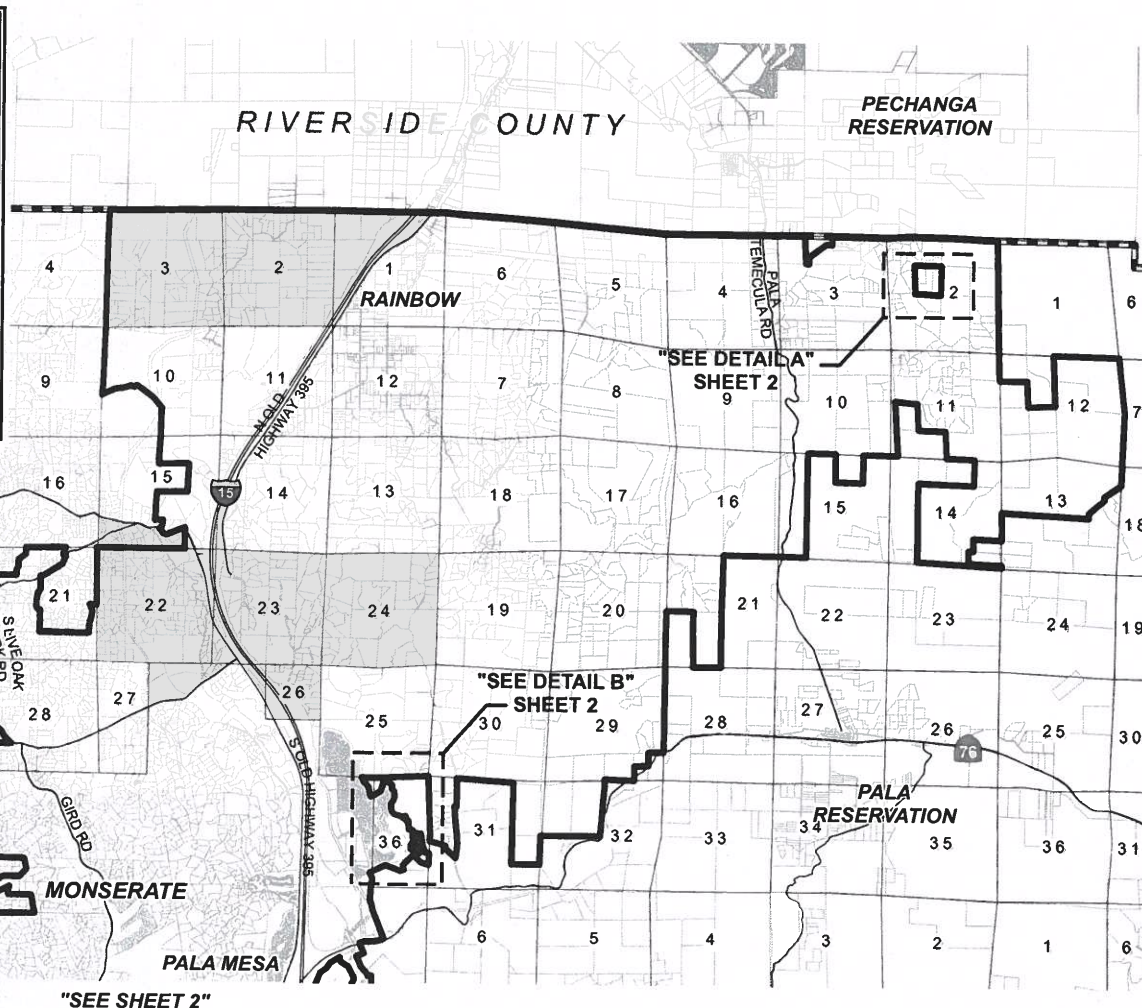
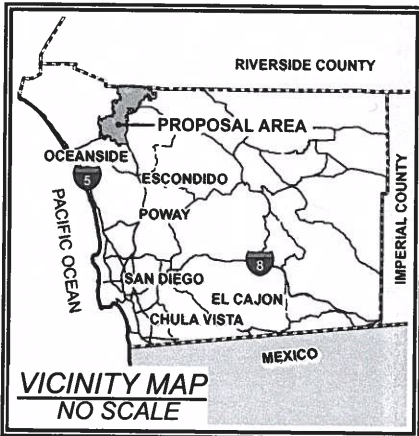
I, KEENE SIMONDS, Executive Officer of the Local Agency Formation Commission of the County of San Diego, State of California, hereby certify that I have compared the foregoing copy with the original resolution adopted by said Commission at its regular meeting on July 10, 2023, which original resolution is now on file in my office; and that same contains a full, true, and correct transcript therefrom and of the whole thereof.

Witness my hand this 1st day of November 2024.



Keene Simonds
Executive Officer
San Diego County Local Agency Formation Commission

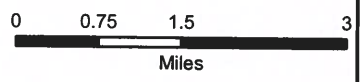
EXHIBIT A-1
MAP OF THE AFFECTED TERRITORY



LEGEND

RAINBOW MUNICIPAL WATER DISTRICT

CONTAINING APPROX.
51,356 ACRES
MORE OR LESS



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"RAINBOW MUNICIPAL WATER DISTRICT REORGANIZATION: WHOLESALE WATER SERVICES"
CONCURRENT ANNEX. TO EASTERN MUNICIPAL WATER DISTRICT AND DETACH. FROM SAN DIEGO COUNTY WATER AUTHORITY
LAFCO REFERENCE NO.: RO20-04

COUNTY OF SAN DIEGO
Assessor/Recorder/County Clerk
Assessor's Mapping Division

AREA: 51,356 ACRES

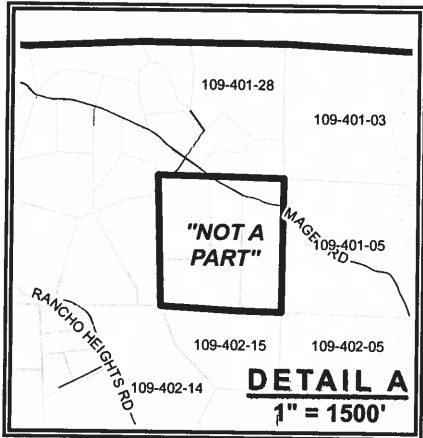
DATE: 9/16/2023

APN: VARIOUS

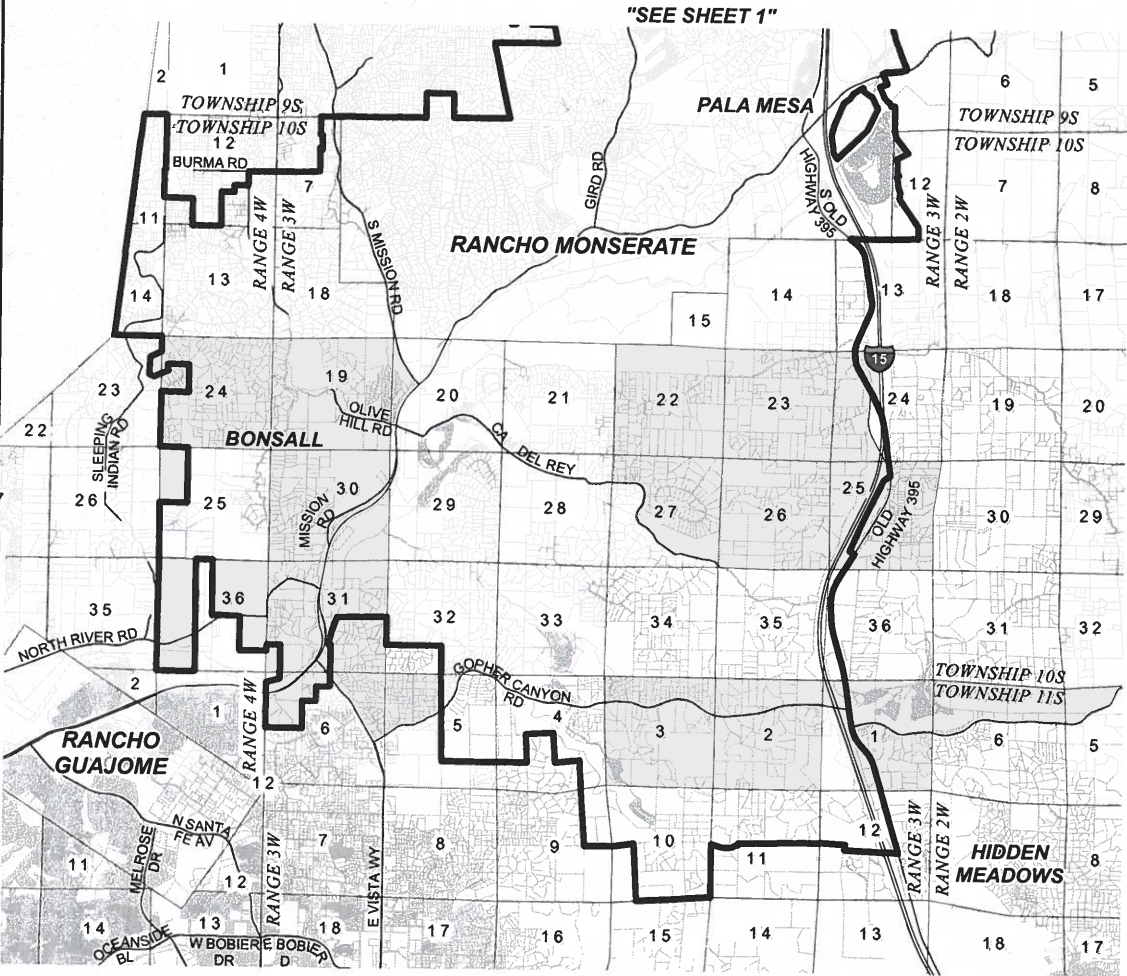
DRAWN BY: J. DELAROSA

SCALE: 1" = 3 MILES

SHEET: 1 OF 2



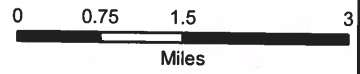
RANCHO SANTA MARGARITA Y LAS FLORES



LEGEND

RAINBOW MUNICIPAL WATER DISTRICT

CONTAINING APPROX. 51,356 ACRES MORE OR LESS



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"RAINBOW MUNICIPAL WATER DISTRICT REORGANIZATION: WHOLESALE WATER SERVICES" CONCURRENT ANNEX. TO EASTERN MUNICIPAL WATER DISTRICT AND DETACH. FROM SAN DIEGO COUNTY WATER AUTHORITY
LAFCO REFERENCE NO.: RO20-04

COUNTY OF SAN DIEGO
Assessor/Recorder/County Clerk
Assessor's Mapping Division

AREA: 51,356 ACRES

DATE: 9/16/2023

APN: VARIOUS

DRAWN BY: J. DELAROSA

SCALE: 1" = 3 MILES

SHEET: 2 OF 2

EXHIBIT A-2
GEOGRAPHIC DESCRIPTION OF THE AFFECTED TERRITORY

GEOGRAPHIC DESCRIPTION

**“RAINBOW MUNICIPAL WATER DISTRICT REORGANIZATION:
WHOLESALE WATER SERVICES”**

**CONCURRENT ANNEXATION TO EASTERN MUNICIPAL WATER DISTRICT AND
DETACHMENT FROM THE SAN DIEGO COUNTY WATER AUTHORITY
WITH RELATED ACTIONS**

LAFCO REFERENCE NO.: RO20-04

THE TERRITORY TO BE ANNEXED TO THE EASTERN MUNICIPAL WATER DISTRICT AND CONCURRENTLY DETACHED FROM THE SAN DIEGO COUNTY WATER AUTHORITY SHALL BE ALL THE TERRITORY WITHIN THE RAINBOW MUNICIPAL WATER DISTRICT AT THE TIME OF THE SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION'S RESOLUTION ORDERING THE REORGANIZATION.

CONTAINING **51,356 ACRES** OF LAND MORE OR LESS

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