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September 3, 2020

RECEIVED

SEP 10 2020

SAN DIEGO LAFCO

Mr. Keene Simonds
Executive Officer
San Diego County LAFCO
9335 Hazard Way, Suite 200
San Diego, California 92123
E-Mail: Keene.Simonds@sdcounty.ca.gov

Re: Fallbrook PUD and Rainbow MWD Wholesaler Reorganization (2020) (RO20-04;
RO20-05)

Dear Mr. Simonds:

Lakeside Water District is submitting this comment letter to suggest direction to San Diego County LAFCO (LAFCO) regarding the referenced reorganization. We recommend that LAFCO include the following six areas in your review.

1. Review the Water Authority Act to verify if provisions for an exit fee apply to an agency who requests detachment, from past approved, or current and future capital requirements. And if so, can they be applied as LAFCO terms and conditions.
2. Rate impacts to member agencies. Specifically, what responsibility will Fallbrook and Rainbow have when leaving the Water Authority and discontinues paying water, service, storage and reliability fees.
3. System reliability issues. What operational impacts will their detachment shift to remaining member agencies. What current infrastructure will have to be modified and what cost impacts will be the responsibility of Fallbrook and Rainbow.
4. Review of any other "exit" or "detachment" fees that will be shifted to remaining agencies who must shoulder the cost burden.
5. Verify and quantify current property taxes by Fallbrook and Rainbow customers that may be available to the San Diego County Water Authority for current bonded debt.

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6. Full vetting of the CEQA requirements for a reorganization of this magnitude.

We welcome the opportunity to comment on future benchmark milestones and LAFCO decision points. Currently, the District has not adopted a position on the detachment, as we are somewhat unsure of the process involved, but we are concerned that unfair and improper liabilities will likely be transferred to Lakeside if this detachment is approved.

If you should any questions or would like any clarification, please contact me at your convenience by email at BrettS@LakesideWater.org or by phone at 619-443-3805.

Sincerely,

A handwritten signature in blue ink that reads "Brett Sanders". The signature is written in a cursive style.

Brett Sanders
General Manager
Lakeside Water District
619-443-3805