



April 6, 2021

MEMBER AGENCIES

- Carlsbad
Municipal Water District
- City of Del Mar
- City of Escondido
- City of National City
- City of Oceanside
- City of Poway
- City of San Diego
- Fallbrook
Public Utility District
- Helix Water District
- Lakeside Water District
- Olivenhain
Municipal Water District
- Otay Water District
- Padre Dam
Municipal Water District
- Camp Pendleton
Marine Corps Base
- Rainbow
Municipal Water District
- Ramona
Municipal Water District
- Rincon del Diablo
Municipal Water District
- San Dieguito Water District
- Santa Fe Irrigation District
- South Bay Irrigation District
- Vallecitos Water District
- Valley Center
Municipal Water District
- Vista Irrigation District
- Yuima
Municipal Water District

VIA EMAIL AND U.S. MAIL

Mr. Robert A. Polito
 President, Board of Directors
 Valley Center Municipal Water District
 P.O. Box 67
 29300 Valley Center Road
 Valley Center, CA 92082
 (vcwater@valleycenterwater.org)

Re: Letter of April 5, 2021

Dear Board President Polito:

Thank you for your letter of April 5, 2021, regarding our letter to LAFCO. We appreciate the time you took to explain Valley Center's position. We also received a letter today from the Farm Bureau which we also address here.

Our County's agricultural industry is a vital part of our economy and the feedback we receive from you is very important to us. We share the concerns expressed by your General Manager at your April 5 board meeting about the impact and cost of detachment on remaining Water Authority member agencies such as Valley Center. This is why the Water Authority's Board voted to oppose detachment unless an equitable resolution could be achieved ensuring that Fallbrook and Rainbow costs are not shifted to other ratepayers.

We very much appreciate the clarification by all parties that when Mr. Ferro spoke about other agencies potentially seeking detachment (if Rainbow and Fallbrook are allowed to do so on the terms they propose), he was only speaking from his personal perspective and not officially for Valley Center. Our letter to LAFCO did not say Mr. Ferro was speaking for your agency, but we nonetheless appreciate this clarification.

Regarding the Regional Conveyance System (RCS), I would like to clarify that the feasibility study is being conducted solely as a potential opportunity to save money, not spend more. If the study shows that RCS will cost more than we will have to pay MWD to transport our water – estimated by MWD at \$18 billion over the life of the Exchange Agreement – the Board has been clear that it will not be approved. We would be happy to provide your Board with more information about the thinking on this topic, which would explain why a super-majority board vote (required to exceed 55%) supported moving forward with the next phase of the feasibility study.

Finally, a quick reminder that Valley Center did hire a consultant to study a potential detachment from the Water Authority, as summarized in an October 7, 2019 board memo. The memo included asking the question whether your agency could take similar action if the detachments are approved. To address this and other questions, Ken Weinberg Water

OTHER REPRESENTATIVE

County of San Diego

Mr. Robert A. Polito

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Resources Consulting, LLC was retained by Valley Center to prepare a report. The Memo and report are Exhibit 9 to the Water Authority's September 18, 2020, Response filed at LAFCO.

In closing, I want to reiterate that we value Valley Center both as a member agency and as part of our County's agricultural sector. We welcome an ongoing dialogue on these and other critical issues confronting our region and ratepayers, including the cost of water. I would be happy to attend an upcoming board meeting to address any remaining areas of concern or meet with you or other board members at any time.

Sincerely,



Sandra L. Kerl
General Manager

cc via email:

Adam Wilson, San Diego LAFCO
Keene Simonds, San Diego LAFCO
Water Authority Board of Directors
SDCWA Member Agency General Managers
Hannah Gbeh, Farm Bureau of San Diego County
Paula C. P. de Sousa, Counsel, Valley Center MWD and Fallbrook
Mark J. Hattam, General Counsel, Water Authority