

August 3, 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

OTHER
REPRESENTATIVE

County of San Diego

VIA EMAIL

Keene Simonds
Executive Officer
San Diego County Local Agency Formation Commission
9335 Hazard Way, Suite 200
San Diego, CA 92123
(Keene.Simonds@sdcounty.ca.gov)

RE: Fallbrook/Rainbow Letter dated 7/29/21

Dear Mr. Simonds,

The undersigned are two members of the Water Authority's Board of Directors, representing the cities of Del Mar and Carlsbad, respectively. We wanted to provide you and the Advisory Committee members with a copy of our commentary regarding the Fallbrook and Rainbow detachment proceedings, recently published at Times of SD.

<https://timesofsandiego.com/opinion/2021/06/28/san-diego-county-must-not-suffer-if-fallbrook-and-rainbow-leave-water-authority/>

While the commentary focused on impacts of detachment on the rest of San Diego County, we are also concerned about Fallbrook and Rainbow ratepayers and taxpayers who stand to be adversely impacted by this ill-conceived proposal. This is why the first point in the Water Authority Board's four-part resolution regarding the proposed detachments requires that the *applicants demonstrate that promises being made to [Fallbrook and Rainbow] ratepayers can and will be met.*

To date, the agencies' managers have failed to demonstrate any basis, let alone any reasonable basis, for their claims that changing water wholesalers will deliver "the same" or equally reliable water to their customers at a lower cost – notwithstanding their PR campaign to the contrary. But their July 27 letter to LAFCO now goes a step farther, taking the position that because there is "uncertainty" about future MWD water supplies and rates, LAFCO should – as the applicants have done – simply close a blind eye to these risks.

Issues involving MWD rates and water supply reliability are indeed complex,¹ but they are regularly analyzed by Water Authority staff and its Board of Directors as we plan for the future. Indeed, delegates from the Water Authority will be part of a September MWD retreat where the

¹ Mr. Lewinger served on the MWD board of directors from January 2009 to June 2018, including as a member of the agency's Finance Committee.

Mr. Keene Simonds

August 3, 2021

Page 2

MWD board of directors will be analyzing these very issues and planning for the future under new leadership.

When it comes to California water supply planning, it's true that predicting the future is highly complex and to some extent, "speculative" – but that doesn't mean that it isn't our responsibility as agency managers and elected officials to do the best we can in order to protect and serve our customers.

As described in our commentary, San Diego County civic leaders and the Water Authority Board of Directors chose decades ago – wisely we believe – to take the steps necessary to protect our region from the kind of devastating drought now being experienced by most of California. San Diego County's water supply today is highly reliable, and the cost of our supply is the subject of detailed current and ongoing long-term planning by Water Authority staff and our board of directors.

Finally, with all due respect, we would like to suggest that if ratepayer impacts are the main concern of these agencies, then LAFCO consider again what its staff recommended a few years ago, namely, a merger of Fallbrook and Rainbow. LAFCO staff determined a merger would save ratepayers over \$2 million per year. These savings could be invested in the retail water supply systems to save customers money without exposing them to extraordinary and/or unknown water supply and rate risks.

Sincerely,



Mel Katz
Representing City of Del Mar,
San Diego County Water Authority



Keith Lewinger
Representing City of Carlsbad,
San Diego County Water Authority

cc (via email):

Sandra L. Kerl, General Manager, San Diego County Water Authority

Kristina Lawson, Counsel, San Diego County Water Authority

Jack Bebee, General Manager, Fallbrook PUD

Paula C. P. de Sousa, Counsel, Fallbrook PUD

Nick Kanetis, Deputy General Manager, Eastern MWD

Tom Kennedy, General Manager, Rainbow MWD

Alfred Smith, Counsel, Rainbow MWD

Water Authority Board of Directors

From: Hattam, Mark

Sent: Tuesday, August 03, 2021 7:15 PM

To: Simonds,Keene

Cc: Kerl, Sandy; Kristina D. Lawson; Bebee, Jack; Paula De Sousa; Kanetis, Nick; Kennedy, Tom; Alfred E. Smith; Adam Wilson; Catacutan, Jennifer

Subject: August 3 Letter to LAFCO

Keene:

As an FYI, the letter sent to LAFCO today from Water Authority Directors Lewinger and Katz was inadvertently placed on Water Authority letterhead. The letter is from those two Directors, not the agency as a whole. If you have any questions please let me know. Thank you.

For local information and daily updates on COVID-19, please visit www.coronavirus-sd.com. To receive updates via text, send **COSD COVID19** to **468-311**.

Coronavirus Disease 2019
COVID-19