

April 6, 2022

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

Vallejitos Water District

Valley Center
Municipal Water District

Vista Irrigation District

Yuima
Municipal Water District

OTHER
REPRESENTATIVE

County of San Diego

Mr. Keene Simonds
Executive Officer
LAFCO
2550 Fifth Avenue, Suite 725
San Diego, CA 92103-6624

RE: Ad Hoc Advisory Committee April 11th Agenda and Outstanding Items

Dear Keene:

We have received LAFCO's March 23 and March 29, 2022, emails from Adam Wilson regarding next steps for the Ad Hoc Advisory Committee. With respect, we disagree and object to your own new ideas for changing the Ad Hoc Committee's process, scope and tasks at this late date, for the reasons stated below.

LAFCO staff committed almost two years ago to the composition, role and scope of the Ad Hoc Committee and its tasks, developed in consultation with all four subject agencies – Fallbrook, Rainbow, Water Authority and Eastern, and approved by the Commission.¹ As ultimately approved, the Committee was created to play an important advisory role to staff in connection with all of the "complexities and controversies" underlying these proposals.² The retention of Dr. Hanemann to provide expert consulting services in certain subject matter areas was never intended or agreed upon as some kind of shorthand or substitute for the Ad Hoc Committee's review of all issues relevant to these complex and controversial applications.

Despite the fact there are numerous remaining issues to be addressed,³ your March 23 email says that LAFCO staff alone has "internally evaluated and determined" that the Ad Hoc Committee's "sole focus" going forward will be on City of San Diego and Yuima impacts, as "case studies to the discussion of regional impacts." Your March 29 email goes on to say these "case studies" will be used as a "means to address the topic of roll-offs versus detachments."⁴ Without any explanation, you have summarily determined that all the remaining topics and issues are "peripheral" and may be deemed "optional" to these proceedings. This is in direct contravention to what was approved by the Commission as to the scope and tasks of the Committee.

We won't repeat here all our prior comments and letters regarding the legal, governmental, service, environmental and regional impacts of these proposals, but suffice it to say that we beg to differ with your conclusion that these issues are somehow "peripheral" to these proposals. The permanent loss of voting rights at MWD alone would give any San Diego County elected official, water ratepayer or taxpayer great pause for concern – if they have the facts.

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Regarding the idea of case studies, we do not understand how comparing the Water Authority's largest member agency to its smallest member agency could possibly be helpful "as a means to address the topic of roll-offs versus detachments,"⁵ let alone any of the other remaining regional issues. Every Water Authority member agency and its constituents has a unique profile that would be impacted differently depending on individual facts and circumstances. Here again, we won't repeat comments we have made many times in the past, but environmental and social justice issues, for example, cannot possibly be understood, let alone addressed, through a lens comparing the Water Authority's largest member agency to its smallest member agency.

In summary, critical questions remain unasked and unanswered, despite repeated requests. We respectfully ask that LAFCO staff maintain the course set at the outset of these proceedings and establish a schedule and process for the Committee's review and deliberation of all remaining issues.

Sincerely,



Sandra L. Kerl
General Manager

cc: LAFCO Ad Hoc Advisory Committee Members
LAFCO Commissioners
SDCWA Board Members

¹ June 1, 2020, 7a Agenda Report at p. 2; June 17, 2020, Supplemental Memo: "All comments received on the proposal – including proposed terms or modifications – will be incorporated into the LAFCO staff analysis and with the assistance of a 10-member advisory committee established by the Commission."

² August 3, 2020, 7b Agenda Report at p. 2

³ Your March 23 email lists the following additional requested issues to be addressed by the Committee:
CWA:

- *Loss of CWA voting rights at MET*
- *Loss of regional land use and water planning by SANDAG*
- *Risk that other member agencies may detach*
- *Supply risks caused by potential earthquakes*
- *Infrastructure issues with Rainbow should detachment occur*
- *End vote for detachment (County v. district)*

Rainbow / Fallbrook:

- *Regional impacts related to City of Coronado previous detachment*
- *Financial impacts to both districts if detachment not approved*
- *Remaining issues in process for LAFCO to deem applications complete*

However, this list is not complete. The Water Authority presented a series of questions it would be important for LAFCO address in its September 18, 2020, Combined Response to Reorganization Applications by Fallbrook/Rainbow ("Response"). In addition to financial impacts, the Response identified governmental, service, infrastructure and legal (including voting rights) impacts of detachment. The importance of these issues to all San Diego County ratepayers and taxpayers has been reiterated in numerous communications

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with LAFCO including letters from the Water Authority dated June 15, 2020, October 9, 2020, and February 25, 2022.

⁴ Your email also says that the case studies will address other “associated comments made by LAFCO Commissioners at their last meeting,” but does not identify what comments you are referring to or the subjects to be addressed.

⁵ To the extent the impacts you propose to consider via case studies are the financial impacts already addressed by the Water Authority (Response beginning at p. 48) and by Dr. Hanemann in his Report (pp. 63-73), we can only say, “been there, done that.” The estimated base year annual losses would be \$7,337,745, and \$167,406 per year for City of San Diego and Yuima, respectively, due to the size of their respective populations.