

March 17, 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
- Vallecitos Water District
- Valley Center Municipal Water District
- Vista Irrigation District
- Yuima Municipal Water District

OTHER REPRESENTATIVE

- County of San Diego

VIA EMAIL

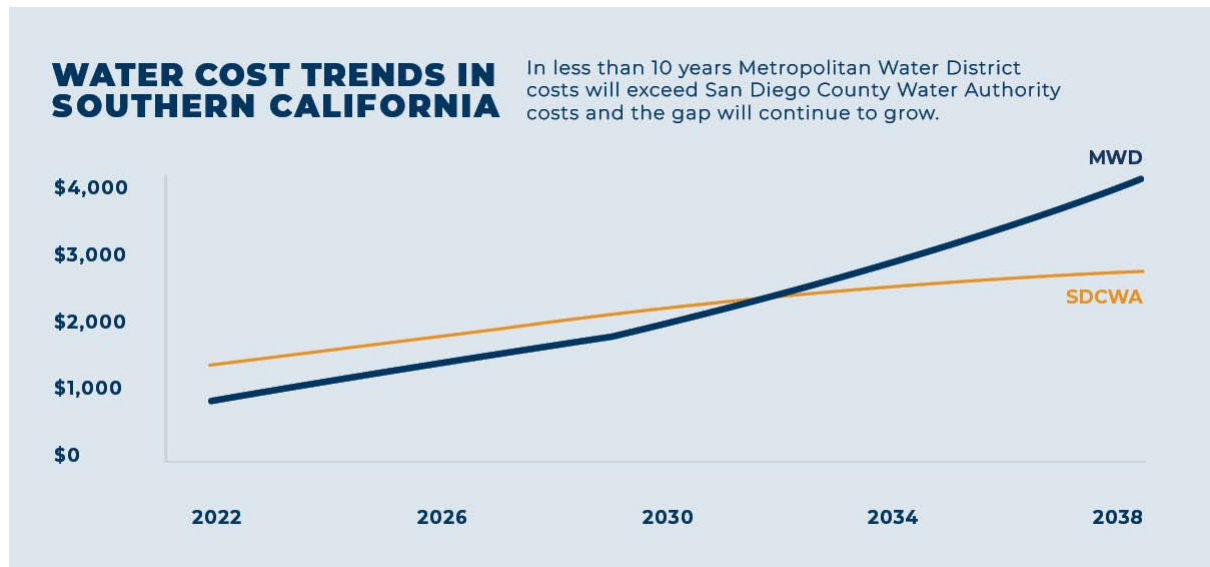
Keene Simonds
 Executive Officer
 San Diego County Local Agency Formation Commission
 2550 Fifth Avenue, Suite 725
 San Diego, CA 92103
 (Keene.Simonds@sdcounty.ca.gov)

RE: Update to March 7 Correspondence

Dear Mr. Simonds:

This letter is an update to my letter of March 7 to LAFCO. We ask that you provide this letter to the LAFCO Commissioners and to the Ad Hoc Advisory Committee members, and that it be made part of the record.

In my previous letter we provided a graph showing projected MWD and Water Authority water rates, and how due to MWD's planned water supply expenditures the water rates for the agencies will soon cross, *with the Water Authority having lower water rates than MWD*. That graph showed high-low projections for both agencies. Here is a simpler version which uses the midpoints of the agencies' high-lows so one can clearly see the projected cross-over:



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This information is in accord with Dr. Hanemann's conclusion that detaching is a "gamble" as to pricing benefits (Hanemann Report, p.16), and that MWD is now entering a cycle of major water investments that will raise its rates (Hanemann Report, p.51, 61, and pp.88-89).

We again urge the Commission to ensure that ratepayers in Rainbow and Fallbrook are given notice of the Hanemann Report, and how they can access it.

If you have any questions, please contact me or our General Manager, Sandy Kerl. Thank you.

Sincerely,



Mark J. Hattam
General Counsel

cc via email:

Holly Whatley, LAFCO General Counsel
Adam Wilson, Ad Hoc Committee Moderator
Sandra L. Kerl, General Manager, San Diego County Water Authority
Claire Collins, 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