

UNITED STATES MARINE CORPS

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Keene Simonds, Executive Officer San Diego County Local Agency Formation Commission 2550 Fifth Avenue, Suite 725 San Diego, CA 92103

Subject: Impacts to Marine Corps Base, Camp Pendleton should the Fallbrook Public Utility

District detach from the San Diego County Water Authority

Dear Mr. Simonds,

My client recently informed me that there is a question regarding potential impacts to Marine Corps Base, Camp Pendleton (Camp Pendleton) if the Fallbrook Public Utility District (Fallbrook PUD) detaches from the San Diego County Water Authority (SDCWA). The short answer is that there are no adverse impacts to the Installation. I have also reviewed the comments provided by the SDCWA regarding the United States' settlement with Fallbrook PUD approved by the U.S. District Court Southern District of California (U.S. v. Fallbrook PUD, 51cv1247-GPC(RBB)) on April 29, 2019. The following information should aid in your review of the alleged impacts to Camp Pendleton.

The Federal Court approved settlement agreement is specifically between the United States via Camp Pendleton and the Fallbrook PUD. There are no other parties to the settlement. If both parties agree, the settlement may be amended to accommodate the parties' needs. An example of such an amendment involves the delivery schedule. Changes to the delivery schedule occur often to accommodate the many ongoing maintenance and environmental requirements required of the parties.

Camp Pendleton has an allocation of SDCWA water based on the 1977 annexation that made Camp Pendleton a member organization of the SDCWA. However, Camp Pendleton has never received wholesale water from the SDCWA because it has never been possible for Camp Pendleton to access water from the SDCWA with two minor exceptions. Camp Pendleton has two very small service connections to water produced off the installation. One comes via the City of Oceanside and the other from the South Coast Water District. The City and the South Coast Water District wheel SDCWA water to Camp Pendleton amounting to only a few acre-feet per month to support a small housing area. Neither connection is capable of supporting the needs of the installation and the National Defense Mission it supports.

Further, the settlement requires Camp Pendleton to buy water for the Fallbrook PUD when Camp Pendleton is unable to produce and pump water to Fallbrook PUD, referred to as "in lieu" water. At the time of the settlement, the only available source of water for Camp Pendleton to buy was SDCWA water, which it has a right to under the terms of the 1977 Annexation. That fact is the basis for identifying SDCWA as the source available to Camp Pendleton to meet its obligations under the settlement. If other sources of water become available to Camp Pendleton to purchase, to meet its obligations to Fallbrook PUD, then it could exercise such an option as long as Fallbrook PUD agrees. Additionally, the settlement provides that in lieu SDCWA water shall

not be required if it would cause harm to the Fallbrook PUD, as reasonably determined by the District. That is the sole determination of the District. It is important to note Camp Pendleton's infrastructure design cannot be used to deliver SDCWA water to Fallbrook PUD. Camp Pendleton, however, can provide in lieu water through existing SDCWA infrastructure. This is the model described in the settlement agreement. This wheeling of SDCWA water through a non-SDCWA agency would be the same as the SDCWA water we currently receive through South Coast Water District. This specific capability is one of the primary reasons that the United States entered into the settlement with Fallbrook PUD. Any water not produced on Camp Pendleton and provided to Fallbrook PUD to satisfy Camp Pendleton's obligation to Fallbrook PUD, must be delivered to Fallbrook PUD via connections outside the control of Camp Pendleton whether that water is SDCWA water or water from another source.

In light of the forgoing, it should be clear that the settlement is a guide on how to use the available infrastructure of the parties to move water and to exercise their joint water rights. As such, Fallbrook PUD's association, or lack thereof, with the SDCWA has no impact on the settlement with Camp Pendleton. In the unlikely situation, that Camp Pendleton is required to purchase in lieu water to meet its obligations to Fallbrook PUD, it would be of no consequence as to the source of that water as long as Fallbrook PUD agrees to accept it. Furthermore, the Fallbrook PUD can choose to completely cancel the acceptance of any in lieu water and divest Camp Pendleton of its obligation in any given water year. Therefore, a thorough reading of the settlement will show that in lieu water provided to Fallbrook PUD is not limited to SDCWA water.

I am available to discuss or answer any questions at (760)725-5461 or paul.boughman@usmc.mil.

Sincerely,

Paul R. Boughman Associate Counsel

Copy to:

Holly Whatley, LAFCO General Counsel

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

Dr. John Simpson, Director, Office of Water Security and Resiliency, MCIWest/MCB Pendleton