



Commissioners
San Diego County Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, CA 92103
[Submitted electronically]

22 May 2023

Dear Chairman Desmond and SD LAFCO Commissioners:

The San Diego County Taxpayers Association is a non-partisan, non-profit association of individual, business, and organizational members who seek the optimal returns on taxpayer investments. We are not anti-tax, nor are we a special interest blanketly supporting taxes that benefit specific industries. We are here for the day-to-day taxpayers, who are asked on a daily basis to give up some of their resources through taxes in the pursuit of shared public goals.

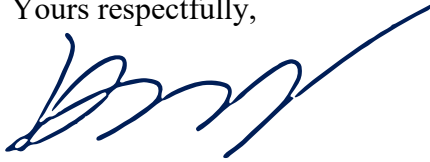
I write to share with you the Association's opposition to the detachment of the Rainbow Municipal Water District and the Fallbrook Public Utility District from the San Diego County Water Authority. While we believe the staff report is thorough and appreciate the analyses conducted, there are other considerations that the Association believes you should consider:

1. The structure and sheer number of local governments is already confusing to the taxpayer, and we have regional agencies like the San Diego County Water Authority to coordinate strategies on regional matters. The alignment of Rainbow or Fallbrook to Eastern Metropolitan Water District in Riverside County would worsen confusion and reduce the ability to effect regional strategies; their detachment would result in San Diego County ratepayers not represented in San Diego County deliberations. Their alignment to Eastern would also awkwardly give San Diego County ratepayers voice for Riverside County water matters, which then devalues Riverside County ratepayer representation in their own deliberations.
2. Given shared interests by Rainbow and Fallbrook, the Association believes there is a more prudent and more efficient mechanism to reducing rates through a local consolidation of the two agencies. The Association is disappointed that efforts to consolidate about a decade ago failed, but that failure should not mean this is no longer a consideration by the two. We have seen this Commission support fire district consolidations to create efficiencies in municipal service delivery.

The Association acknowledges that our region faces growing costs in the delivery of so many core municipal functions. Our water is expensive because the region invested in reliability

after the shortages in the nineties; our electricity is expensive because the region uses the more renewables than any of other part of the country. The Association would certainly welcome further governance studies to review the long-term fiscal health of our local governments and to find structural opportunities to provide relief for ratepayers, but piecemeal structural changes such as the deannexation of Rainbow MWD and Fallbrook PUD merely exchange short-term relief for delays in achieving long-term goals. Thus, this and other deannexations like this should not be approved, and the opportunities to lower rates by consolidating governments should be pursued in earnest.

Yours respectfully,



Haney Hong
President & CEO