

May 22, 2023

Chair Jim Desmond  
San Diego County Local Agency Formation Commission  
2550 Fifth Avenue, Suite 725  
San Diego, CA 92103

**RE: Comments on Proposed “Fallbrook PUD and Rainbow MWD Wholesaler Reorganizations”  
Concurrent Annexations to Eastern Municipal Water District and Detachments from San  
Diego County Water Authority with Related Actions**

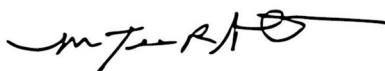
Dear Chair Desmond,

The Carlsbad Municipal Water District (CMWD) wants to thank the San Diego Local Agency Formation Agency (SDLAFCO) for the thorough analysis of the proposed reorganization of Rainbow Municipal Water District (Rainbow) and Fallbrook Public Utility District (Fallbrook) wholesale water services presented in the June 5, 2023, Agenda Report, and its attachments.

CMWD opposes any action by SDLAFCO that would increase its costs in the short or long term. The report indicates that the Rainbow and Fallbrook exit fee mitigates the impact on CMWD and other member agencies over the next five years, which is acceptable. However, CMWD is very concerned with the long-term consequences of the possible detachments in combination with the larger impending roll-offs of the San Diego County Water Authority (Water Authority) member agencies with local supply projects that will be completed over the next decade. While roll-offs are different than detachment, these roll-offs will significantly decrease water demands on the Water Authority.

CMWD asks SDLAFCO to choose Option 3 and administratively hold consideration of the reorganization proposals until completion of the Commission’s scheduled municipal service review covering the Water Authority. Considering the reorganization proposals in conjunction with completing a holistic assessment of wholesale water supply and demand issues in San Diego County will benefit every Water Authority member agency and the region as a whole. While we recommend considering the Water Authority municipal service review before making a decision on the reorganization, we urge SDLAFCO to begin the Water Authority municipal service review as soon as possible and take a deep dive into the water supply and demand challenges facing the San Diego region as soon as possible.

Sincerely,



Teresa Acosta  
CMWD Board of Directors

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cc: CMWD Board of Directors

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