

Keene Simonds, Executive

San Diego LAFCO Commissioners
San Diego County Local Agency Formation Commission
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06/14/2023

Re: MWD Committee Action on LAFCO-Related Issues

Dear LAFCO Commissioners and Mr. Simonds,

Yesterday at Metropolitan Water District of Southern California (“MWD”) its Finance, Audit, Insurance and Real Property Committee (the “Committee”) met to discuss MWD’s Annexation policies and procedures (Item 7b). This letter serves as a courtesy report to you by the Water Authority of the meeting, as it is germane to your discussions today.

After a robust board discussion with different points of view expressed, the Committee endorsed a recommendation to the MWD Board Chair by the MWD Director representing Eastern Municipal Water District to establish an ad hoc committee to address the relevant issues as discussed, including:

- Impact on MWD’s State Water Project Dependent Area of new demands on MWD that must be met entirely with imported water, since the agencies that wish to detach will not be sharing in the water supply portfolio of either impacted MWD member agency;
- Changed circumstances since MWD’s former General Manager communicated with San Diego LAFCO in 2020, including water supply and governance issues;
- Legal analysis of the authority of LAFCO or any third party other than the MWD board of directors to change boundaries within the MWD service area;

MEMBER AGENCIES

Carlsbad MWD • City of Del Mar • City of Escondido • Fallbrook Public Utility District • Helix Water District • Lakeside Water District • City of National City
City of Oceanside • Olivenhain MWD • Otay Water District • Padre Dam MWD • Camp Pendleton Marine Corps Base • City of Poway • Rainbow MWD
Ramona MWD • Rincon del Diablo MWD • City of San Diego • San Dieguito Water District • Santa Fe Irrigation District • Sweetwater Authority
Vallecitos Water District • Valley Center MWD • Vista Irrigation District • Yuima Municipal Water District

- Impact on MWD’s position of a precedent that would allow member agencies to avoid paying for water supplies and related investments made and being used to serve them, including after enrolling in any MWD incentive program;
- Impact on MWD’s financial position if its member agencies are weakened as a result of forced detachments by third parties such as LAFCO that do not have expertise in the water industry, and/or deliberately ignore MWD’s long term planning initiatives;
- What say voters should have on proposed detachments;
- Impact on MWD’s ability to implement affordability strategies;
- How the potential precedent may impact on ability to implement MWD’s climate action planning now underway;
- First of a kind transfer between MWD member agencies that is not being sponsored by either the detaching (Water Authority) or annexing (Eastern) agency (in every prior exchange, the two impacted MWD member agencies requested and sponsored the change);
- First of a kind transfer between two MWD member agencies located in different counties; and
- First of a kind transfer to be imposed by any LAFCO or other third party.

The MWD board representative from Eastern MWD agreed that there is a need for policy discussion and that it is not well understood how the provisions of the MWD Act apply to the applications of Fallbrook and Rainbow. He requested that the MWD board’s review occur as soon as possible so that it might be prepared to give input to San Diego LAFCO prior to its next scheduled August 7 meeting.

The LAFCO staff has aptly noted in its final report that the input from MWD has been “materially divergent.” In his remarks in committee, Board Chair Ortega said that he met with San Diego LAFCO’s Executive Officer and sent follow up communications in the hope that San Diego LAFCO will pay attention to MWD’s planning processes and that there is a risk associated with any San Diego LAFCO outcomes due to the unprecedented nature of these applications that have not been endorsed by its member agencies.

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Thank you for your consideration of these important matters.



Sincerely,
Sandra L. Kerl
General Manager

cc via email:

Adán Ortega, Chair, and MWD Board of Directors
Mel Katz, Chair, and Water Authority Board of Directors
Adel Hagekhalil, General Manager, MWD
Tom Kennedy, General Manager, Rainbow MWD and Rainbow Board of Directors
Jack Bebee, General Manager, Fallbrook PUD and Fallbrook Board of Directors
Joe Mouawad, General Manager, Eastern MWD and Eastern Board of Directors
Holly Whatley, LAFCO General Counsel
Adam Wilson, Ad Hoc Committee Moderator

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