

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**

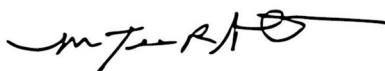
Dear Chair Desmond,

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,

A handwritten signature in black ink, appearing to read "Teresa Acosta", written over a horizontal line.

Teresa Acosta
CMWD Board of Directors

Chair Jim Desmond

May 22, 2023

Page 2

cc: CMWD Board of Directors

Cindie McMahon, General Counsel

Scott Chadwick, Executive Manager

Paz Gomez, Deputy City Manager, Public Works

Vicki Quiram, General Manager

Jason Haber, Intergovernmental Affairs Director

Keene Simonds, LAFCO Executive Officer, San Diego County

David J. Edwards, General Counsel, San Diego County Water Authority