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July 6, 2023

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

Re: Agenda Item 6a Detachments from San Diego County Water Authority with Related Actions
(RO20-05 and RO20-04)

Honorable Chair Desmond and Commissioners:

This letter is a follow-up to the correspondence Helix Water District sent to this commission on May 17, 2023. In the letter, the district expressed serious concerns regarding the conclusions and recommendations that the LAFCO staff report had made about the proposed Fallbrook PUD and Rainbow MWD detachments. Of particular note was the negative financial impact of the detachment and the proposed inadequate detachment fee to Helix Water District ratepayers and our over 112,000 economically disadvantaged customers. In fact, the latest data shows that this detachment would increase costs for our customers by almost \$1.3 million annually.

However, we do not fault Fallbrook PUD and Rainbow MWD in wanting to buy lower cost water as we are all in search for a cheaper water supply. But in this case, it is an unfortunate situation that the two agencies who want to leave for lower water rates will increase water rates for the remaining 22 agencies.

How much of a water rate impact, also known as the "detachment fee", is debatable depending on who you ask. The consultant report from LAFCO is significantly lower than the analysis done by San Diego County Water Authority. In fact, who knows what the actual impact could be as there are so many variables to be considered. But the bottom line and the best scenario is plainly to have Fallbrook and Rainbow not leave and work out the issues with SDCWA.

We are stronger together, and for over 75 years, SDCWA has served the region. We understand the job of a LAFCO commissioner is a difficult one and you rely on your executive director and consultants hired to provide you with all the information to make the best decision possible. But as you know and have seen through the over three years that we have spent on this issue, that numbers change and there are a lot of experts with many different opinions.

We do not want Fallbrook PUD and Rainbow MWD to leave. The best solution is that SDCWA work with Fallbrook and Rainbow and come to a resolution. The agencies should work with SDCWA to address the cost concerns and come to an agreement. We do not know what the resolution is, but we do know we are stronger together. We encourage LAFCO to let the agencies work together and come to a resolution

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and take responsibility by all parties. We should know from years of experience that lawsuits do not solve problems, but only create further hostility, more problems and increase costs.

Therefore, we urge you during your July 10, 2023, special meeting to **support option four disapproving the proposals with prejudice**. Thank you for your time and consideration. Please contact me if you have any questions.

Respectfully,



Kathleen Coates Hedberg, PE, MPH
Board President
Helix Water District

cc: Chair Katz and Board Directors, San Diego County Water Authority