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For Immediate Release

Rainbow and Fallbrook District Boards Adopt Resolutions of Application for Detachment

The Boards of Directors of the Rainbow Municipal Water District (RMWD) and Fallbrook Public Utilities District (FPUD) have each adopted Resolutions of Application to detach from the San Diego County Water Authority (SDCWA) and annex into the Eastern Municipal Water District (EMWD), Metropolitan Water District's (MWD) wholesaler.

Virtually all of the water used by both agencies comes from MWD's Skinner Water Treatment Plant in Southwest Riverside County via MWD's aqueduct. RMWD and FPUD are the only two water agencies in San Diego County with direct connections to the MWD aqueduct. Both Districts are able to serve their customers with these connection without using any SDCWA facilities.

Over the last 25 years, SDCWA has made significant investments to construct new storage and treatment facilities. SDCWA operates and maintains a series of aqueducts, treatment plants, and reservoirs located south of the Districts. While these facilities may provide benefits for more urban areas of the county and those further south in the SDCWA system, they provide limited benefit to the more rural agricultural communities served by FPUD and RMWD. As a result of these investments, the standard treated water rate from SDCWA is over \$400 more expensive than the EMWD rate for our customers.

This increased cost of water has had a particularly negative impact on the area's agriculture-based economies. The resolutions point out that detachment/annexation is intended not to just save money for Districts' ratepayers, but is necessary to help preserve the foundation of the Districts' local economy and the character of their communities.

The capacity of the Districts to serve their customers will neither increase nor decrease as a result of the detachment. Ratepayers will receive the same water they have now with equivalent supply reliability now and in the future. The change in water wholesalers will not impact other member agencies in SDCWA, apart from a minor financial impact that is well below other financial drivers at SDCWA. In fact, should RMWD and FPUD detach, other member agencies will save on the construction of certain planned capital projects in our service areas.

The detachment/annexation process involves both San Diego and Riverside Counties. To facilitate the process of managing the applications, San Diego Local Area Formation Commission (SDLAFCO) has entered into a Memorandum of Understanding with Riverside County LAFCO (RCLAFCO) that allows SDLAFCO to handle all aspects of both the detachment and annexation. California State law permits such arrangements in order to simplify the review process.

The SDLAFCO review process is expected to take at least six months. When SDLAFCO staff determines the application is complete, they will schedule a series of public hearings with the SDLAFCO Commission. Following the public hearings, the Commission will vote on the application. At this meeting there will be opportunities for FPUD and RMWD ratepayers to provide public input to the Commission who will decide if the process should proceed.

Should the Commission approve the application, provisions of the County Water Authority Act that govern key elements of this process, require an election to be held within RMWD's and FPUD's service areas. District residents will be asked to vote on whether they wish to remain part of SDCWA or make the move to EMWD. Residents in the RMWD and FPUD service areas recently received a letter from SDCWA indicating they are looking out for their ratepayer's interest, but in fact their push for a countywide election would both ignore the law governing these matters and transfer local water supply decisions from FPUD and RMWD ratepayers to the City of San Diego and other urban areas of the county.

This process is anticipated to take about 18 months total to complete.