



Dear Valued Customer:

Our District – and neighboring [insert Rainbow Municipal Water District or Fallbrook Public Utility District] – are exploring the possibility of changing our wholesale water supplier in order to provide lower-cost water service to our customers. This would result in changing our wholesale water supplier from the San Diego County Water Authority (SDCWA) to the Eastern Municipal Water District (EMWD) in Riverside County.

IMPACT OF COUNTY WATER AUTHORITY INVESTMENTS ON YOUR WATER RATES

Over the last 25 years, SDCWA, which supplies water to individual water districts in San Diego County, has made major investments in new storage and treatment facilities located well south of our Districts' service areas. These investments have increased the cost of water to our customers, adding several hundred dollars per acre foot to the cost of water for you and your neighbors.

While most water districts in San Diego County rely entirely on SDCWA pipelines for the water they distribute to their customers, RMWD and FPUD have connections directly to the Metropolitan Water District of Southern California (MWD)'s pipelines.

While SDCWA investments may be good for agencies south of our Districts, our Districts don't receive commensurate benefits from these improvements. Virtually all the water delivered to our Districts comes from the Skinner Water Treatment Plant, owned and operated by MWD in southwest Riverside County.

All of our customers are impacted by SDCWA's costs, but our agricultural customers, for whom the increased cost of SDCWA water threatens the viability of their operations, are particularly impacted. These agricultural operations contribute hundreds of millions of dollars to the local economy and employ hundreds of workers.

CHANGING WHOLESALE SUPPLIER COULD PROVIDE SIGNIFICANT BENEFITS

Our Districts currently have direct connections to the MWD aqueduct system that are sufficient for the needs of our Districts. With the change of wholesale supplier to EMWD, no physical changes would be required within FPUD and only minor changes within Rainbow to provide service to the residents and businesses in each of our Districts. We would get water from the same treatment plant, delivered through the same pipelines.

Based on preliminary analysis, we believe changing our wholesale supplier to EMWD could result in a significant reduction in your water rates.

We welcome your comments and questions at tkennedy@rainbowmwd.com as our Districts continue exploring this change in wholesale supplier. As this process proceeds, we will provide you with updates and additional opportunities for input.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Kennedy", with a long horizontal flourish extending to the right.

Tom Kennedy

General Manager