



Our Region's Trusted Water Leader  
**San Diego County Water Authority**

4677 Overland Avenue, San Diego, CA 92123

## News Release

Mike Lee  
(760) 208-0588  
[mlee@sdewa.org](mailto:mlee@sdewa.org)

### **Water Agencies Plan to Abandon Costs, Reduce Supply Reliability**

*New report details how Fallbrook/Rainbow proposal would raise rates by reneging on cost obligations, degrade water supply reliability in North County and reduce county's voting power*

Sept. 18, 2020 – Analysis released today shows that proposals by the Fallbrook and Rainbow water districts to leave the San Diego County Water Authority and annex into the Eastern Municipal Water District in Riverside County would increase costs for water ratepayers in San Diego County, reduce the county's voting power, and decrease water supply reliability for farms and residents.

Numerous financial, environmental and legal issues that affect property owners and water users across San Diego County are analyzed in the Water Authority's formal response to the reorganization proposals filed today with the San Diego County Local Agency Formation Commission, known as LAFCO.

The detailed document (plus dozens of exhibits) shows that plans by the Fallbrook Public Utility District and the Rainbow Municipal Water District contain significant areas of misleading or incomplete information that must be addressed before LAFCO and all of the interested parties countywide can understand the full scope of impacts that would be created by detachment. The LAFCO process is expected to take at least another year.

As proposed by Fallbrook and Rainbow, the detachments would allow Fallbrook and Rainbow to avoid paying for water supplies and infrastructure that have been developed in collaboration with those agencies and are currently being used by those agencies to meet their customers' needs. Abandoning those cost obligations would force other ratepayers countywide to cover their portion of the bills already incurred for decades of investments in supply reliability.

“It's critical that LAFCO and all the interested parties across San Diego County take the time to address the full scope of consequences created by these unprecedented proposals so we avoid

#### Read More

- The Water Authority's formal response to the Fallbrook/Rainbow reorganization proposals and related documents are at [www.sdcwa.org/lafco-reorganization](http://www.sdcwa.org/lafco-reorganization).

unintended harm to our region,” said Jim Madaffer, chair of the Water Authority’s Board of Directors. “The Water Authority, its member agencies and regional planning agencies like SANDAG have worked together for more than 75 years to provide this region with safe and reliable water supplies. Trying to turn back the clock now is a costly, difficult process with numerous impacts to Fallbrook and Rainbow customers and across the region.”

“Our analysis shows that detachment, as proposed, would reduce water reliability and increase risk for Rainbow and Fallbrook customers, create environmental impacts that haven’t been studied, and impair the successful long-term planning efforts that have served our county well. And it would give Riverside County water agencies more control over San Diego County’s water future, including water rate and property tax impacts,” Madaffer said.

The Fallbrook and Rainbow water districts say that leaving San Diego County’s water supplier will save them money. However, the report shows that the proposals fail to demonstrate rate savings over any reasonable planning horizon. Also, under detachment, Fallbrook and Rainbow would lose access to the Water Authority’s more reliable water supply, its storage and infrastructure in times of drought and emergency, and other services provided by the Water Authority to its member agencies.

Instead, Fallbrook and Rainbow would rely solely on the Los Angeles-based Metropolitan Water District of Southern California for imported water supplies, which Eastern would provide for a small administrative fee. If approved, the agencies’ proposals would result in a degraded level of service compared to what is currently provided by the Water Authority; the two North County agencies would not have access to Eastern’s water supplies, storage or infrastructure.

This would for all practical purposes turn the clock back for Fallbrook and Rainbow to the early 1990s, when the Water Authority was 95% dependent on MWD. Due to a drought at that time, MWD cut San Diego County’s municipal water supply by 30% and agricultural supply by 90%, creating significant economic damage. To avoid that from happening again, the Water Authority made significant investments in water reliability contracts and infrastructure. As a result, during both of the past two droughts, when MWD made significant cuts to their customers’ water supplies, the Water Authority was able to provide a higher level of service to San Diego County ratepayers.

The detachment proposals raise other significant issues, including:

- Increasing pressure on the environmentally sensitive Sacramento-San Joaquin Bay-Delta, in contravention of state law. Consistent with state law, the Water Authority’s portfolio is less dependent on water from Northern California than MWD supplies, and it is planned to grow even less dependent each passing year.
- Significant engineering changes will be necessary to detach – not only changes to the Water Authority system, but also new infrastructure, including new pipelines, pumping facilities, and water mains, particularly in Rainbow. These issues are minimized or ignored in the applications.

- Detachment will decrease San Diego County’s voting rights at MWD by 1.7% while increasing Eastern/Riverside County’s voting rights at MWD by 10.2%. This loss for San Diego County is significant because Eastern has a long record of taking positions counter to San Diego County interests, including support for increased taxes and water rates that would impact local water ratepayers and taxpayers.

In May 2020, the Water Authority’s Board of Directors voted to oppose detachment unless four conditions can be met related to: protecting Fallbrook and Rainbow ratepayers, avoiding negative impacts for other member agencies, protecting the Bay-Delta, and maintaining the Water Authority’s voting rights at MWD. The LAFCO process, which is designed to provide for an impartial analysis of these issues, will allow the Water Authority, as well as Fallbrook and Rainbow customers and all other affected parties, to determine if these conditions are satisfied. If not, the Water Authority will oppose detachment.

###

*The San Diego County Water Authority sustains a \$245 billion regional economy and the quality of life for 3.3 million residents through a multi-decade water supply diversification plan, major infrastructure investments and forward-thinking policies that promote fiscal and environmental responsibility. A public agency created in 1944, the Water Authority delivers wholesale water supplies to 24 retail water providers, including cities, special districts and a military base.*



[www.instagram.com/sdcwa](https://www.instagram.com/sdcwa)



[@sdcwa](https://www.twitter.com/sdcwa)



[www.facebook.com/SanDiegoCountyWaterAuthority](https://www.facebook.com/SanDiegoCountyWaterAuthority)



[www.youtube.com/SDCWAvideo](https://www.youtube.com/SDCWAvideo)