



JOEL ANDERSON
SUPERVISOR, SECOND DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS
AGENDA ITEM

DATE: August 29, 2023

TO: Board of Supervisors

SUBJECT

SUPPORT FOR LEGISLATION TO PROVIDE ALL RATEPAYERS A VOTE ON WATER DISTRICT DETACHMENTS AND IMPACTS TO THEIR WATER RATES (DISTRICTS: ALL)

OVERVIEW

On July 10, 2023, the San Diego Local Agency Formation Commission (LAFCO) voted 5 to 3 to allow two special districts, the Rainbow Municipal Water District and the Fallbrook Public Utilities District to end their membership, or “detach” from the San Diego County Water Authority (CWA). To complete the detachment process, customers in these two districts must first vote in favor of the detachment proposals. If approved by a majority of the Rainbow and Fallbrook voters, detachment is estimated by the CWA to cost the remaining twenty-two water districts and their customers up to \$200 million in additional costs during the next decade. This increase would be borne by the twenty-two water districts remaining as members of CWA and their customers.

Legislative proposals have recently been brought forward in the State legislature to provide all potentially impacted ratepayers with a voice in the detachment process. This legislation would require that, in addition to affirmative votes by customers in the water districts attempting to leave the CWA, an affirmative vote by a majority of all customers in the CWA service area would be required before proposed detachments become final. This process would allow water customers of all CWA member agencies to decide what is best for our region’s water future and the potential implications of their own water bills.

I am, therefore, recommending that the Board of Supervisors formally adopt a position of support for State legislation that would require a region wide vote in favor of a proposed water agency detachment before any detachments from the CWA become final.

RECOMMENDATION

SUPERVISOR JOEL ANDERSON

Direct the Chief Administrative Officer to include in the Board’s Legislative Program support for State legislation requiring an affirmative vote by a majority of the residents located in the entire San Diego County Water Authority (CWA) service area before a proposed special district detachment from the CWA can be finalized, consistent with Board Policy M-2.

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EQUITY IMPACT STATEMENT

A majority of San Diego County’s residents, approximately 3.3 million people, are customers of water districts that are members of the San Diego County Water Authority. Although some of these customers are ratepayers of more affluent communities, many ratepayers reside in economically disadvantaged communities and have fewer options to offset water rate increases by shifting or reducing expenditures in other areas of their household budgets, by relocating or by securing their water supply from alternate sources. It is, therefore, critical that all of the region’s water customers have a voice and a vote in decisions that would impact their current and future water rates.

SUSTAINABILITY IMPACT STATEMENT

The San Diego County Water Authority has used a Capital Improvement Program, updated by the agency’s Regional Water Facilities Master Plan in 2003 and the Regional Water Facilities Optimization and Master Plan Update in 2013, to identify and plan the infrastructure necessary to provide the region’s residents with a reliable water delivery system. This planning was performed with the understanding that the agency would have the necessary financial resources to complete planned system improvements. The recommended action would help to ensure that regional water infrastructure improvements will continue to move forward as planned without unanticipated impacts to the agency’s financial position.

FISCAL IMPACT

There is no fiscal impact associated with the proposed recommendation. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

On July 10, 2023, the San Diego Local Agency Formation Commission (LAFCO) voted 5 to 3 to allow two special districts, the Rainbow Municipal Water District and the Fallbrook Public Utilities District to end their membership, or “detach” from the San Diego County Water Authority (CWA). To complete the detachment process, customers in these two districts must first vote in favor of the detachment proposals. If approved by a majority of the Rainbow and Fallbrook voters, detachment is estimated by the CWA to cost the remaining twenty-two water districts and their customers up to \$200 million in additional costs during the next decade. This increase would be borne by the twenty-two water districts remaining as members of CWA and their customers.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

The proposed action supports the County of San Diego's 2023-2028 Strategic Plan Community (Engagement) Initiative by providing all ratepayers in the San Diego County Water Authority service area with a formal voting role in deciding the region's water future and the impact of proposed detachments on their water bills.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Joel Anderson', with a long horizontal flourish extending to the right.

JOEL ANDERSON
Supervisor, Second District

ATTACHMENT(S)

N/A