

**From:** [Hayden Hamilton](#)  
**To:** [Kerl, Sandy](#)  
**Cc:** [Kennedy, Tom](#)  
**Subject:** Follow up to your visit to RMWD.  
**Date:** Thursday, August 29, 2019 10:22:23 PM

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Ms. Kerl,

Thank you for taking the time to come up and address our board last Tuesday. Thank you also for providing a copy of your special council's letter to San Diego LAFCO.

I would like to reiterate that RMWD is more than willing to sit down with SDCWA staff and discuss all aspects associated with the possibility of de-annexation. While we have, over the last 10 months, explored this possibility from our perspective, we always anticipated (1) that we would need to have open discussions with the Water Authority and (2) that there very well could be aspects that we had not considered or misinterpreted relative to this exploration. We are interested and prepared to move forward with these discussions with your organization.

In your presentation, you stated that RMWD/FPUD had agreed in the July 22 meeting to provide a de-annexation proposal to the Water Authority. Explicitly, as I understand, we were ask to propose "exit fees" to the Water Authority. What I may not have clearly articulated in our discussion following your presentation is that we believe that the "summary" shows that the current legal requirements, as we understand them, have no explicitly stated "exit fee" requirements. This was articulated to Chairman Madaffer in Mr. Kennedy's cover letter:

We also spent a considerable amount of time attempting to align all the relevant statutes, codes, and policies that govern our relationship with SDCWA to the concept of an "exit fee" that you had proposed. We were unable to identify a mechanism that would allow us to calculate this "exit fee" so we continue to request that if SDCWA has information related to how this is done we would be appreciative if you could educate us in this regard

Clearly, the Water Authority's perspective on the impacts of de-annexation is very important to us and we want to include that in our analysis.

I wish to reiterate, again, that RMWD has not at this time made any determination relative to de-annexation. We have a responsibility to our ratepayers to explore all aspects associated with the cost of providing water at the most economical price possible, while assuring that in doing so we do not compromise either quality or reliability of that supply.

We look forward to working with your organization thoroughly exploring this topic, making sure for all three organizations that we haven't overlooked some critical aspect.

Respectfully,

**Hayden Hamilton**

**Vice-Chairman of the Board**

Director, Division 2

Rainbow MWD

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