

ADMINISTRATIVE & FINANCE COMMITTEE (May 23, 2019)

Public statement read by Water Authority General Counsel Mark Hattam:

Consent items 1.2(a) and (b), both of which relate to financing issues, are being taken off today's agenda due to new information the Water Authority has received. Our Acting General Manager Sandy Kerl was told on May 21, 2019, by Tom Kennedy, General Manager of Rainbow Municipal Water District, that among other things: (a) Rainbow Municipal Water District and Fallbrook Public Utility District plan to de-annex from the Water Authority; (b) a deannexation request may be filed with the local LAFCO as early as June or July; and (c) the question of deannexation may be put to the voters of Rainbow Municipal Water District and Fallbrook Public Utility District in 2020.

The Water Authority has not confirmed or verified any of this information at this time. Some or all of the events we were told about may be subject to, among other things, approvals, conditions and other events and circumstances occurring or not occurring. Therefore, the information we were told about that I am reporting on this morning should not be interpreted as a prediction or representation about future events or financial matters relating to the Water Authority or any other party.

The financing documents that were on the agenda for today will be amended to include the necessary disclosures, and will be brought back to the Board for review and approval, most likely at a Special Board meeting on June 11.