

By Ken Melban  
Vice President of Industry Affairs & Operations

## Commission Supports Detachment for Rainbow and Fallbrook Water Agencies

In May the California Avocado Commission's executive committee took action to support Rainbow Municipal Water District's and Fallbrook Public Utility District's reorganizations. In early 2020, Rainbow and Fallbrook applied with the Local Agency Formation Commission, San Diego for detachment from San Diego County Water Authority and annexation to Eastern Municipal Water District. Rainbow and Fallbrook's purpose in detachment is to stabilize customer costs.

Within the Rainbow and Fallbrook service areas are approximately 600 growers representing 20% of California's total avocado growers. They produce about 10% of the state's crop on about 5,300 acres.

CWA strongly opposes the detachment, arguing the debt for previous project costs—which had been agreed upon by Rainbow and Fallbrook—would now be reapportioned to the remaining customers. Throughout the three-year process, upon request, the Commission provided industry data to LAFCO. Commission staff also remained engaged with growers in the Rainbow and Fallbrook service areas, along with growers in the remaining



Accordingly, the Commission strongly supports LAFCO's Option One:

"Approve both reorganization proposals as submitted (no modifications) with standard conditions. No exit fees would apply given deference to the County Water Authority principal act and its silence on the topic. Approval is prefaced on prioritizing the standalone merits of the proposals and its local benefits – including direct support to agriculture in North County. Approval includes exemption findings under CEQA and subject to confirmation by registered voters within the affected territory." (LAFCO June 5, 2023 meeting; LAFCO staff 6a Agenda Report, Public Hearing: [www.sdlafco.org/home/showpublisheddocument/6896/638211259312070000](http://www.sdlafco.org/home/showpublisheddocument/6896/638211259312070000))

The Commission remains hopeful this process will be completed in accordance with existing law and in a timely manner. The Commission will oppose any legislative effort that attempts to circumvent the will of our growers.

Thank you for your thoughtful consideration of the foregoing.

Respectfully submitted,

Ken Melban  
Vice President, Industry Affairs & Operations

Cc: Rob Grether, Chair  
Jeff Oberman, President  
Michael Perricone, District #1 Board Member  
Jessica Hunter, District #1 Board Member  
Ohannes Karaoghlanian, District #2 Board Member  
John Cornell, District #2 Board Member  
Robert Jackson, District #1 Board Alternate  
Charley Wolk, District #2 Board Alternate



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CWA service area, such as Valley Center, Escondido, and Oceanside.

In mid-May a group of growers requested the Commission take a position supporting the detachment at the LAFCO June 5, 2023, hearing. In response, Commission staff reviewed the proposal and impact reports from Rainbow, Fallbrook and CWA. In addition, likely impacts on growers in the CWA service area but not in Rainbow and Fallbrook were considered.

After a comprehensive analysis Commission staff recommended supporting the detachment. Any action like this that may result in varying impacts

across the grower base is not taken lightly. Ultimately the recommendation was based on the belief that the benefit to growers in Rainbow and Fallbrook would be significant, and the impact on remaining CWA growers would be negligible.

At the hearing Commission staff submitted a letter and provided comments, and the matter was continued until July 10, 2023, when a LAFCO decision is expected. Any LAFCO decision will undoubtedly be challenged. If the detachment is approved, it is expected to come with a multimillion dollar exit fee for Rainbow and Fallbrook. 🥑

# CAC Opposes BL516 Royalty Structure

The University of California at Riverside, over the past few years, has looked to privatize their varietal development program through licensing agreements. As part of this privatization, the licensing rights for BL516 — an avocado cultivar developed in large part through years of Commission funding — were sold to Eurosemillas, a Spain-based company. BL516 was discovered in the 1990s by Dr. Bob Bergh at UCR and shows promise as a pollinizer with “Hass like” fruit.

Commission staff met with representatives from Eurosemillas to hear of their planned BL516 royalty structure in California. It was disappointing to learn that their proposal was for an annual sliding-scale royalty structure based on production size. Their proposed royalty scheme asks growers to pay annual royalties on top of the millions the California industry spent on developing BL516.

Based on requests from industry members the matter was placed on the Commission’s May 2023 board meeting agenda for action. The board unanimously agreed to oppose the Eurosemillas royalty structure and petition UCR to intervene.

Accordingly, the Commission has submitted a letter to Rodolfo H. Torres, Vice Chancellor, UCR, requesting a change to the BL516 royalty structure for California avocado growers to one that is in alignment with royalty struc-

tures for other varieties.

Hopefully, this will lead UCR to reevaluate Eurosemillas’ royalty structure. The Commission will continue to advocate for a royalty structure that

appropriately reflects the millions of dollars in funding already provided by California avocado farmers in the development of BL516. 🥑

