



Press Release
Santa Fe Irrigation District

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For Immediate Release

Santa Fe Irrigation District
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Santa Fe Irrigation District Enters Into
Water Purchase Agreement With Poseidon Resources

Rancho Santa Fe, CA – The Santa Fe Irrigation District (SFID) today announced that its Board of Directors unanimously approved a Water Purchase Agreement with Poseidon Resources Corporation. Under the agreement, Poseidon will provide SFID with 2,000 acre-feet per year (AFY) of water from its Carlsbad desalination plant, representing about 14% of the District's total annual need of 13,500 acre feet.

Poseidon's desalination plant will have the capacity to produce on an annual basis 56,000 acre-feet of drinking water. Currently 93% of the plant's capacity has been assigned to public water agencies through long-term water purchase agreements. The plant's remaining capacity is anticipated to be pledged to additional public water agencies in the coming weeks.

"Santa Fe Irrigation District's mission is to provide our customers with a reliable, high-quality water supply at a reasonable cost. We pride ourselves on taking an innovative approach to managing operations and meeting our ratepayers' needs," said Robert M. "Bud" Irvin, President of the Board of Directors. Board member Michael T. Hogan, SFID representative to the Board of Directors of the San Diego County Water Authority, stated, "With the prolonged state-wide drought, our imported water supplies have become vulnerable and subject to drastic cutbacks. Our Board has voted to be proactive in securing a dependable, drought-proof supply of water for our customers by entering into a long term contract with Poseidon Resources to purchase locally-produced, desalinated water."

SFID is the seventh San Diego county public water agency following the City of Carlsbad, Valley Center Municipal Water District, Rincon del Diablo Municipal Water District, Sweetwater Authority, Rainbow Municipal Water District and Vallecitos Water District to approve long-term water purchase agreements with Poseidon Resources, totaling 50,900 acre-feet per year.

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Highlights of the Water Purchase Agreement include:

- SFID will receive 2,000 acre-feet per year of drinking water over a 30-year period, with the unilateral option to extend the agreement for two additional 30-year terms.
- SFID's price of water paid to Poseidon will not exceed that which would have been paid for the imported water supply from the San Diego County Water Authority.
- Poseidon will be responsible for all costs and risks associated with the financing, development, construction, and operation of the plant.
- The water will meet or exceed all drinking water regulatory standards under the law, and SFID will never be obligated to accept or pay for water that does not meet the quantity, quality and reliability standards specified in the Agreement.

If you have questions, please contact us at 858-756-2424 or visit our website: www.sfidwater.org

Background: *The Santa Fe Irrigation District was formed in 1923 under the California Irrigation District Act. The District provides water and related services to residential, commercial and agricultural customers in the San Diego County communities of Rancho Santa Fe, Solana Beach and Fairbanks Ranch. The District provides service to about 22,000 customers in a 16-square-mile area. The District supplies over 4.5 billion gallons (or 13,500 acre feet) of water per year to its customers, utilizing a blend of local water from Lake Hodges and imported water purchased through the San Diego County Water Authority. The District administers and operates the jointly owned R.E. Badger Filtration Plant, a 40 million gallon per day water treatment plant. The District has historical rights to local water supplies from Lake Hodges and the San Dieguito Reservoir.*

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