

AGREEMENT FOR THE STORAGE OR SALE OF LOCAL WATER TO THE SDCWA

Water Resources Committee
September 3, 2020



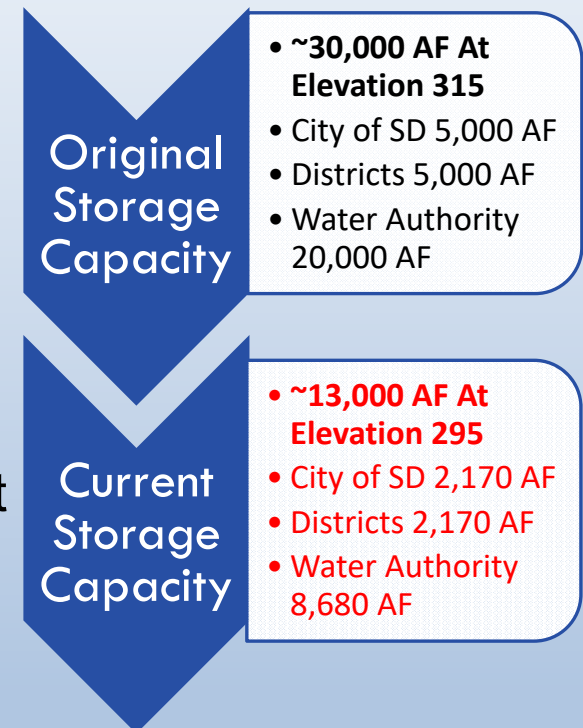
Recommendations:

- Recommend the Board of Directors authorize the General Manager to execute the attached Agreement for the Storage or Sale of Local Water to the San Diego County Water Authority by the Santa Fe Irrigation District and San Dieguito Water District; and
- Authorize the General Manager to make a request to move water from Lake Hodges and store in Olivenhain Reservoir or offer for the sale of Santa Fe Irrigation District local water supplies to the San Diego County Water Authority when it is determined that such request or sale is in the best interests of the District.



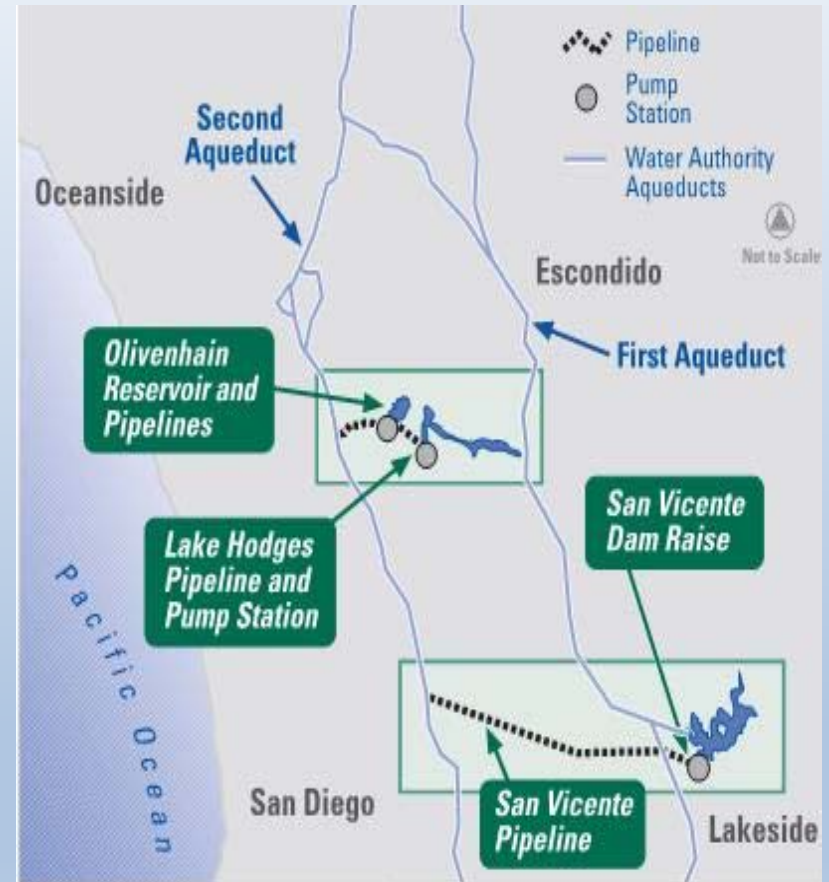
Background:

- SFID has had local water rights in Lake Hodges water since 1924
- 1998 Agreement between the City and Districts (SFID and SDWD)
 - ✓ Storage Pool, Operations and CIP
- 2014 Amended agreement
 - ✓ Clarify Districts water and storage rights
 - ✓ Access to SDCWA Emergency Storage Project
- Water rights under current Agreement
 - ✓ Districts - 50% of local inflow (*SFID -57.33%*
SDWD -42.67%)
 - ✓ City of SD – 50% of local inflow
 - ✓ SDCWA – 0% of local inflow
- 2019 DSOD Imposed Water Level Restriction



Proposed Agreement With SDCWA:

- Collaborative effort with SDCWA staff and Districts to develop the proposed Agreement for the Storage or Sale of Local Water.
- Provide options to minimize the release of local water supply.
- In conjunction with the proposed agreement:
 - ✓ Ongoing communication and coordination with the City for removing its water from Lake Hodges;
 - ✓ Proactively and collaboratively manage the system during wet seasons;
 - ✓ Ability to access SDCWA's system to maximize local water storage.



Terms and Conditions:

- The Districts may make requests to SDCWA to move local water using the Lake Hodges Pumped Storage Facility so as to be stored in Olivenhain Reservoir.
- The Districts' requests will be subject to storage availability in Olivenhain Reservoir and other operation parameters for the Lake Hodges Pumped Storage Facility.
- The price to move and store local water in Olivenhain Reservoir includes:
 - the Water Authority transportation rate;
 - pumping cost of local water into Olivenhain Reservoir;
 - and a monthly storage charge of \$ 2.35 per AF per month .
- No additional transportation charges will be applied to deliver the water back to Lake Hodges.

Terms and Conditions:

- ❑ The agreed purchase price for local water will be the Metropolitan Water District Full Service Untreated Tier 1 Rate, in effect at the time of the sale, less total cost to pump local water from Lake Hodges to the SDCWA's aqueduct.

- ❑ The term of the agreement shall be until June 1, 2035, or until the Lake Hodges Dam is repaired and the DSOD allowable storage level is returned to full capacity of elevation 315, whichever occurs first.

Benefits:

- Maintain Dam safety and minimize loss of local water.
- This agreement will minimize the impact of the level restriction imposed by DSOD on the Hodges reservoir by storing local water in the Olivenhain Reservoir and/or sell the water to Water Authority at the agreed upon prices.
- Utilizing this agreement will maximize the capture and use of local water supplies during the time lake Hodges is under the level restriction.



Execution of the Agreement:

- Obtain SFID Board of Directors Approval at the September Board Meeting
- SDWD Board of Directors Approved the Agreement on August 26, 2020
- Obtain SDCWA Board of Directors Approval in October



Questions?