

TO: The San Diego County Local Area Formation Commission
FROM: David Drake, Alternate Commissioner for Special Districts
RE: The future mission of the San Diego County Water Authority
DATE: October 6, 2025

Introduction

Several serious factors have impacted the current mission of the SDCWA. Among these are; water demand reduction through conservation and local recycling, loss of agricultural use due to high water costs, inaccurate demand forecasting, poor legal guidance concerning take or pay water contracts, over-extended facility fixed costs, member agency anger due to higher water costs, and high staff costs to support previous projects. Item 7c on the October 6, 2025 LAFCO agenda illuminates many of these issues, in support of a needed Municipal Service Review. With apologies to the Fair Political Practices Commission, while trying to avoid a Brown Act violation, I would like to express my opinion before an MSR hearing. This issue has been exacerbated by recent findings that we may face a substantial reduction of access to water from the Colorado River, on an urgent basis. This could impact both MWD and IID water sources. **We must find a strategic and reliable alternative to the Colorado River supply.** We must endeavor to use the investments we have already made to help control costs. There is probably no silver bullet, but we have a quiver of arrows that could be sharpened. Frankly we need a much more comprehensive circular water plan to succeed in San Diego County. If we did not have an SDCWA, we would need to invent one. The issue is **what mission** should the SDCWA have?

Current Circumstances

1. The SDCWA has seen a dramatic improvement in management and quality of decisions. This opens the door to a major improvement in strategic direction and success.
2. Water costs are rising and there is significant pushback from SDCWA member agencies and the public. The SDCWA delivers about 300,000 acre feet per year.
3. The City of San Diego is headed to the opening of the Pure Water Project, which will dramatically reduce water demand at SDCWA, placing financial pressure on all other members. It will deliver about 93,000 acre feet per year, about ½ of city demand. Assume the SDCWA will need to deliver 200,000 acre feet in the future. Currently at a cost of about \$2000/ AF. As has been suggested by Mike Smolens of the UT, an

alternative would be to slow down Phase 2 of Pure Water to lower immediate costs and give the SDCWA breathing room to sell excess water to other parties.

4. Desalinated water from either the Bud Lewis plant or Pure Water is about \$3400/AF.
5. The water community is smack in the middle of evaluation of water rates, with no joy in sight.
6. The SDCWA is bound to “take-or-pay” contracts that require us to pay for water we may not even use. SDCWA management is working hard at finding markets for this water and to obtain the approval to sell it out of our area. They need to be encouraged.
7. The current SDCWA mission is focused on water supply and does not currently intersect with wastewater treatment. Most wastewater treatment is handled by local special districts.

Opportunities for the SDCWA

1. The existing San Onofre Nuclear Power Station, (SONGS), has about 3 megawatts of heat available from dry cask storage on site. This along with heat and electricity from solar sources, could be used with reverse osmosis at about 8 megawatt hours per acre foot. The wholesale price of power can vary a lot, but at the near lowest rate it can be as low as \$10 per MWH. This is an energy cost of about \$80-100 per acre foot, as we can select when we produce water, with good storage. The SONGS site also has permits for water intake and discharge, it has infrastructure built for both, and additional infrastructure for transportation, natural gas, and dock access. The possibility exists to create desalinated water at near the current price of MWD water. Note that desalinated water made at San Onofre could be piped using a line ten miles long to the east and connect to any of several aqueducts south of Fallbrook. Thus takes full advantage of all existing wholesale distribution assets already built.
2. The north county wastewater agencies discharge about 500 AF per day, of highly treated water. This is close to the target of 200,000 AF/year we need. This discharge could instead be piped to San Onofre at 1500 parts per million of dissolved salts. This contrasts with ocean water at 30,000 parts per million. This vastly reduces the cost of desalination and reduces the ocean discharge. One of the outfalls has been estimated to need \$800 million in repairs, which could be avoided. An alternative might be to convert one or more of these wastewater treatment plants to direct potable reuse. Then, similar to the Bud Lewis plant, pipe the water inland, probably to the Twin Oaks plant for distribution.
3. The Twin Oaks plant, which has been seriously underutilized, could be part of a blending and storage system.
4. The San Vicente Dam pumped storage project could be completed and used to store daytime solar power for electrical dispatch to any of several desalination facilities.
5. From a strategic planning standpoint, no water processing project should be proposed or built without renewable energy as a part of the construction and financial costs. All

existing facilities should be destined to employ renewable resources and not to depend upon investor-owned facilities.

6. Existing RO facilities can be made more efficient by heating the feed water to about 85 to 90 degrees F, reducing viscosity and enhancing membrane flow. This could be done using direct solar heating, without using electric power. This makes current investments more productive and valuable. The SDCWA could be a partner in this process.
7. How did the City of Escondido pay for its expansion of wastewater treatment in the early 90's without issuing bonds? They pre-sold wastewater hookups to developers guaranteeing a fixed price for the hookups. These hookup licenses gained in value before use and could be resold. This program was highly successful and won an award from the state for creativity. The SDCWA could form a captive corporation, like a captive insurance company, to sell water hookups at a rate of about 10,000 units per year. These would include fees for both the SDCWA and local water agencies. These funds could cover all of the above expenses, assuming strict adherence to the rules for municipal enterprise accounts. (i.e. no embezzlement allowed...)

Disclaimer

Probably at least half of the above is felony wrong. It needs a clearer goal and sharper minds to bring to ground. The new mission for the SDCWA is to craft and operate a countywide circular water system that reuses every drop of water, reduces ocean discharge by 90%, reduces dependence on the Colorado River by 90% over current values, and makes affordable water by clever use of existing infrastructure, use of renewable energy, and a strong focus on better forecasting. **The San Diego County Water Authority (SDCWA) becomes the San Diego County Circular Water Authority (SDCCWA).**