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**Olivenhain Municipal Water District Board of Directors
Moves to “Drought Proof” Water Supply for its Customers**

Approves Contract for Desalinated Water

Encinitas, CA – In a 5-0 vote this morning, after carefully evaluating the issues before it, the Board of Directors of the Olivenhain Municipal Water District (District) approved a contract with Poseidon Resources Corporation (Poseidon) to purchase up to 5,000 acre feet of desalinated ocean water from the proposed Carlsbad Desalination Plant project. This 5,000 acre feet of water represents approximately 10% of the District’s average supply at build-out.

Based on the current water situation related to the court ruling on the Delta pumps, the drought on the Colorado River and the upcoming cutbacks to interruptible agricultural water, the District undertook its due diligence by investigating, supporting and facilitating the diversification of its water supplies. The Carlsbad Desalination Plant represents the most viable desalination opportunity for the District at this time. The Board further directed the District staff today to investigate other water supply diversification opportunities such as brackish water desalination and membrane bioreactors at various sites for additional recycled water opportunities beyond what the District is already undertaking.

The District is the latest (eighth) agency to sign a contract for desalinated water from the Carlsbad Desalination Project. Additionally, several agencies in the region have come together over the past year to form the San Diego Desalination Partners (Desal Partners), an informal group of local water agencies whose goal is to further assist and develop the potential for desalinated water in the region and the Carlsbad Desalination Plant. These partners include; City of Carlsbad, Santa Fe Irrigation District, Rincon Del Diablo Municipal Water District, Sweetwater Authority, Vallecitos Water District, Valley Center Municipal Water District, Rainbow Municipal Water District, Olivenhain Municipal Water District, City of Oceanside and Vista Irrigation District.

The Olivenhain Municipal Water District’s Board of Directors commissioned a feasibility study in February of this year for the conveyance of desalinated water to the District and several other local agencies from the proposed Carlsbad Desalination Plant. The study was paid for by Poseidon and conducted by the District’s consulting engineer, Boyle Engineering Corporation. The study, completed for the District last month, concluded that it was feasible for the District to receive 5,000



acre feet of water from the Carlsbad Desalination Plant as well as potentially receiving an additional 2,000 acre feet of water to be conveyed via the District to the Santa Fe Irrigation District to the south.

“Desalination will enable the District to diversify its water supply portfolio while providing us with a reliable drought proof water source,” stated District Board Vice President Robert Topolovac. “Right now, the Carlsbad Desalination Project is the only viable project for the District that is moving forward towards addressing the need for desalination in the region. Our Board knows that desalination is a key component of any future supply portfolio for the District. The desalination contract presented today places 100% of the risk and liability on Poseidon to deliver the project and the water with no downside to the District’s customers.”

The Carlsbad desalination project will provide San Diego County with 56,000 acre feet per year of high –quality water that meets or exceeds all state and federal drinking water standards while equipping the region with a locally-controlled, drought-proof supply. Poseidon Resources Corporation is a privately held company that develops and invests in water projects throughout North America.

The District is a public agency providing water, wastewater services, recycled water, hydroelectricity, and operation of the Elfin Forest Recreational Reserve. The District was organized in 1959 and has been serving water to its customers since 1961. The District currently includes over 48 square miles, and services a population of approximately 60,000 residents. The District includes portions of the cities of Encinitas, Carlsbad, San Diego, Solana Beach, and San Marcos as well as the communities of Olivenhain, Leucadia, Elfin Forest, Rancho Santa Fe, Fairbanks Ranch, Santa Fe Valley and 4S Ranch. For more information about the District visit www.omwd.com.

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