

- **Board of Directors**  
**Water Planning, Quality and Resources Committee**

February 11, 2003 Board Meeting

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**10-4**

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**Subject**

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Proposed agreement between Metropolitan, Fallbrook Public Utility District, and San Diego County Water Authority for wheeling Fallbrook water

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**Description**

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In accordance with the Memorandum of Understanding and Agreement (Lake Skinner MOU) with the Watermaster for the Santa Margarita River, Metropolitan regulates, through Lake Skinner, releases of storm runoff into Tocalota Creek, a tributary of the Santa Margarita River watershed. The Lake Skinner MOU was initially executed in November 1974 when Lake Skinner was constructed. Surface waters in the Santa Margarita River watershed are adjudicated by a Watermaster appointed by the Federal Court. Fallbrook, a subagency of the SDCWA, has a right to a portion of this local water and a permit from the State Water Resources Control Board (SWRCB) for its use.

Fallbrook is a party to the Lake Skinner MOU because of its surface water rights in this watershed. Fallbrook is attempting to perfect its water rights through use of these local water supplies within its service area. In November 2001 the SWRCB authorized a change in the point of diversion to Lake Skinner for Fallbrook's water right permit. Fallbrook pursued this change in point of diversion in order to be able to divert these local water supplies through Metropolitan's distribution system and avoid costly capital infrastructure. Fallbrook will have a separate agreement with the SDCWA that will set the delivery schedule.

The change of diversion point has been reviewed and approved by the Watermaster. Fallbrook is responsible for meeting the conditions imposed by the Watermaster for the protection of downstream property owners. Fallbrook is proposing that Metropolitan wheel this water through its distribution system from Lake Skinner to the SDCWA. There are two actions Metropolitan must take to assist in the development of this local water resource. First, the Lake Skinner MOU must be amended; and second, a wheeling agreement must be executed between Fallbrook, the SDCWA and Metropolitan. The principles for a wheeling agreement are shown in [Attachment 1](#).

The purpose of this letter is to inform the Board of the proposal. Staff intends to come to the Board in March for consideration of an action to approve the wheeling agreement and amend the Lake Skinner MOU.

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**Policy**

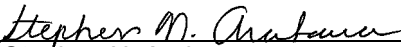
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The existing rate structure pursuant to the Metropolitan Water District Administrative Code § 4405, Wheeling Service. Metropolitan will offer wheeling service based upon available capacity.

**Fiscal Impact**


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None

  
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Stephen N. Arakawa  
Manager, Water Resource Management

1/13/2003

Date

  
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Ronald R. Gastelum  
Chief Executive Officer

1/20/2003

Date

**Attachment 1 – Proposed Principles for a Wheeling Agreement Between Fallbrook, SDCWA and Metropolitan**

BLA #2116

**DRAFT PRINCIPLES FOR LOCAL WATER DIVERSION AT LAKE SKINNER AND WHEELING OF LOCAL WATER BETWEEN THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, FALLBROOK PUBLIC UTILITY DISTRICT, AND SAN DIEGO COUNTY WATER AUTHORITY IN ACCORDANCE WITH WATER RIGHTS PERMIT NO. 11356**

1. The Metropolitan Water District of Southern California (Metropolitan) and the San Diego County Water Authority (SDCWA) will authorize use of its facilities to convey water for the Fallbrook Public Utility District (Fallbrook) in accordance with the above-referenced permit. Metropolitan shall have sole discretion in the operation of its facilities to assure continued reliable deliveries to its member agencies. In addition, Metropolitan will have sole discretion in the operation of its Lake Skinner and Diamond Valley Lake facilities during rainfall and runoff events. Fallbrook shall hold Metropolitan harmless for spills and/or flooding from Lake Skinner during the term of this agreement.
2. The water associated with the Fallbrook water right perfected in accordance with Change of Point of Diversion Permit No. 11356 using Metropolitan facilities will be considered Fallbrook's local water.
3. Metropolitan will wheel local water to SDCWA consistent with board policies, rates and changes for wheeling local water will be consistent with rates and changes applied to other wheeling transactions. Specifically, at this time wheeling costs will include the system access rate, water stewardship rate and treatment surcharge as applicable. In addition, local water shall be measured for purposes of billing the readiness-to-serve charge and any pertinent charge.
4. SDCWA will make its own arrangements for wheeling of local water to Fallbrook. SDCWA and Fallbrook shall agree to the method of accounting between the two agencies for local water wheeled to SDCWA by Metropolitan.
5. Local water wheeled by Metropolitan to SDCWA will be the total rainfall runoff inflow from Tocalota, Middle and Rawson Creeks above Lake Skinner minus applicable estimated losses due to evaporation, seepage and downstream transmission between Lake Skinner and Fallbrook. Water released or spilled from Lake Skinner during rainfall events will be considered local water when calculating the total amount of water available for wheeling by Metropolitan. Metropolitan will account for local water by modifying currently existing accounting procedures approved by Watermaster, including losses described above.
6. Metropolitan and Fallbrook will work with the Watermaster to obtain agreement to any necessary amendment to the existing (Memorandum of Understanding and Agreement on Operating Lake Skinner, as amended) MOU for Lake Skinner. Metropolitan will develop an operational criteria and accounting procedures for accounting for calculating local water.

7. Fallbrook shall be responsible, at no cost to Metropolitan, for all environmental mitigation in accordance with the Change of Point of Diversion Permit No. 11356 and any permits or approvals, including environmental mitigation to implement these principles.
8. Fallbrook shall have sole responsibility for maintaining its Permit No. 11356 including meeting Watermaster conditions regarding Lake Skinner operation, downstream interests, State Water Resources Control Board conditions and periodic renewal.
9. These principles establish a set of voluntary parameters by which the parties intend to conduct themselves in connection with development of this local water resource. These principles do not create a binding agreement between the parties.