THE HISTORY OF THE SAN DIEGUITO WATER DISTRICT

The area we now know as San Dieguito was given its name in 1831 when the Silva family received a provisional grant to an 8,800 acre rancho they named San Dieguito. By the late 1800s, the area now known as Encinitas served as the water and wood station for railroad operations. The water was pumped out of Cottonwood Creek by a windmill into a large wooden tank. If the tank was full when the train came through, the conductor would climb out and shut off the windmill.

While this simple water system served the railroad's needs well, the same could not be said about it serving the domestic needs of the citizens at the time. Ted Hammond, who brought his family to the area in 1883, described the water system as, "A large tank by the railroad tracks and a windmill over a large well in Cottonwood Canyon. The only way we had of getting water was by a barrel filled at the tank and rolled over a rutty road to my father's hotel, where it was doled out very carefully."

ENCINITAS – 1887 – Historical Collection, Title Insurance and Trust Company, San Diego, California

It was the lack of an adequate water system that kept growth in the area to a minimum through the turn of the century. Land in the area was being subdivided and lots sold quickly, but without water, the town did not grow.

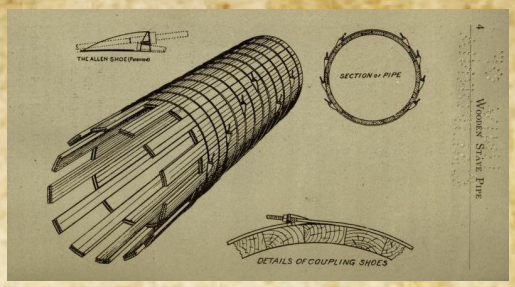
Things were soon about to change, though. In 1918, Hodges Dam, San Dieguito Dam, and Hodges Flume were completed by the San Dieguito Mutual Water Company. Colonel Ed Fletcher, a major mover and shaker in the development of San Diego, led the projects.

Hodges Dam was named after a vice president of the Santa Fe Railroad who made the necessary financing for the construction of the dam. The dam consisted of 23 reinforced concrete arches, each spanning 24 feet. The cost of the dam was about $630,000. The San Dieguito Dam was constructed in just four short months at a cost of $160,000. This hollow gravity, multiple arch structure created the San Dieguito Reservoir to serve as a regulating reservoir which would receive water from Lake Hodges. The flume, an open concrete lined canal, connected Lake Hodges to the San Dieguito Reservoir and stretched four miles in length.

In 1922, the South Coast Land Company of Leucadia, a private company, formed the San Dieguito Irrigation District (SDID). The District originally included 2,300 acres on the coastal mesa around Encinitas. There were 12 voters living within District boundaries at the time. Later that year, the town site of Encinitas and lands covered by another water district, the Cardiff Irrigation District, were added thus increasing the total area to 3,900 acres.

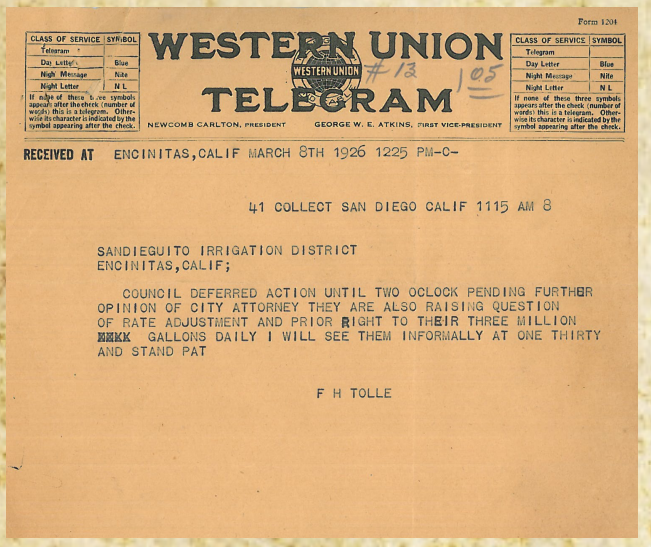
In 1923, the District entered into a contract with the San Dieguito Mutual Water Company for an annual

water supply of 3,200 acre-feet from Lake Hodges. A bond issue of $400,000 was approved for the construction of a distribution system within the District. A 26-inch redwood main line with steel bands was constructed and stretched a total length of 51,721 feet. By the end of 1923, four water meters had been installed within the District.



In 1925, Lake Hodges Dam was in need of repair and the San Dieguito Reservoir had a large structural leak. The San Dieguito Mutual Water Company could not afford to make the necessary upgrades. As a result, Lake Hodges was sold to the City of San Diego in December of 1925.

Following the City's purchase of Lake Hodges, a dispute arose over the District's water rights. A series of telegraphs depicted conversations between District officials leading up to the final moments before an initial resolution was given.



Form 1201

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

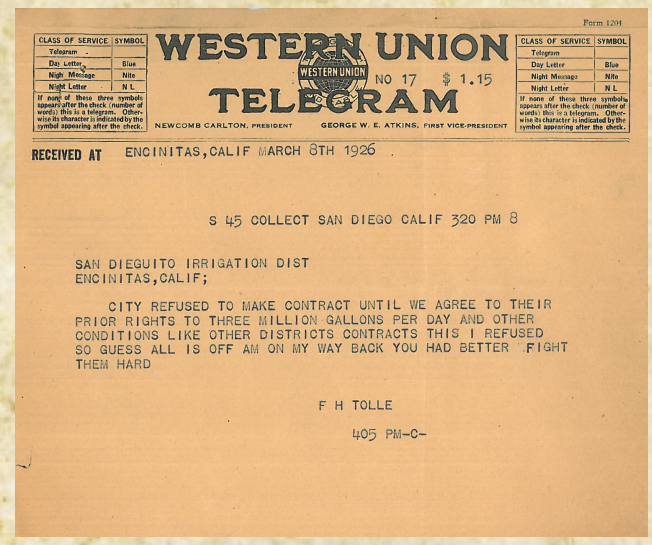
RECEIVED AT ENCINITAS,CALIF MARCH 8TH 1926 1225 PM-C-

41 COLLECT SAN DIEGO CALIF 1115 AM 8

SANDIEGUITO IRRIGATION DISTRICT
ENCINITAS,CALIF;

COUNCIL DEFERRED ACTION UNTIL TWO OCLOCK PENDING FURTHER OPINION OF CITY ATTORNEY THEY ARE ALSO RAISING QUESTION OF RATE ADJUSTMENT AND PRIOR RIGHT TO THEIR THREE MILLION XXXX GALLONS DAILY I WILL SEE THEM INFORMALLY AT ONE THIRTY AND STAND PAT

F H TOLLE



Form 1201

WESTERN UNION TELEGRAM NO 17 $ 1.15

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

RECEIVED AT ENCINITAS,CALIF MARCH 8TH 1926

S 45 COLLECT SAN DIEGO CALIF 320 PM 8

SAN DIEGUITO IRRIGATION DIST
ENCINITAS,CALIF;

CITY REFUSED TO MAKE CONTRACT UNTIL WE AGREE TO THEIR PRIOR RIGHTS TO THREE MILLION GALLONS PER DAY AND OTHER CONDITIONS LIKE OTHER DISTRICTS CONTRACTS THIS I REFUSED SO GUESS ALL IS OFF AM ON MY WAY BACK YOU HAD BETTER FIGHT THEM HARD

F H TOLLE

405 PM-C-

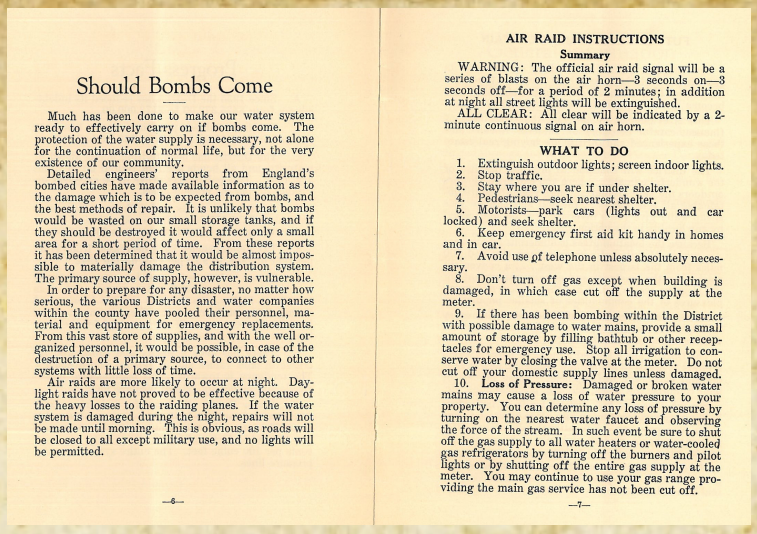
On March 18, 1926, San Diego City Council granted SDID perpetual use of 3,200 acre-feet of water annually from Lake Hodges.

The Great Depression brought more monetary woes to the District in 1933. Tax delinquencies amounted to $56,667 and a newsletter was sent to all taxpayers explaining the District's financial difficulties and asking for help. These problems left insufficient funds to meet the bond service and operating expenses of the District, which led to the District being refinanced by the Reconstruction Finance Corporation in 1935.

In 1938, the Works Progress Administration (WPA) began repairs on the redwood mainline. The WPA was the largest New Deal agency and provided jobs to unskilled workers to carry out public works projects.

Up until this time, a vast majority of the water in the District was used for irrigation, so treating the water was not necessary. As more and more domestic meters were added to the system, a chlorine ammonia treatment facility was installed in 1940 to inject chlorine at the intake of the main line to ensure water quality. A new pumping plant and high tank were also installed to give total water storage of 1,810,000 gallons.

World War II kept District improvements to a minimum since materials used for pipelines were simply not available. As a result, every kind of pipe, new or used, from boiler tubing to cast iron was used. In the midst of WWII, SDID added bomb and air raid instructions to their July 1942 progress report.



Should Bombs Come

Much has been done to make our water system ready to effectively carry on if bombs come. The protection of the water supply is necessary, not alone for the continuation of normal life, but for the very existence of our community.

Detailed engineers' reports from England's bombed cities have made available information as to the damage which is to be expected from bombs, and the best methods of repair. It is unlikely that bombs would be wasted on our small storage tanks, and if they should be destroyed it would affect only a small area for a short period of time. From these reports it has been determined that it would be almost impossible to materially damage the distribution system. The primary source of supply, however, is vulnerable.

In order to prepare for any disaster, no matter how serious, the various Districts and water companies within the county have pooled their personnel, material and equipment for emergency replacements. From this vast store of supplies, and with the well organized personnel, it would be possible, in case of the destruction of a primary source, to connect to other systems with little loss of time.

Air raids are more likely to occur at night. Daylight raids have not proved to be effective because of the heavy losses to the raiding planes. If the water system is damaged during the night, repairs will not be made until morning. This is obvious, as roads will be closed to all except military use, and no lights will be permitted.

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AIR RAID INSTRUCTIONS

Summary

WARNING: The official air raid signal will be a series of blasts on the air horn—3 seconds on—3 seconds off—for a period of 2 minutes; in addition at night all street lights will be extinguished.

ALL CLEAR: All clear will be indicated by a 2-minute continuous signal on air horn.

WHAT TO DO

1. Extinguish outdoor lights; screen indoor lights.
2. Stop traffic.
3. Stay where you are if under shelter.
4. Pedestrians—seek nearest shelter.
5. Motorists—park cars (lights out and car locked) and seek shelter.
6. Keep emergency first aid kit handy in homes and in car.
7. Avoid use of telephone unless absolutely necessary.
8. Don't turn off gas except when building is damaged, in which case cut off the supply at the meter.
9. If there has been bombing within the District with possible damage to water mains, provide a small amount of storage by filling bathtub or other receptacles for emergency use. Stop all irrigation to conserve water by closing the valve at the meter. Do not cut off your domestic supply lines unless damaged.
10. **Loss of Pressure:** Damaged or broken water mains may cause a loss of water pressure to your property. You can determine any loss of pressure by turning on the nearest water faucet and observing the force of the stream. In such event be sure to shut off the gas supply to all water heaters or water-cooled gas refrigerators by turning off the burners and pilot lights or by shutting off the entire gas supply at the meter. You may continue to use your gas range providing the main gas service has not been cut off.

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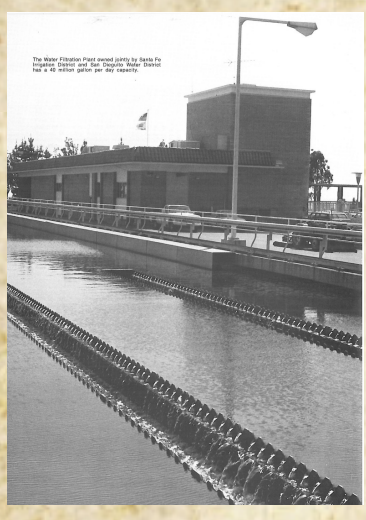
1945 marked the end of WWII. In the following years, flowers, avocados, citrus fruits, and sub-tropical fruits were successfully grown within the District and sent all over the United States year-round. The area population was also growing faster than ever.

A drought swept through the area in the late 1940s. Beginning July 13, 1947, customers of the District were not allowed to irrigate from 6:00 PM Sunday night until midnight Tuesday. Violators had their water shut off for an entire week and were fined $5.00. This drought restriction was lifted on November 10, 1947.

In 1948, SDID became a member of the San Diego County Water Authority. As a member agency, the District was entitled to a proportionate share of water imported through Metropolitan Water District.

In 1950, a 30-inch main line was installed, which replaced the original redwood 26-inch line to accommodate the growing community. With the inclusion of a new million-gallon storage tank in 1956, the District had a total storage capacity of 2,840,000 gallons. The majority of these tanks were eliminated by the late 1960s and replaced by larger reservoirs.

Improvements continued through the 1960s to accommodate the growing community. In 1965, District voters passed a $3,050,000 bond for the construction of a filtration plant and 13-million gallon storage tank to be located in Rancho Santa Fe. This plant is jointly owned with Santa Fe Irrigation District. The storage tank was completed in 1969. In that same year, SDID and Santa Fe Irrigation District purchased the San Dieguito Reservoir, dam site, and flume to Lake Hodges. The R.E. Badger Filtration Plant was completed in 1970. The plant receives and treats imported water from Lake Skinner located near Hemet in Riverside County, and local water from Lake Hodges and San Dieguito Reservoir.



Eventually, the District realized its operations had changed over the years to the point that it was no longer primarily a purveyor of water for irrigation purposes. On October 8, 1975, the San Dieguito Irrigation District became the San Dieguito Water District. As growth continued, a 36-inch water main was added to the district system in 1983.

California experienced a drought between 1987 and 1991. District customers were required to cut water use by 30%. On the verge of a 50% cut in water usage, the Miracle March Rains of 1991 delivered nearly 7 inches of rainfall, saving District customers from severe water use restrictions. As a result of this

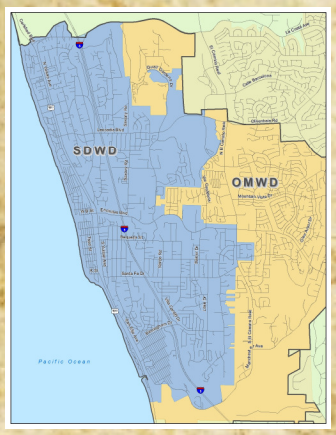
drought, the District began implementing water conservation programs and outreach which have resulted in far less water usage today.

In 1997, construction on a 7.5-million gallon underground reservoir located at Encinitas Ranch Golf Course began. The reservoir was completed in 1998.

Recycled water became available in the District in 2000. This highly treated wastewater, which comes from San Elijo Water Reclamation Plant, is used to water landscaped traffic medians, homeowner association common areas, parks, and the Encinitas Ranch Golf Course.

In 2005, the Hodges flume was taken out of service. A 36-inch underground pipeline replaced the flume.

The region experienced a drought between 2008 and 2011, leading to a mandatory 8% reduction in water use. Following a winter of above average rainfall and snow pack, restrictions were lifted in May of 2011.



The San Dieguito Water District has grown by leaps and bounds since the installation of its first four meters in 1923. Today, the District provides approximately 2 billion gallons of potable water and 162 million gallons of recycled water annually to over 38,000 citizens. As the community continues to grow, the District strives to preserve and enhance the quality of life for its customers by providing a safe and clean water supply that will serve the community for years to come.