

FOR IMMEDIATE RELEASE
Tuesday, June 23, 2015

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Huntington Beach Receives Update on Desalination Facility Benefits *Project to Generate 3,000 Jobs and Infuse \$500 Million into Regional Economy*

Huntington Beach, CA – With California in the midst of a catastrophic drought including record-high temperatures, depleted groundwater basins, and historically low snowpack levels, Poseidon Water is working on the Huntington Beach Desalination Project that, when complete, will provide Orange County with 50 million gallons of fresh drinking water per day from the Pacific Ocean.

Last night, Scott Maloni, Vice President of Poseidon, gave an update on the project to the City of Huntington Beach stating that the desalination facility will also provide a significant financial benefit for the local and regional economy, specifically a cumulative financial benefit within the City of approximately \$200 million.

Over the course of the Project's construction phase over 3,000 jobs will be generated and over \$500 million dollars will be infused into the regional economy. In addition to bringing the single largest source of new, local water supply available to Orange County – 56,000 acre-feet of water annually – the plant being built by Poseidon is a 100% private investment in Orange County's drinking water supply.

"We are proud to provide cost-effective, drought-proof drinking water to hundreds of thousands of California residents while simultaneously improving their local economy," said Scott Maloni, Vice President of Poseidon Water. "We look forward to continuing our work with the City Council and the Orange County Water District to ensure that the Project will provide environmentally friendly and reliable desalinated water supplies at a low cost to consumers."

Many of the financial benefits of the Project are memorialized as permit conditions, imbedded in the permits and agreements are various conditions that guarantee Huntington Beach direct financial benefits including, but not limited to:

- **Desalinated water pricing discounts**
At its option, Huntington Beach can receive up to 3,360 acre feet per year of desalinated water at the lower of a 5% discounted price of the rate the City pays the Municipal Water District of Orange County for imported water and the cost of desalinated water. This option guarantees that when the desalination Project comes online Huntington Beach businesses and residents will be paying less for imported water than they would without the project. This benefit alone is estimated to save the City's water rate-payers \$75,000,000 over the life of the project.
- **\$1,900,000 paid to the City's General Fund within 5 days of the close of the Project's construction financing.**

- **\$2,000,000 paid the City's General Fund no later than the completion of the Project's construction.**
- **\$3,867,000 paid to the City for the purchase of City-owned property on Project site.**
- **\$689,769 paid to the City for Water Storage Tank Property Lease Payments.**
- **\$26,506,000 of avoided capital costs related to water storage and facility construction.**
- **\$Over \$2 million per annum in property tax revenues to the City's General Fund and the Huntington Beach Elementary and Union High School Districts.**

Poseidon's Huntington Beach Desalination Project is awaiting discretionary permit approval from the California Coastal Commission to proceed with construction. A hearing before the Coastal Commission is anticipated later this year and commencement of construction is expected in 2016. Approval of the Coastal Commission permit is a condition precedent for OCWD to execute a final water purchase agreement.

Poseidon's landmark 50 million-gallon per day seawater desalination project in Carlsbad, CA is scheduled to be in operation early fall 2015. Once completed, it will be the largest, most technologically advanced, energy efficient and environmentally responsible seawater desalination project in the Western Hemisphere.

Poseidon Water specializes in developing and financing water infrastructure projects, primarily seawater desalination and water treatment plants in an environmentally sensitive manner. These projects are implemented through innovative public-private partnerships in which private enterprise assumes the developmental and financial risks. For more information on Poseidon Water and the Huntington Beach desalination facility, visit <http://HBfreshwater.com>.

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