

FOR IMMEDIATE RELEASE
September 2, 2015

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Coastal Commission to Consider Proposed Huntington Beach Desalination Project

Poseidon revises project to comply with new state desalination policy

Huntington Beach, CA – Today, Poseidon Water announced that it has resubmitted its application to the California Coastal Commission for the proposed Huntington Beach Desalination Project (Project).

The application comes after the successful completion of the Commission's Independent Scientific Technical Advisory Panel's (ISTAP) 20-month evaluation of the feasibility of alternative subsurface seawater intake technologies. The Coastal Development Permit is the last discretionary permit necessary to authorize the construction of the Huntington Beach Desalination Project, which could begin construction in 2016 and be completed in 2019.

"Given the Commission's thorough understanding and detailed evaluation of the Project and the emergency executive actions taken by Governor Brown during this historic drought, we respectfully request that Commission staff deem our CDP application complete at its first opportunity and schedule the Project for a hearing as soon as possible," said Poseidon Water Vice President Scott Maloni. "Orange County residents overwhelmingly support this project and the community needs a drought proof water supply now more than ever. With the most technologically advanced and environmentally sensitive desalination facility in the Western Hemisphere, we look forward to delivering 50 million gallons a day of fresh drinking water to this region."

The Coastal Commission established ISTAP in response to its staff's November 2013 recommendation that the Commission approve Poseidon's proposed 50 MGD desalination project with the condition that Poseidon construct a new subsurface intake system as an alternative to using the existing facilities, if such an intake system was feasible. In August, the ISTAP issued a final draft report that concluded that the alternative of building a new subsurface intake system is not economically viable, which makes them infeasible under the Coastal Act definition of feasibility. Poseidon's proposed use and modification of the existing intake system is the only viable way to advance the project. The ISTAP report's findings and conclusions validate the determinations previously made by the City of Huntington Beach and the Santa Ana Regional Water Quality Control Board in permits issued to the proposed Huntington Beach Desalination Project that found site and project-specific conditions render alternative subsurface seawater intake technologies infeasible and/or environmentally inferior.

"Poseidon greatly appreciates all of the time and effort Commission staff has dedicated to the review of the proposed Huntington Beach Desalination Project over the many years since the CDP application was first submitted in May of 2006," said Maloni. "In 2013, Commission staff deemed our Original Jurisdiction CDP application complete, but we agreed to withdraw our application to allow an independent study to evaluate alternative intakes. Now that these issues have been thoroughly and independently addressed by the ISTAP, it is time to start constructing this much-needed project."

California is currently mired in the fourth consecutive year of the worst recorded drought in state history. Climate scientists are predicting that future drought cycles in the state will be more frequent and longer lasting. On April 28, 2015, Governor Brown directed the Office of Planning and Research, among other state agencies, to *"help local water agencies reduce the time required to comply with state-required*

environmental reviews.” This directive from the Governor follows his actions under Executive Order B-29-15 (Provision 19) that states “State permitting agencies shall prioritize review and approval of water infrastructure projects and programs that increase local water supplies, including ... desalination plants. Agencies shall report to the Governor’s Office on applications that have been pending for longer than 90 days.”

On May 6, 2015, the State Water Resources Control Board adopted the Desalination Amendment, which establishes regulations for the intake and discharge for seawater desalination facilities. Poseidon is amending its Project description to comply with the Desalination Amendment. In its application to the Coastal Commission Poseidon is proposing the Project reduce its previously permitted seawater intake by 17% (reduced to 106 MGD) while still producing 50 MGD of drinking water. Specifically, once the AES Huntington Beach Generating Station (AES HBGS) decommissions its cooling water system Poseidon will retrofit the intake fore bay with 1 millimeter (1/25th inch slot width) traveling screens with a through-screen velocity of no more than 0.5 feet per second and a fish return system.

Project-specific environmental reports conclude that at an intake volume of 106 MGD, and with 1 mm width screens with a through screen velocity of 0.5 feet per second, the proposed Poseidon Project would completely eliminate impingement (impacts to juvenile fish and shell fish) and reduce previously estimated levels of entrainment (i.e., entrapment of fish eggs) to less than two planktonic organism per 1,000 gallons of seawater withdrawn. This equates to 0.03% - three-one-hundredths of one percent - of the fish eggs in the ocean at risk of potentially being entrained. Studies conducted at the site confirm that operation of the proposed Project the will not result in the potential entrainment of any threatened or endangered species, and the potential entrainment of species of commercial and/or recreational value is estimated to be very rare. For example, the total estimated annual entrainment of halibut eggs would represent the annual reproductive capacity of a single adult female fish.

In order to comply the Desalination Policy’s discharge requirements the Poseidon will retrofit the existing discharge pipeline once the AES HBGS decommissions its cooling water system. The new discharge system will have a mechanical diffuser that will reduce the salinity in the concentrated seawater discharged by the Project to no more than 2 ppt. (35.5 ppt.) above ambient within the 328 feet (100 meters) specified in the Desalination Amendment. The area of seafloor exposed to salinity levels at or above 35.5 ppt. will be approximately 0.15 acres.

“Once built, the Huntington Beach Desalination Project will be the only large-scale plant along the coast of California that combines a 1 millimeter width screened-intake technology with a concentrated seawater diffuser,” said Maloni.

In May, the Orange County Water District Board of Directors voted to approve a Water Reliability Agreement term sheet with Poseidon Water that will allow OCWD to secure the single largest source of new, local water supply available to Orange County – 56,000 acre-feet of water annually from the proposed seawater desalination project. Approval of the Coastal Commission permit is a condition required for Orange County Water District (OCWD) to execute a final water purchase agreement.

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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