



Claude “Bud” Lewis Carlsbad Desalination Plant

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Contacts: Jessica Jones Mike Lee
Poseidon Water San Diego County Water Authority
(760) 655-3900 (760) 208-0588
jjones@poseidon1.com mlee@sdcwa.org

**Nation’s Largest Seawater Desalination Plant
Enhances Water Supply Reliability for San Diego County**
*Region Commemorates History-Making Project, Dedicates New Plant in Honor
of Former Carlsbad Mayor Claude ‘Bud’ Lewis*

Carlsbad, CA (Dec. 14, 2015) – Operations are under way at the nation’s largest and most technologically advanced seawater desalination plant, which was dedicated today by more than 600 elected officials, community leaders and project partners. After successfully completing construction, the Claude “Bud” Lewis Carlsbad Desalination Plant has already produced more than 1.5 billion gallons of locally controlled water for San Diego County, helping to minimize the region’s vulnerability to the statewide drought.

The Carlsbad Desalination Plant is the result of a 30-year Water Purchase Agreement between the plant’s developer and owner, Poseidon Water, and the San Diego County Water Authority for the production of up to 56,000 acre-feet of water per year, enough to meet the needs of approximately 400,000 people. It is a major component of the Water Authority’s multi-decade strategy to diversify the region’s water supply portfolio.

To commemorate the historic occasion, dozens of state and local elected officials, including California Assembly Speaker Toni Atkins, attended today’s event.

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“Since the last major drought here a little over 20 years ago, the San Diego region has worked to conserve water as well as identify new water sources,” said Atkins. “The Poseidon project not only provides San Diego County with a drought-proof water supply, it also demonstrates how California can meet the water needs of future generations.”

The \$1 billion desalination project includes three main components: the desalination plant adjacent to NRG Energy’s Encina Power Station on Agua Hedionda Lagoon; a 10-mile pipeline that connects to the Water Authority’s regional distribution system; and upgrades to Water Authority facilities for distributing desalinated seawater throughout the region. The plant provides a highly reliable water supply produced with state-of-the-art technology to reduce energy demands, and it will be the first water infrastructure project in the state to have a zero net carbon footprint.

The Carlsbad plant uses reverse osmosis to produce approximately 10 percent of the region’s water supply; it is a core supply regardless of weather conditions, and it is blended with water from other sources for regional distribution. It costs less than 0.5 cents to produce a gallon of drinking water at the plant. Desalinated water will cost typical homeowners in the region about an additional \$5 per month, in line with the low end of projections when the project was launched in late 2012. The costs are already factored into the Water Authority’s 2016 rates.

“Dedication of the Carlsbad Desalination Plant marks a major milestone in California water history,” said Mark Weston, chair of the Water Authority’s Board of Directors. “The Water Authority and its member agencies have been aggressively diversifying the region’s water supply for decades, and the Carlsbad Desalination Plant is a major component of that effort. We crafted a strategy of conservation and innovation in the early 1990s, and today it is protecting our \$218 billion economy and the quality of life enjoyed by 3.2 million residents.

“The Claude ‘Bud’ Lewis Carlsbad Desalination Plant opens a new chapter in water supply reliability for the San Diego region and the state by tapping the potential of the Pacific Ocean and reducing dependence on strained resources such as the Sacramento-San Joaquin Bay-Delta. It is bolstering the San Diego region’s self-reliance, and in turn, its future.”

Since the drought of 1987-92, the Water Authority has transformed the region's water supply mix by: implementing the nation's largest agriculture-to-urban water conservation and transfer agreement with the Imperial Irrigation District; securing additional long-term, highly reliable Colorado River water supplies through canal-lining projects in the Imperial Valley; and by assisting local member agencies in developing their own local water sources. In addition, the Water Authority has helped to reduce regional per capita potable water use by 39 percent since 1990 through legislation, education, incentives and other measures to promote conservation. The strategy has worked so well that even in the fifth year of drought, the Water Authority has 99 percent of the water supplies it would need to meet normal demands this year.

Poseidon Water is a private company that partners with public agencies to deliver water infrastructure projects. The company's primary focus is developing large-scale reverse osmosis seawater desalination plants, and Poseidon is developing a second desalination facility in Huntington Beach, Calif.

The Carlsbad Desalination Project included 1.5 million hours of work in Carlsbad, Vista and San Marcos, supporting an estimated 2,500 jobs and infusing \$350 million into the local economy. Project partners included the Water Authority, Poseidon Water, IDE Technologies, Stonepeak Infrastructure Partners and Kiewit-Shea Desalination. After 30 years of operation at the Carlsbad plant, the Water Authority has the option – but not the obligation – to purchase the plant for \$1. The agency also has the right to buy the facility after 10 years, though it isn't required to do so.

Starting in the early 1990s, the Water Authority began investigating the potential for a desalination project along the county's coastline. It identified the Carlsbad site as one of the most likely locations because of the existing seawater intake and discharge infrastructure used by the Encina Power Station and its location relative to the Water Authority's distribution system. Poseidon Water spearheaded efforts to develop the Carlsbad site starting in the late 1990s.

"This pioneering project is the result of more than 17 years of planning, permitting and construction," said Poseidon Water CEO Carlos Riva. "It required teamwork between Poseidon Water, the Water Authority, our contractors, NRG Energy, and the cities of Carlsbad, Vista and San Marcos. Together, we are proud to provide a vital resource for the San Diego region."

The plant will be operated by IDE Technologies, an international leader in water treatment solutions.

"IDE Technologies is thrilled to bring its experience designing and operating some of the world's most advanced seawater desalination plants to the United States," said IDE Americas Inc. CEO Mark Lambert.

"With operations under way in Carlsbad, we are putting the 'Pacific on tap' for San Diego County, bolstering the region's water reliability for decades to come."

NRG, a Fortune 200 energy company, is hosting the desalination plant as owner of the six-acre site where it sits.

"It is exciting to be part of a historic effort like this one that will serve the San Diego region for decades to come," said John Chillemi, NRG's regional president. "NRG is proud to have played a role in this important project and appreciates our partnership with Poseidon to help make it happen."

Today's dedication event included naming the plant in honor of the late Carlsbad Mayor Claude "Bud" Lewis, who was instrumental in making Carlsbad the host city for the plant. The plant's name was kept confidential until the program. Lewis' family members accepted a plaque in the mayor's memory, and they thanked Poseidon, the Water Authority and the City of Carlsbad for recognizing his legacy. The event culminated with a "turning of the wheel" to symbolize the start of water delivery.

Major sponsors of the dedication event included IDE Technologies, Kiewit-Shea Desalination, and Arcadis US.

For more information, go to the project website, carlsbaddesal.com, or to the Water Authority's website, sdcwa.org. To download photos, video and materials, go to <http://carlsbaddesal.com/media> and login using the email "guest@carlsbaddesal.com" and password "desalination."

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