



# Claude “Bud” Lewis Carlsbad Desalination Plant

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## **Carlsbad Desalination Project Receives Top Honors for Maximizing Cost-Effectiveness through Public-Private Partnership**

*San Diego County Taxpayers Association Honors Poseidon Water and San Diego County Water Authority for Collaborative Effort to Create New Drought-Proof Water Supply*

**Carlsbad, CA** (June 17, 2016) – The Carlsbad Desalination Project was recognized for “stretching taxpayer dollars through cooperation between the public and private sectors” by the San Diego County Taxpayers Association at the organization’s 21st Annual Golden Watchdog & Fleece Awards last night at the Sheraton San Diego Hotel & Marina. Poseidon Water and the San Diego County Water Authority received the Grand Golden Watchdog for the project and the unique collaboration that made it possible.

Three main components comprise the \$1 billion desalination project: the Claude “Bud” Lewis Carlsbad 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 the Water Authority’s facilities for distributing desalinated seawater throughout the region.

“Efforts to bring a seawater desalination plant to Carlsbad began in the mid-1990s, long before the current drought began in Southern California,” said Carlos Riva, chief executive officer of Poseidon Water.

“Poseidon Water is proud to be recognized by the Taxpayers Association for working with the San Diego

County Water Authority to turn this innovative idea into a reality and create a drought-proof supply of water that will serve the region for decades.”

At last night’s event, Riva was joined by Mark Muir, vice chair of the Water Authority’s Board of Directors, and Maureen Stapleton, the general manager of the Water Authority, to accept the award in front of more than 500 attendees, including dozens of longtime project supporters.

“Due to this desalination plant and other forward-thinking efforts by the Water Authority, we don’t have a dry well here in San Diego County,” said Muir, thanking the Taxpayers Association and the region’s water ratepayers for their support. “While there may be a drought, we have a sustainable, reliable water supply.”

The Carlsbad project is the result of a 30-year Water Purchase Agreement signed in 2012 between the plant’s developer and owner, Poseidon Water, and the Water Authority for the production of up to 56,000 acre-feet of water per year. The agreement provided assurances that Poseidon needed to secure funding for plant construction, most of which came from the sale of private bonds and nearly \$200 million in private equity from Stonepeak Infrastructure Partners. It also allowed the Water Authority to protect the region’s water ratepayers by shifting appropriate construction and operation risks to Poseidon. The agreement effectively balances private and public interests, requiring the Water Authority to pay only for water that is produced according to pre-set quality and quantity standards, while providing Poseidon with a return on its investment.

The largest seawater desalination plant in the nation, the Carlsbad plant started commercial operations in December 2015. It is a key piece of the Water Authority’s long-term strategy to diversify its water supply sources. The plant uses reverse osmosis membrane technology 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.

The Golden Watchdog & Fleece Awards is the San Diego County Taxpayers Association’s signature annual event. The Watchdog Awards, including the Grand Golden Watchdog Award, “honor programs that exemplify efficient use of tax dollars.” Past winners of the Grand Golden Watchdog Award include the San Diego County Sheriff’s Department’s Veterans Moving Forward program, the County of San Diego’s Multi-

Discipline Graffiti Abatement program and the City of San Diego's Pension Reform and Tough Cuts to Compensation efforts.

For more information about the Carlsbad project, including photos, video and other resources, go to <http://carlsbaddesal.com/media> and log in using the email "guest@carlsbaddesal.com" and password "desalination."

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#### About Poseidon Water

*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. These projects are implemented through innovative public-private partnerships in which private enterprise assumes the developmental and financial risks. For more information on the Carlsbad Desalination Project, visit the project website at [www.carlsbaddesal.com](http://www.carlsbaddesal.com). For more information on Poseidon's Huntington Beach desalination plant visit the project website at [HBfreshwater.com](http://HBfreshwater.com).*

#### About the San Diego County Water Authority

*The San Diego County Water Authority sustains a \$218 billion regional economy and the quality of life for 3.2 million residents through a multi-decade water supply diversification plan, major infrastructure investments and forward-thinking policies that promote fiscal and environmental responsibility. A public agency created in 1944, the Water Authority delivers wholesale water supplies to 24 retail water providers, including cities, special districts and a military base. For more information, go to [www.sdcwa.org](http://www.sdcwa.org).*