



THE CARLSBAD
Desalination Project
Enhancing Water Reliability for San Diego County

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Largest Desalination Plant in Western Hemisphere Completes First Year of Construction

Project on Track to Deliver up to 50 Million Gallons of Water per Day by Early 2016

Carlsbad, CA (January 8, 2014) – City leaders, San Diego County Water Authority board officers, IDE Technologies, NRG Energy and Poseidon Water executives visited the Carlsbad Desalination Project today to mark the first anniversary of construction on the Western Hemisphere's largest seawater desalination plant, which is more than 25 percent complete.

The \$1 billion venture, launched in late 2012, is within budget and on schedule to start producing water in 2016. Besides the plant, the project includes a large-diameter pipeline in North County, along with upgrades to Water Authority facilities. It will account for about one-third of all the water generated in San Diego County, helping reduce reliance on imported water as part of the Water Authority's multi-decade strategy to improve the reliability of the region's water supply by diversifying its portfolio of water sources.

"We are thrilled to see this project progressing so quickly and efficiently after more than 10 years of hard work of development to bring it construction," stated Carlos Riva, CEO of Poseidon Water, the project

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developer. "We are well on our way to delivering enough high-quality drinking water to serve up to 112,000 households in San Diego County. We could not make this project possible without the help and support of the Water Authority, Kiewit Shea Desalination contractors, IDE Technologies, NRG Energy and the cities of San Marcos, Vista and Carlsbad. We sincerely appreciate the partnerships we have developed with all of these entities."

During the three-year construction process, the desalination project is supporting an estimated 2,500 jobs and infusing \$350 million into the local economy. In the first year of construction, joint-venture contractor Kiewit Shea Desalination achieved a perfect safety rating, with no reports of injury or violations building what will be the nation's most technologically advanced and energy-efficient seawater desalination plant.

Carlsbad Mayor Matt Hall thanked the Water Authority, Poseidon Water and the contractors for minimizing construction impacts and for communicating with business owners and residents. "A project of this size is a massive undertaking for our city that will benefit the entire region," Hall said. "It's a testament to good planning and hard work that this world-class project is going so smoothly."

In November 2012, the Water Authority signed a 30-year agreement to purchase at least 48,000 acre-feet of desalinated seawater each year from Poseidon, as long as it meets pre-set quality and quantity requirements. The Water Authority may purchase up to 56,000 acre-feet annually, enough to serve about 112,000 typical single-family homes. The innovative public-private partnership quickly secured a financing deal that has since been hailed as ground-breaking by trade publications, and construction started in late December 2012.

The reverse-osmosis plant in Carlsbad will connect to the Water Authority's aqueduct via a 10-mile pipeline through Carlsbad, Vista and San Marcos. Pipeline installation is nearing completion in San Marcos and Vista; construction in Carlsbad is under way and expected to last through 2015. In addition, the Water Authority is making about \$80 million in upgrades to its own facilities so it can deliver desalinated seawater into its Twin Oaks Valley Water Treatment Plant for distribution throughout the region. In 2020, the project will meet about 7 percent of the region's water demand.

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"The past two dry years in California, plus the prospect of a third dry year in 2014, underscore the importance and value of investing in long-term, drought-proof water sources such as the Carlsbad Desalination Project," said Thomas V. Wornham, Chair of the Water Authority's Board of Directors. "We are pleased with the progress to date and eager for the plant to start producing water that will help support our region's 3.1 million residents and its \$188 billion economy."

For more information, go to sdcwa.org or poseidonwater.com.

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