



**\*\*NEWS RELEASE\*\***

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## **California State Lands Commission Approves Huntington Beach Desalination Project**

**Huntington Beach, CA** – Poseidon Resources today announced that the California State Lands Commission (“SLC”) unanimously approved (2-0) the Huntington Beach Desalination Project (“Project”) during a public hearing in Culver City, CA. The Commission authorized a lease agreement that will allow for operation of the desalination plant, moving the project’s one step closer to construction.

The Project required an approved lease amendment from the SLC because Poseidon plans to use existing offshore seawater intake and discharge facilities utilized by the Huntington Beach Generating Station (“HBGS”) that traverse underneath Huntington State Beach, which is owned by the state of California.

“The California State Lands Commission is the latest permitting agency to find the proposed construction and operation of the Huntington Beach Desalination Project to be environmentally sound,” said Poseidon Resources’ Vice President Scott Maloni. “We will be building one of the most technologically advanced and energy-efficient seawater desalination plants in the world,” said Maloni.

The Project has now received approvals from the City of Huntington Beach, Santa Ana Regional Water Quality Control Board, Department of Public Health and California State Lands Commission. A Coastal Development Permit from the California Coastal Commission is the last remaining permit required before Project construction can start.

Testimony at the hearing was dominated by project supporters with state Senators Tom Harman (Rep – 35<sup>th</sup> District) and Lou Correa (Dem - 39 District) and Assemblyman Jose Solorio (Dem - 69<sup>th</sup> District) leading a diverse countywide coalition. Others that testified in support of the project included representatives from the Orange County Board of Supervisors, California Latino Water Coalition, Orange County Taxpayers Association, Los Angeles/Orange County Building & Construction Trades Council and the Orange County Business Council and the Orange County League of Cities. A compilation of Project support letters sent to the SLC to date can be found [by clicking on this link](#).

Poseidon is working with twenty Orange County public water agencies, municipalities and retail water purveyors that have [signed Letters of Intent \(“LOI\) to purchase water](#) from the desalination facility. The public-private partnership between Poseidon, the City of Huntington Beach and public water agency customers places the financial responsibility on Poseidon for siting, permitting, designing, building, starting up and operating the desalination facility.

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Poseidon will have 30-year fixed price contracts where all the water is appropriated for public use, meaning the public water agencies determine where, when and how the water is used. Poseidon will be obligated to deliver water meeting contractual specifications for quantity, quality, reliability and price.

The Huntington Beach Desalination Facility is a 50 million gallon per day (56,000 acre foot per year) local water supply project that will provide the region with a drought-proof alternative to imported water. Due to limited local sources of water supply, Orange County must import as much as 50% of its water. The \$350 million Huntington Beach Desalination Project is expected to be operational in 2014.

*Poseidon Resources specializes in developing and financing water infrastructure projects, primarily seawater desalination facilities. These projects are implemented through innovative public-private partnerships in which private enterprise assumes the developmental and financial risks. For information on the Huntington Beach project, visit our Huntington Beach website at [www.hbfreshwater.com](http://www.hbfreshwater.com).*

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