



FOR IMMEDIATE RELEASE
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Orange County Water District Approves Water Purchase Agreement Term Sheet with Poseidon Water

Fountain Valley, CA – Tonight the Orange County Water District (“OCWD”) Board of Directors voted to approve an amendment to the 2015 water purchase agreement term sheet with Poseidon Water for the purchase of 56,000-acre feet per year of drinking water from the proposed Huntington Beach Desalination Project (“Project”).

“This is a great step forward for the ratepayers,” said Orange County Taxpayers Association President and CEO Carolyn Cavecche. “The new agreement further shifts financial risk and responsibility to the private sector, protecting ratepayers and keeping Orange County on track for water independence.”

The key components of the new term sheet include:

- Cost of service pricing structure estimated to provide a lower cost of water than the alternative of purchasing imported water;
- 30 or 35-year purchase term, reduced from a 50-year term;
- Option for OCWD to have Poseidon finance and construction the desalinated water delivery system;
- OCWD option to buy the project between 5-7 years after operation as opposed to after 30 years under the 2015 term sheet.

“The working men and women of Orange County appreciate the OCWD board taking the steps to bring this long-awaited project to fruition,” said Ernesto Medrano, Council Representative of the Los Angeles-Orange County Building Trades Council. “Tonight’s action will reduce the cost of the product water over the long term, which is important for those in disadvantaged communities, but the construction of this water production facility will create thousands of jobs.”

[The project has the bi-partisan support of every state elected official in Orange County and a super majority of the elected officials in the California state legislature.](#) Water district representatives from throughout the County encouraged OCWD board to approve the amended term sheet so that Orange County would have the opportunity to add a new, locally controlled water supply. In addition to offsetting imported demand, water from the project could provide flexibility in how OCWD manages the groundwater basin, specifically the desalinated water could be used to augment supplies OCWD injects into the Talbert Seawater Barrier to help prevent seawater intrusion into the groundwater basin.

In [an opinion piece recently published in the Orange County Register](#) OCWD Board President Denis Bilodeau wrote *“My goal is water supply independence for Orange County. We should not be beholden to others for the most basic element of life. Clean*



water is essential to Orange County's public health and safety and economic stability ... With an annual production capacity of 56,000 acre-feet, [the Huntington Beach desalination plant] would be the single largest source of new, high-quality, locally-controlled, drought-proof water available to the county."

"The amended term sheet is just the latest indication that Orange County values the water supply reliability benefits provided by the Huntington Beach Desalination Project," said Poseidon Vice President Scott Maloni. "We look forward to bringing closure to the permitting process early next year so we can finalize a water purchase agreement and bring this long-await project online."

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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>