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EPA Financing for Desal Plant Saves Water Ratepayers up to \$54 Million

\$170 million loan provides low-interest financing for environmental upgrades

Carlsbad, Calif. (March 24, 2023) – The U.S. Environmental Protection Agency has awarded a \$170 million low-interest loan to reduce financing costs for environmental upgrades that enhance the Claude "Bud" Lewis Carlsbad Desalination Plant. U.S. Rep. Mike Levin, who represents coastal communities including Carlsbad, helped secure the funds that will save ratepayers up to \$54 million compared to alternate financing strategies.

"As we continue to confront increasingly frequent and intense droughts, the EPA announcement is an exciting step in our efforts to provide sustainable, reliable water supplies for San Diego County," said Rep. Mike Levin. "This low-interest federal loan will not only allow the Carlsbad Desalination Plant to improve its efficiency and environmental practices but will also save local water ratepayers tens of millions of dollars. I will never stop fighting to improve our region's water security at the most affordable price for ratepayers."

The loan, from the federal Water Infrastructure Finance and Innovation Act (WIFIA), will help Poseidon Resources (Channelside) LP continue to provide local, sustainable, drought-proof water to the San Diego County Water Authority and its 24 member agencies while reducing costs of the current intake modification project.

"Saving ratepayers money while enhancing environmental protections is solid gold," said Water Authority Board Chair Mel Katz. "The team effort between Poseidon, the Water Authority and Congressman Levin illustrates our commitment to find cost savings wherever we can while continuing to provide safe and reliable water supplies for our region." The Carlsbad Desalination Plant is the largest, most technologically advanced and energyefficient desalination plant in the nation, and it has produced more than 100 billion gallons of drinking water for San Diego County since operations began in December 2015.

"Since the beginning, Poseidon Resources' mission has been to provide high-quality drinking water and a long-term sustainable solution for San Diego County while protecting ratepayers," said Sachin Chawla, president of Poseidon Resources. "This infusion of low-interest capital and close partnerships with U.S. EPA and the Water Authority will further support modernizing Carlsbad's Desalination Plant for future generations."

The new intake and discharge facilities at the Carlsbad Desalination Plant will ensure the plant continues to meet California's stringent Ocean Plan standards for protecting marine life. Work started in January 2023 and the new facilities are anticipated to be operational by December 2024. Except for a planned plant outage required near the end of the project to connect the new facilities to the existing intake system, construction is not expected to impact water production.

More information about the desalination plant is at <u>carlsbaddesal.com</u> and <u>sdcwa.org</u>.

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The San Diego County Water Authority sustains a \$268 billion regional economy and the quality of life for 3.3 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.

Poseidon Channelside is limited partnership company that has a 30-year Water Purchase Agreement with the San Diego County Water Authority. This limited partnership developed by Poseidon Water LLC that partners with public agencies to deliver large scale water and wastewater infrastructure projects. Poseidon Water implements innovative public-private partnerships in which private enterprise assumes the developmental and financial risks.