



Huge California desalination plant faces key test

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SAN DIEGO—An effort to build the Western Hemisphere's largest seawater desalination plant faces a key test as San Diego's regional water agency decides whether to buy all its output despite criticism that cheaper alternatives may be overlooked.

The San Diego County Water Authority board on Thursday will consider a 30-year contract to buy the water from Poseidon Resources LLC, which needs the deal to move ahead with plans to sell bonds that would pay for more than 80 percent of \$984 million project. The plant in Carlsbad would produce 50 million gallons of highly purified drinking water a day, enough to supply about 8 percent of the region in 2020.

The decision is being closely watched, especially in California, where the plant is the furthest along among about two dozen proposals in various stages of planning. Desalination has helped quench demand in Australia, Saudi Arabia and other countries lacking fresh water, but it has been slow to catch on in the United States.

The San Diego agency would pay \$2,042 to \$2,290 for an acre-foot of water, more than twice what it pays to bring water from Northern California and the Colorado River on hundreds of miles of aqueducts. Backers say the premium is well worth the protection against threats to imported water from drought. The San Diego region imports about 80 percent of its water.

"Desalination is a local, drought-proof resource and it's high time for us to move forward on this project," said San Diego

Mayor Jerry Sanders.

The San Diego County Water Authority, a wholesaler to 24 cities and agencies including the city of San Diego, struck a tentative deal in September with Poseidon, a Stamford, Conn.-based company that also wants to build a huge desalination plant in Huntington Beach, south of Los Angeles. Since then, skeptics have questioned the cost.

Pacific Institute, an Oakland-based group that studies environmental issues, said in a report this week that San Diego should consider lowering its minimum annual purchase of 48,000 acre-feet, or enough to supply about 96,000 homes. It said large plants built in Australia over the last several years are unused in response to lower demand and cheaper alternatives. Likewise, a big plant in Tampa, Fla., that was

planned during boom times in the 1990s was completed in 2007 after long delays and is operating well below capacity.

The San Diego agency estimates that the average household bill will increase \$5 to \$7 a month when deliveries begin in 2016. It figures the cost is comparable to other new, local sources of drinking water.

Poseidon proposed the plant in 1998 and has been negotiating with potential customers since shortly after the California Coastal Commission approved it 2009, clearing the last major regulatory hurdle. The company overcame challenges from environmentalists concerned about the plant's massive electricity needs and harm to fish and other wildlife from intake filters and brine that is dumped back into the ocean.

The city of San Diego, which holds 40 percent of voting power on the water authority board, has irked some other cities with a proposal that would shift more costs to smaller agencies that don't have their own water treatment facilities. Valley Center Municipal Water District, which serves avocado growers north of San Diego, said it might reluctantly withdraw its support.

"It would be a sad, sad irony if the San Diego region lost this critical and historic project, not by overly burdensome regulations, not by litigation, and not by the unflinching environmental opposition, but by the overplayed hand of one of its own water agencies," Gary Arant, Valley Center's general manager, wrote in an opinion article in the U-T San Diego newspaper.

San Diego began to consider desalination in the early 1990s, when a drought led it to conclude that it needed a more diverse, reliable water supply. The agency is also considering giant desalination plants at Camp Pendleton Marine Corps Base and Playas de Rosarito, Mexico, just south of the U.S. border.