



5.5 OCWD Poseidon Huntington Beach Project

Recommendation:

Authorize continued non-binding participation for 5,000 AF

Poseidon will:

- Deliver water to the fence line;
- Treat, permit, ensure water quality;
- Assume all construction and operation costs; and
- Apply for the MWD Local Resources Program for \$475/AF for 15 years.

OCWD is considering the following options:

- Deliver all the water to recharge groundwater basin;
- Retail water reserving portion for seawater barrier; or
- Retail the water within OCWD service area.

Price of the water is based on a 50 year term and with an average of 10% more than MWD price.



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Pricing to the fence line

- Premium initially starts at up to 20% of the MWD rates
 - Up to 20% - First ten year period
 - Up to 15% - Second ten year period
 - Up to 10% - Third ten year period
 - Up to 5% - Fourth ten year period
 - 0% - Fifth ten year period.

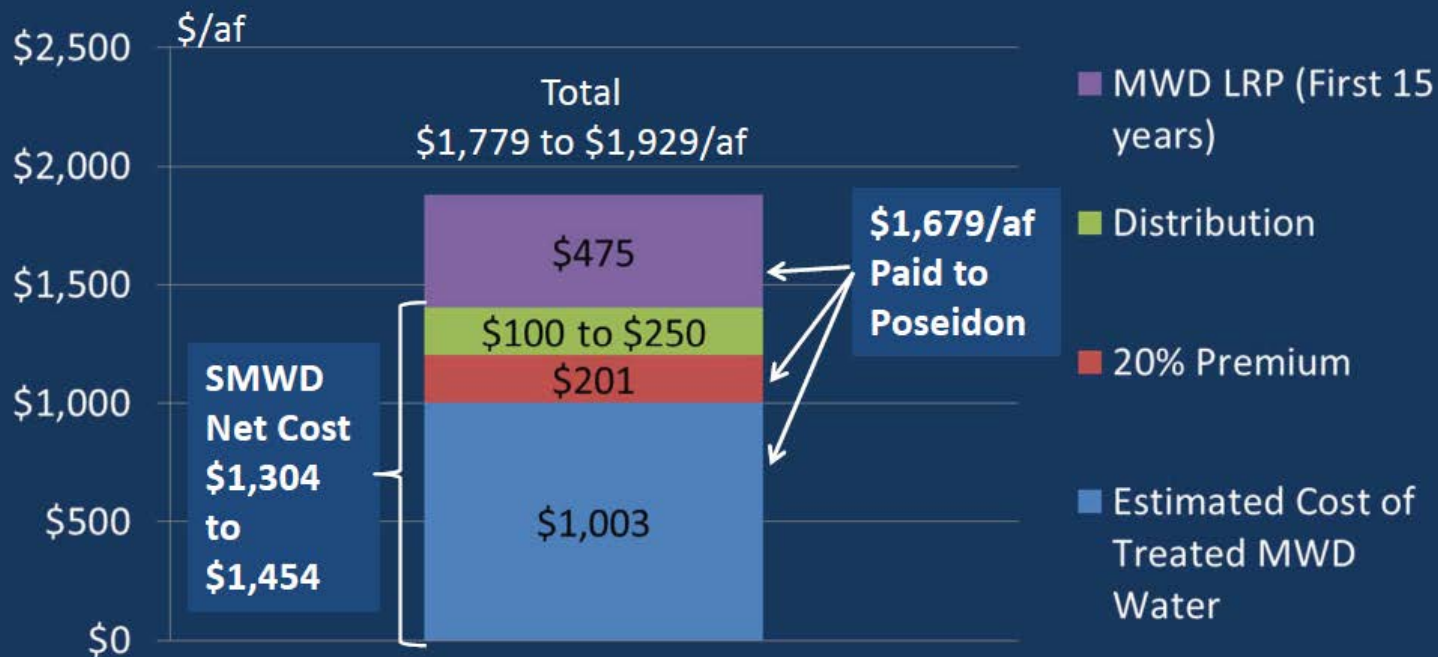
Delivery of Water

- Construction of pipelines and pump stations
 - Range of options from \$100 to \$250/AF
 - South County delivery will be on the higher end of the costs

Reopener on the premium after 15 years

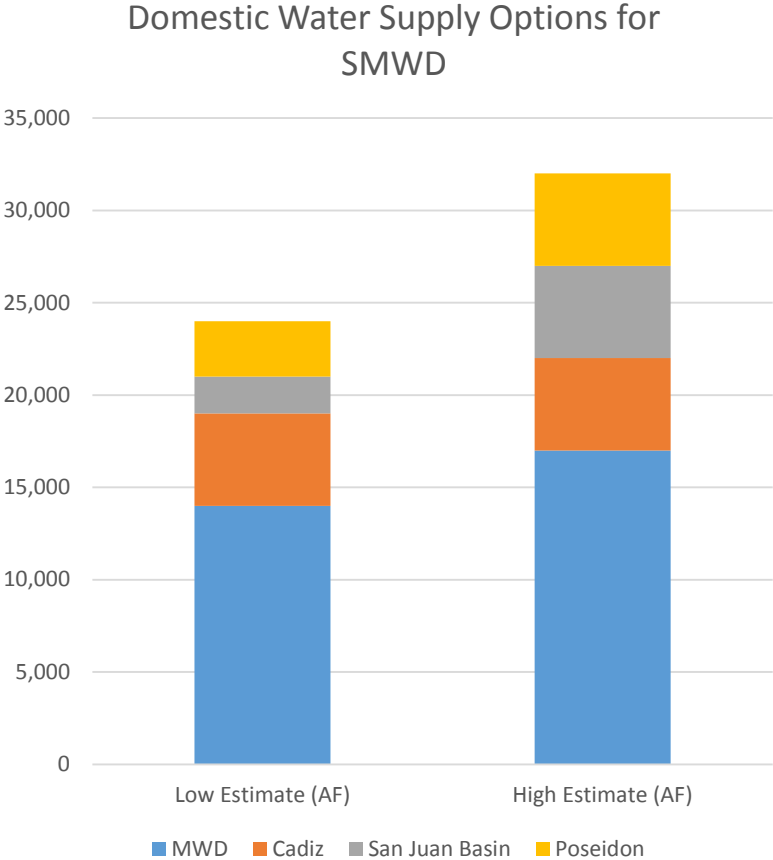


Year 1 Cost of Water



Supports Strategic Planning Goal

Domestic Water Supply Options for SMWD		
Source	Low Estimate (AF)	High Estimate (AF)
MWD	14,000	17,000
Cadiz	5,000	5,000
San Juan Basin	2,000	5,000
Poseidon	3,000	5,000
Total	24,000	32,000





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SMWD Options:

- Delivery of the desalinated water through the East Orange County Feeder No. 2;
- In lieu water swap
 - Desalinated water delivered in area around the plant and MWD delivered to South County
- Participation in a groundwater storage