CALIFORNIA COASTAL COMMISSION

455 MARKET STREET, SUITE 300 SAN FRANCISCO, CA 94105-2219 FAX (415) 904-5200 TDD (415) 904-5400



Th9a & Th10a

A-5-HNB-10-225 / 9-21-0488

(Poseidon Water, Huntington Beach)

MAY 12, 2022

EX PARTE

Filed by Commissioner: Mark Gold	
1) Name or description of project: Hunt	ington Beach desalination
2) Date and time of receipt of communic	
3) Location of communication: phone	
(If not in person, include the means o	f communication, e.g., telephone, e-mail, etc.)
4) Identity of person(s) initiating commun	mication: Grog Gampson
5) Identity of person(s) on whose behalf Greg Campbell for Brookfield and	
6) Identity of persons(s) receiving comm	nunication:
7) Identity of all person(s) present during Greg Campbell and Mark Gold	g the communication:
Complete, comprehensive description of any text or graphic material presented):	communication content (attach complete set of
Discussion on status of mitigation p	proposal and mitigation credits
Also, timing on Coastal staff report	on the project.
Critical infrastructure issues were d	iscussed briefly.
4/11/22	Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA Date: 2022.04.11 17:34:29 -07'00'
74/11/22 Date	Signature of Commissioner

Filed by Commissioner: Mark Gold
1) Name or description of project: Huntington Beach desalination
2) Date and time of receipt of communication: 3-23 at 3:30 pm
3) Location of communication: zoom call
(If not in person, include the means of communication, e.g., telephone, e-mail, etc.) 4) Identity of person(s) initiating communication: Greg Campbell
5) Identity of person(s) on whose behalf communication was made:
Brookfield and Poseidon
6) Identity of persons(s) receiving communication:
Mark Gold and Chris Calfee
7) Identity of all person(s) present during the communication: Greg Campbell
Dan Reidy, James Golden, Saichi Chawla, Mark Gold, Chris Calfee
Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):
any text or graphic material presented): Discussion on proposed mitigation at Los Cerritos Wetland and
any text or graphic material presented): Discussion on proposed mitigation at Los Cerritos Wetland and Newland Marsh. Also, proposed artificial reef off of Palos Verdes.
any text or graphic material presented): Discussion on proposed mitigation at Los Cerritos Wetland and Newland Marsh. Also, proposed artificial reef off of Palos Verdes. Discussion on differing approaches to determining mitigation credit for
any text or graphic material presented): Discussion on proposed mitigation at Los Cerritos Wetland and Newland Marsh. Also, proposed artificial reef off of Palos Verdes.
any text or graphic material presented): Discussion on proposed mitigation at Los Cerritos Wetland and Newland Marsh. Also, proposed artificial reef off of Palos Verdes. Discussion on differing approaches to determining mitigation credit for
Discussion on proposed mitigation at Los Cerritos Wetland and Newland Marsh. Also, proposed artificial reef off of Palos Verdes. Discussion on differing approaches to determining mitigation credit for proposed restoration projects. Unclear how many acres need to be
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Discussion on proposed mitigation at Los Cerritos Wetland and Newland Marsh. Also, proposed artificial reef off of Palos Verdes. Discussion on differing approaches to determining mitigation credit for proposed restoration projects. Unclear how many acres need to be restored to mitigate project impacts. Upper Los Cerritos mitigation credit potential.
Discussion on proposed mitigation at Los Cerritos Wetland and Newland Marsh. Also, proposed artificial reef off of Palos Verdes. Discussion on differing approaches to determining mitigation credit for proposed restoration projects. Unclear how many acres need to be restored to mitigate project impacts. Upper Los Cerritos mitigation credit potential. Critical infrastructure risk categories - 3 vs 4 were discussed. What does
Discussion on proposed mitigation at Los Cerritos Wetland and Newland Marsh. Also, proposed artificial reef off of Palos Verdes. Discussion on differing approaches to determining mitigation credit for proposed restoration projects. Unclear how many acres need to be restored to mitigate project impacts. Upper Los Cerritos mitigation credit potential. Critical infrastructure risk categories - 3 vs 4 were discussed. What does

Filed by Commissioner: Mark Gold	
1) Name or description of project: Huntin	gton Beach desalination project
2) Date and time of receipt of communication	
3) Location of communication: phone	
(If not in person, include the means of	communication, e.g., telephone, e-mail, etc.)
4) Identity of person(s) initiating communi	cation: Ooley Brown
5) Identity of person(s) on whose behalf c Resources Legacy Fund	ommunication was made:
6) Identity of persons(s) receiving commu Mark Gold	nication:
7) Identity of all person(s) present during to Michael Mantell, Mark Gold	the communication: Corey Brown,
Complete, comprehensive description of coany text or graphic material presented):	ommunication content (attach complete set of
Discussion focused on current status of ap	plication at Coastal Commission.
Also, discussion on proposed mitigat	ion approach including Bolsa chica,
Los Cerritos wetland and Newland M	larsh. Also discussed critical
infrastruction designation and what it	means for the project.
Discussion on sea level rise issues at the proposed facility and surrounding area. Discussion on environmental justice concerns of	
Lack of mitigation progress as a resu	ılt of Carlsbad desalination plant.
	Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA Date: 2022.03.23 11:50:01 -07'00' Signature of Commissioner
	5

Filed by Commissioner: Mark	Gold Gold
	oject: Huntington Beach desalination project
2) Date and time of receipt o	
3) Location of communication	
	ne means of communication, e.g., telephone, e-mail, etc.)
, , , , , , , , , , , , , , , , , , , ,	
5) Identity of person(s) on wh	nose behalf communication was made: Poseidon
and Brookfield - Daniel F	
6) Identity of persons(s) rece	eiving communication:
Mark Gold, Chris Calfee	
7) Identity of all person(s) pro	esent during the communication: Greg Campbell,
	, Saichi Chawla, Chris Calfee, Mark Gold
Complete, comprehensive des any text or graphic material pr	scription of communication content (attach complete set of esented):
Discussion focused on curren	t status of application at Coastal Commission.
Also, discussion on propo	osed mitigation approach including Bolsa chica,
Los Cerritos wetland and	Newland Marsh. Also discussed critical
infrastruction designation	and what it means for the project.
And finally, discussion on	sea level rise issues at the proposed facility and
surrounding area.	
3-23-22	Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA Date: 2022.03.23 11:43:04 -07'00'
Date	Signature of Commissioner

Filed by Commissioner: Mark Gold	
1) Name or description of project: Hunt	ington Beach Desalination Plant
2) Date and time of receipt of communic	
3) Location of communication: phone	
	f communication, e.g., telephone, e-mail, etc.)
4) Identity of person(s) initiating communications Greg Campbell	nication:
5) Identity of person(s) on whose behalf Brookfield and Poseidon	communication was made:
6) Identity of persons(s) receiving comm Mark Gold, Wade Crowfoot	unication:
7) Identity of all person(s) present during	g the communication:
Greg Campbell, Mark Gold, Wade	Crowfoot
Complete, comprehensive description of any text or graphic material presented):	communication content (attach complete set of
Discussion on progress and conten	t of alternative mitigation plan.
Further discussion on critical infrast	tructure designation and ramifications
on project design.	
Discussion of timing.	
2/26/22	Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA Date: 2022.02.26 17:29:02 -08'00'
Date	Signature of Commissioner

Filed by Commissioner: Mark Gold	
1) Name or description of project: Hunt	tington Beach Desalination Plant
2) Date and time of receipt of communication	cation: February 11 at 4 PM
3) Location of communication: phone	
	of communication, e.g., telephone, e-mail, etc.)
4) Identity of person(s) initiating commu Greg Campbell	unication:
5) Identity of person(s) on whose behalt	f communication was made:
Brookfield and Poseidon	r communication was made.
6) Identity of persons(s) receiving comm	nunication:
Mark Gold, Chris Calfee	
7) Identity of all person(s) present durin	g the communication:
Greg Campbell, Mark Gold, Chris Ca	lfee, Daniel Reidy, Saichi Chawla,
Complete, comprehensive description of any text or graphic material presented):	communication content (attach complete set of
Discussion on progress of alternative r	nitigation plan. Newland, Los Cerritos.
Further discussion on critical infras	structure designation and ramifications
on project design.	
Discussion of timing of finishing mitigation	tion plan and possible hearing dates.
2/26/22	Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA Date: 2022.02.26 17:13:23 -08'00'
Date	Signature of Commissioner

Filed by Commissioner: Mark Gold	
	ngton Beach Poseidon Desalination Plant
2) Date and time of receipt of communic	
3) Location of communication: phone/	
	communication, e.g., telephone, e-mail, etc.)
Tyrachaty or percent(e) initiating community	
5) Identity of person(s) on whose behalf Brookfield and Poseidon	communication was made:
6) Identity of persons(s) receiving comm	unication:
Mark Gold	
7) Identity of all person(s) present during	the communication: Greg Campbell,
	alfee, James Golden, Saichi Chawla
Complete, comprehensive description of cany text or graphic material presented):	communication content (attach complete set of
Further discussion on mitigation alte	ernatives. Discussion on experts
on wetland restoration science. An	d who owns and manages potential
mitigation sites.	
Further discussion on critical infrast	ructure designation and what it
means for building the facility.	
Discussion on potential hearing dat	e for the item
2/9/22	Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA Date: 2022.02.09 21:48:50 -08'00'
Date	Signature of Commissioner

Filed by Commissioner: Mark Gold	
1) Name or description of project: Pose	eidon Huntington Beach Desalination
2) Date and time of receipt of communication: January 21, 2022. 4:30 PM	
3) Location of communication: phone	
	f communication, e.g., telephone, e-mail, etc.)
4) Identity of person(s) initiating commun	
, , , , , , ,	
5) Identity of person(s) on whose behalf	communication was made:
Brookfield and Poseidon	
6) Identity of persons(s) receiving comm	unication:
Mark Gold and Chris Calfee	
7) Identity of all person(s) present during	g the communication:
Mark Gold, Chris Calfee and Greg	Campbell
Complete, comprehensive description of cany text or graphic material presented):	communication content (attach complete set of
We discussed mitigation issues for	the proposed desalination plant.
Some alternative mitigation sites we	ere discussed including Newland
Marsh and Los Cerritos wetlands. Also, discussion on the critical	
infrastructure designation issues occurred.	
Also, there was discussion on the scheduled meeting in March and	
concerns about the need for the public to attend the meeting in the same	
geographic area as the proposed facility.	
2/9/2022	Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA Date: 2022.02.09 20:54:19 -08'00'
Date	Signature of Commissioner

Received on: 1/6/22

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Wade Crowtoot	
Name or description of project: Poseidon Desalination	
2) Date and time of receipt of communication: 11/29/21 at 10 AM	
3) Location of communication: Telephone	
(If not in person, include the means of communication, e.g., telephone, e-mail, etc.) 4) Identity of person(s) initiating communication: Scott Maloni	
5) Identity of person(s) on whose behalf communication was made:Scott Maloni for Poseidon	
6) Identity of persons(s) receiving communication: Mark Gold, Chris Calfee and Wade Crowfoot	
7) Identity of all person(s) present during the communication:	
Mark Gold, Chris Calfee, Wade Crowfoot, and Scott Maloni	
Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):	
Discussion focused on different potential mitigation options that are	
different than the package approved by the Santa Ana Regional	
Water Board. We discussed Newland, Los Cerritos and Bolsa Chica	
wetlands and potential restoration costs. Discussion on critical infrastructure and what it may mean design and build requirements.	
that may require working with RB8.	
1/6/22 Jede Canfri	
Date Signature of Commissioner	

Filed by Commissioner: Mark Gold	
1) Name or description of project: Posei	don Desalination
2) Date and time of receipt of communication	
3) Location of communication: phone/z	
	communication, e.g., telephone, e-mail, etc.)
5) Identity of person(s) on whose behalf Scott Maloni for Poseidon	communication was made:
6) Identity of persons(s) receiving comme	unication:
Mark Gold, Chris Calfee and Wade	e Crowfoot
7) Identity of all person(s) present during	the communication:
Mark Gold, Chris Calfee, Wade Crowfoot, and Scott Maloni	
Complete, comprehensive description of cany text or graphic material presented): Discussion focused on different pote	communication content (attach complete set of
different than the package approved	
Water Board. We discussed Newland, Los Cerritos and Bolsa Chica	
wetlands and potential restoration costs. Discussion on critical	
infrastructure and what it may mean design and build requirements.	
Discussion on feasibility of modifying mitigation package and what	
that may require working with RB8.	
12/13/21	Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA Date: 2021.12.13 21:51:59 -08'00'
Date	Signature of Commissioner

Filed by Commissioner: Mark Gold	<u>1</u>
1) Name or description of project:	
2) Date and time of receipt of comr	munication: 11/18/21 at 11 am
3) Location of communication: ph	
	ans of communication, e.g., telephone, e-mail, etc.)
5) Identity of person(s) on whose b	ehalf communication was made:
Scott Maloni for Poseidon	
6) Identity of persons(s) receiving of Mark Gold and Chris Calfee	communication:
7) Identity of all person(s) present of Mark Gold, Chris Calfee and	
Complete, comprehensive description any text or graphic material presente	on of communication content (attach complete set of ed):
Meeting focused on sea level r	ise resilience analysis. Looked at 1.3'
to 6.6' in their analysis. Maloni	said there were no impacts at 6.6'
40/40/04	O I I MA I O ON ID A Digitally signed by Gold Mark@CNPA
12/13/21 Date	Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA Date: 2021.12.13 21:43:32 -08'00' Signature of Commissioner
1.75113.	COUNTRY OF THE COUNTR

Filed by Commissioner:	
1) Name or description of project	et:
2) Date and time of receipt of co	mmunication:
3) Location of communication:	
(If not in person, include the n	neans of communication, e.g., telephone, e-mail, etc.)
4) Identity of person(s) initiating	communication:
5) Identity of person(s) on whose	e behalf communication was made:
6) Identity of persons(s) receiving	ng communication:
	nt during the communication:
Complete, comprehensive description any text or graphic material prese	ption of communication content (attach complete set of ented):
Date	Signature of Commissioner

EXPARTE COMMUNICATION DISCLOSURE FORM Filed by Commissioner Donne Brownsey

- 1)Name or description of project: Poseidon Huntington Beach De-salination project. Not set at this time.
- 2) Date and time of receipt of communication: Nov 12, 2021, 4pm-5pm
- 3) Location of communication On Zoom
- 4) Identity of person(s) initiating communication: Scott Maloni, Vice President for Project Development, Poseidon Water
- 5) Identity of person(s) on whose behalf communication was made: Poseidon Water
- 6) Identity of persons(s) receiving communication: Donne Brownsey
- 7) Identity of all person(s) present during the communication: Brownsey, Maloni

Complete, comprehensive description of communication content:

The purpose of the meeting was to introduce me to the elements of the Poseidon Water Huntington Beach de-sal project that will likely be set for hearing sometime in the first quarter of 2022. Maloni introduced himself, his long time work on the project, he reviewed the regulatory history of the project, discussed technical issues associated with the project re-design over the 15 year period due to regulatory changes, covered the basics of the de-sal infrastructure that would be elements of the project, reviewed the mitigation proposals and finally explained the economic factors that are of concern to the company regarding permit conditions. He indicated that his board would be hearing the issue of the permit fee next week and that he and Coastal staff were to meet next week as well. He provided a 31 page power point document that guided our meeting which is attached.

Date November 13, 2021

Signature of Commissioner Donne Brownsey

Donne Brunker

Received on: 1/6/22

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: VVade	e Crowtoot
Name or description of pro	oject: Poseidon Desalination
	f communication: 10/11/21 12:15pm
3) Location of communication	n: In person, Sacramento, CA
(If not in person, include the 4) Identity of person(s) initiati	ne means of communication, e.g., telephone, e-mail, etc.) ing communication: Scott Maloni
5) Identity of person(s) on who Scott Maloni for Poseidon	nose behalf communication was made:
6) Identity of persons(s) rece Nancy Vogel and Wade Cr	iving communication:owfoot
7) Identity of all person(s) pre Nancy Vogel, Wade Crowfo	esent during the communication:oot, and Scott Maloni
Complete, comprehensive des	scription of communication content (attach complete set of esented):
Mr. Maloni provided an overv	view of the proposed construction and
operation of the Huntington B	Beach desalination plant, as well as the
environmental restoration pro	ojects planned to mitigation impacts of
the facility. Ms. Vogel and Se	ecretary Crowfoot asked questions to
clarify their understanding of	the proposed facility and mitigation
projects.	
	1,01
1/6/2022	Signature of Commissioner
Date	Signature of Commissioner

Received on: 1/6/22

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Wad	de Crowfoot
Name or description of p	roject: Poseidon Desalination
	of communication: 8/2/21 at 8:30am
3) Location of communication	on: Telephone
(If not in person, include at 4) Identity of person(s) initial	the means of communication, e.g., telephone, e-mail, etc.)
5) Identity of person(s) on w Scott Maloni for Poseidon	vhose behalf communication was made:
6) Identity of persons(s) rec Nancy Vogel and Wade C	eiving communication:
7) Identity of all person(s) p	resent during the communication:
Nancy Vogel, Wade Crow	rfoot, and Scott Maloni
Complete, comprehensive de any text or graphic material p	escription of communication content (attach complete set of presented):
Mr. Maloni provided an upd	late on efforts to plan and permit the
proposed Huntington Beacl	h desalination plant.
1/6/2022	Sede Carofot
Date	Signature of Commissioner





Huntington Beach Seawater Desalination Project November 12, 2021

Aerial Imagery Looking NW



Aerial Imagery Looking North



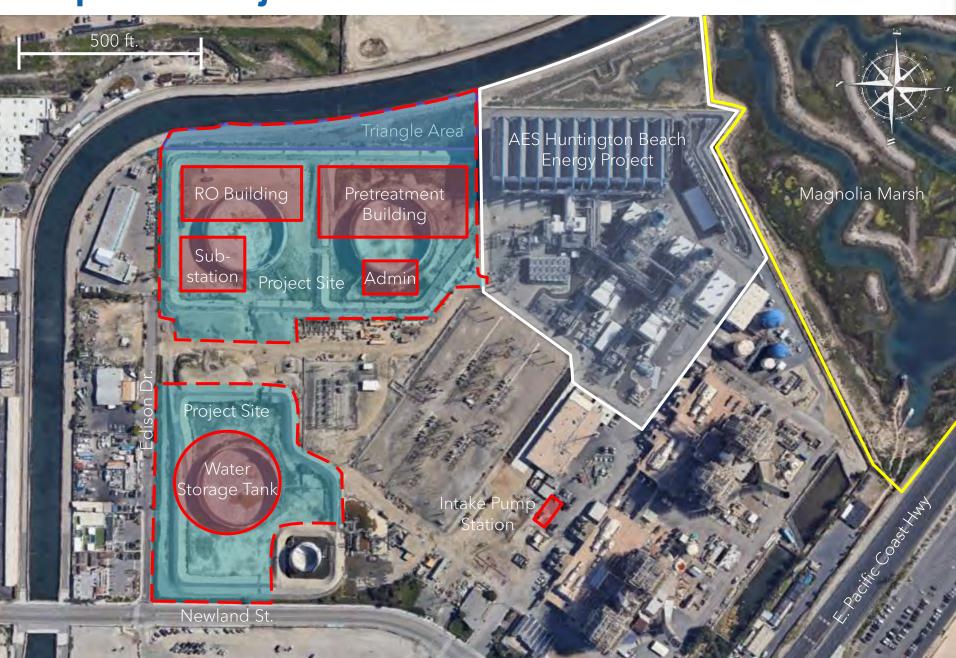
Aerial Imagery Looking SE



Existing Site



Proposed Project

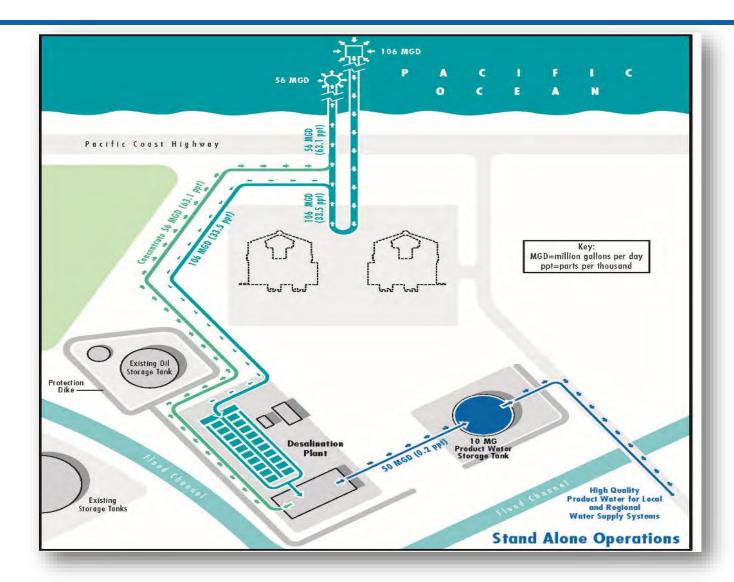




20-Year Permitting History

PERMITTING HISTORY Amendment to proposed Amendment to proposed project in response to changes project in response to 2002-2008 2009-2015 2016-Present Applicants proposed project In state regulations for cooling changes in state regulations water intake systems for desallnation facilities CDP Hearing culminated in CCC vote to deter approval until feasibility of subsurface intakes is independently Local CDP Amendment addressing changes to evaluated by Santa 2019 project approved by Ana Water Board Tentative Order Issued City of Huntington Beach State Water Board to amend and renew Division of Drinking Water the 2012 NPDES permit conceptual approval addressing changes to State Lands Lease project issued by the granting rights for use SARWQCB of State Tidelands CEGA Supplemental Other Local Permits and existing intake EIR addressing 2000 Site feasibility and and Entitlements Poseldon submits and outfall facilities changes to project initiated and secured application to the approved by Identified need for City of Huntington California State Lands Coastal Development water assessmen Beach to amend Commission (CSLC) 2005 CEGA EIR certified Permit resubmitted project to comply completed by CCC CDP Poseidon with SWRCB's by the City of Huntington Beach applic atton Once Through Cooling Policy submitted 2004 Project site land 2016 CCC start 2006-2009 **CEQA** Subsequent recommended agreement CCC CDP EIR addressing entered into by application changes to deterral of CDP Poseldon and AES project certified processed pending SARWQCB National Pollution CCC's Independent Huntington Beach Discharge by the City of Adoption of NPDES State Tidelands Lands Lease Scientific & Technical **Huntington Beach** Permit Amendment **Elmination System** Amendment addressing Advisory Panel addressing changes (NPDES) Permit changes to project approved by the CSLC Other Local concluded a two-year to project to comply 2002 adopted by the Santa Permits and public subsurface with SWRCB adoption Entitlements Intakes feasibility California of the "Desalination And Regional assessment finding Environmental processed Amendment to the Water Quality that subsurface and secured NPDES Permit Quality Act (CEQA) California Ocean Plan Control Board Intakes are infeasible **Environmental Impact** Amendment [SARWQCB] Report (EIR) scoping addressing initiated by the City of changes to 2006 project approved by Santa Ana Huntington Beach Local Coastal Development Permit Water Board (CDP) approved by the City of Huntington Beach

Project Design pre-State Water Board OTC Policy



Collaborate on CDP Permit Conditions

MEMORANDUM OF UNDERSTANDING CALIFORNIA COASTAL COMMISSION STAFF & POSEIDON RESOURCES (SURFSIDE), LLC

- Parties This Memorandum of Understanding ("MOU") is entered into on this day of October, 2016, ("Effective Date") by and between Poseidon Resources (Surfside) LLC, a Delaware limited liability company ("Poseidon"), and the California Coastal Commission ("Coastal Commission") staff ("Commission Staff").
- 2. Purpose The purpose of this MOU is to memorialize an understanding by and between Poseidon and the Coastal Commission with respect to the process to be followed by Commission Staff during the future consideration of Poseidon's proposed 50 million gallons per day Huntington Beach Desalination Project ("Project"). The Project is the subject of pending Coastal Development Permit application No. 9-15-1361 ("Pending CDP"). Nothing in this MOU is intended to constrain the ability of any public agency or body, including but not limited to the Coastal Commission, to exercise its lawful discretion to approve, deny, or impose conditions on the Project.
- Commitments Poseidon agrees to withdraw the Pending CDP from consideration by the Coastal Commission within five (5) days of the Effective Date, subject to the following mutual understandings:
 - a. Resubmitted Application Completeness Poscidon intends to resubmit a Coastal Development Permit application for the Project ("Resubmitted CDP") soon after its withdrawal of the Pending CDP. Poscidon expects the Resubmitted CDP application to be nearly identical to the Pending CDP application, with the exception of modifications to the proposed intake and outfall, which the Commission Staff deemed complete in April 2016. Commission Staff agrees to deem the Resubmitted CDP application complete within thirty (30) days of the Santa Ana Regional Water Quality Control Board's public release of the Tentative Order on the amendment and renewal of Order No. R8-2012-0007, NPDES No. CA8000403 and/or the California Water Code Section 13142.5(b) compliance determination and payment of any required CDP application fee.
 - b. <u>Approval Sequencing</u> Commission Staff will adhere to and support the permit sequencing schedule outlined in the "Framework Agreement" attached hereto as <u>Appendix A</u>. In order to facilitate the Framework Agreement, at least once per quarter, the Commission Staff shall participate in calls/meetings with the Santa Ana Regional Water Quality Control Board staff and State Lands Commission staff so that the three agencies can discuss any issues in their permitting of the Project.
 - c. <u>CDP Special Conditions</u> Commission Staff agree to work cooperatively with Poseidon on an ongoing basis to develop proposed CDP special conditions. Starting on the Effective Date, Commission Staff shall make itself available to Poseidon either in person or telephonically to discuss proposed special conditions

- until the Coastal Commission acts on the Resubmitted CDP application. Proposed special conditions that are or will be the subject of any ongoing California State Lands Commission or Santa Ana Regional Water Quality Control Board action shall be exempt from this requirement, except as set forth in clause d.
- d. Interagency Consultation Commission Staff shall continue the formal consultation process with the Santa Ana Regional Water Quality Control Board staff, the State Water Resources Control Board State Board staff, and the State Lands Commission staff. Going forward, that consultation process will include review of Poseidon's proposed Marine Life Mitigation Plan with the goal of developing a Plan with Poseidon that satisfies the requirements of each agency. Commission Staff agree to provide Poseidon with updates on its participation in the consultation process on a quarterly basis until that process concludes.
- e. Coastal Commission Action Commission Staff agree to place the Resubmitted CDP application on a Coastal Commission hearing agenda for consideration and action by the earlier of (1) ninety (90) days from the Santa Ana Regional Water Quality Control Board's public release of the Tentative Order on the amendment and renewal of Order No. R8-2012-0007, NPDES No. CA8000403 and/or the California Water Code Section 13142.5(b) compliance determination; or (2) the first Southern California Coastal Commission hearing following the Santa Ana Regional Water Quality Control Board's Tentative Order public release, provided that there are at least 21 days between the date of the Regional Board's action and the "first mailing" date for the Commission meeting.
- f. Presentation to Coastal Commission Commission Staff shall present a copy of this MOU, including Appendix A, to the Coastal Commission during its next regularly scheduled meeting.

This MOU has been agreed and accepted by Commission Staff and Poseidon. The following signatories affirm that they have the authority to bind their respective organizations to the terms of this MOU.

California Coastal Commission Staff:

[Name/Title] JOHN AINSWORTH ALTING EXECUTIVE DIRECTOR

[Signature] I [Date] 10/11/2016

Poseidon Resources (Surfside) LLC:

[Name/Title] Andre Kryman Officer

[Signature] A 2 [Date] 19/13/261 (

Collaborate on CDP Permit Conditions

respired CDP application fee

MEMORANDEM OF UNDERSTANDENG CALIFORNIA COASTAL COMMISSION STAFF &

POSEIDON RENOUBLES (NURPSEDE), LLC

October, 2016, ("Effective Date") by and between Poseidon Resources (Surfaide) LLC, a Delaware limited fieldly company ("Frankline"), and the California Counted Commission

2. Pargone - The purpose of this MOU is to menorialize as universeding by and between

Frankles and the Count Constitution with respect to the present to be followed by

Commission Stuff shalog the future consideration of Possiden's proposed 50 million

gallous per day Huntington Brack Deadloution Project ("Project"). The Project is the

eshinet of presting Courtal Development Paresit application No. 9-15-1361/ Pandor

b. Approval Sequencing - Commission Stuff will adhers to and support the parent

e. CDP Special Conditions - Commission Stuff ages to work compositively with Possiden on an ongoing basis to develop proposed CEP special conditions. Starting on the Effective Date, Commission Staff shall make itself evaluable to Franklin either in person or telephonically to discuss proposed special conditions

argumeing schedule collised in the "Francescok Agreement" studied lacete as Appendix A. In order to Solitons the Francework Agreement, at least once per

parter, the Commission Staff shall participate in calcimentage with the Sorra Ann Regional Water Quality Control Board staff and State Lands Connectation staff so that the first agencies one discuss any intens in their psenalting of the

1. Parties - This Memorandus of Understanding ("MOU") is external into on this

("Created Commission") and ("Commission Staff").

c. CDP Special Conditions - Commission Staff agree to work CDP's. Nothing in this MOU is intended to countrain the sky cooperatively with Poseidon on an ongoing basis to develop body, including but not limited proposed CDP special conditions. Starting on the Effective Date, Commission Staff shall make itself available to Poseidon either in person or telephonically to discuss special conditions until the Coastal Commission acts on the Resubmitted CDP application. This MCU has been agreed and accepted by Connectation Staff and Postsiden. The following

of this MOC.

Califfornia Countal Commission Huff:

agency.

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until the Countal Commission sets on the Reschedited CDF application.

Proposed special conditions that are or will be the subject of any original California State Landa Comerisators or Stanta Ana Regional Water Quality Costnol

Board action shall be execut from this requirement, except as set theft in clause

staff, the State Water Resources Control Board State Board staff, and the State

Lands Commission staff. Going forward, that consultation process will include

d. Interagency Commission - Commission Staff shall notines the formal consultation process with the Sects Ace Regional Water Quality Control Board

signatories affirm that they have the authority to bind their respective organizations to the terms

[Name (Yith) JOSEN PONTOWN THE BUT THE EXPLORATE ACTIVITIES.

seview of Postidon's proposed Market

Interagency Permit Sequencing Framework

INTERAGENCY PERMIT SEQUENCING FRAMEWORK AGREEMENT

This agreement ("Framework Agreement") is entered into on October 3, 2016 by and between the staffs of the California Coastal Commission, Santa Ana Regional Water Quality Control Board, and California State Lands Commission.

The California Coastal Commission, Santa Ana Regional Water Quality Control Board, and California State Lands Commission all have permitting or leasing authority over Poseidon Resources (Surfside) LLC's ("Poseidon") 50 million gallon-per-day Huntington Beach Desalination project ("Poseidon Project"). These three agencies agree that the following permit sequence framework agreement sets forth the process and sequence of their respective agency's action on the Poseidon Project, which each deem to be consistent with their respective statutory and regulatory permitting authority:

State Lands Commission - Poseidon has submitted an application to the State Lands Commission for an amendment to the October 29, 2010 Amendment of Lease No. PRC 1980.1. The State Lands Commission agrees to consider the Poseidon Project in connection with the proposed amendment first at a properly noticed, public meeting. Consistent with the requirements of the California Environmental Quality Act ("CEQA"), the State Lands Commission shall rely on the 2010 City of Huntington Beach certified Subsequent Environmental Impact Report ("SEIR") as well as prepare any additional environmental analysis required by CEQA in connection with its consideration of the Poseidon Project. The CEQA environmental analysis will be sufficient to address Poseidon's proposed seawater intake and discharge technology modifications to the Project. The State Lands Commission will reasonably consider any comments by the Coastal Commission and the Santa Ana Regional Water Quality Control Board regarding the CEQA analysis conducted by the State Lands Commission staff and will seek to obtain from each agency a sufficient description of the CEOA analysis of the proposed seawater intake and discharge technology modifications to the Project that these agencies deem necessary for them to rely on the State Lands Commission's certified CEOA analysis. The State Lands Commission staff plans for the Commission to jointly consider the Lease No. PRC 1980.1. amendment and the CEQA document before the end of the 2nd quarter of

Santa Ana Regional Water Quality Control Board — Poseidon has submitted an application to the Santa Ana Regional Water Quality Control Board ("Regional Board") for amendment and renewal of Order No. R8-2012-0007, NPDES No. CA8000403 (2012 NPDES Permit) and the California Water Code Section 13142.5(b) compliance determination in connection with the Poseidon Project. Based on information available to the Regional Board at this time, the Regional Board may want additional environmental information and analysis on the Orange County Water District (OCWD) groundwater injection system plans (should they involve desalinated water from the Huntington Beach Desalination Facility in new injection wells) in support of the Regional Board consideration of Poseidon's NPDES Permit amendment/renewal and Water Code section 13142.5(b) compliance determination. The Regional Board agrees to make available for public review its tentative order amending and/or renewing the 2012 NPDES Permit and tentative Water Code section 13142.5(b) compliance determination within 90 days of: (a) a Regional Board determination that complete applications have been submitted for the

Sequencing Agreement –CSLC, Santa Ana Regional Board, & CCC Page 2 – October 3, 2016

amended or renewed 2012 NPDES Permit and the tentative Water Code section 13142.5(b) compliance determination; (b) a final approval by the State Lands Commission regarding Poseidon's application for an amendment to the October 29, 2010 Amendment of Lease No. PRC 1980.1; and (c) approval and/or certification of any and all CEQA documents and related environmental information and analysis necessary for the Regional Board to act as a CEQA Responsible Agency in connection with the Poseidon Project. As a CEQA Responsible Agency, the Regional Board shall consult, as necessary, with the State Lands Commission regarding the areas of CEQA analysis it may require on Poseidon's proposed seawater intake and discharge technology modifications prior to the release by the State Lands Commission of the CEQA analysis for public comment, and the Regional Board agrees that, except as otherwise required by CEQA, in developing its draft Tentative Order it can rely on the 2010 City of Huntington Beach certified Subsequent Environmental Impact Report (SEIR) in combination with CEQA analysis prepared and approved by the State Lands Commission in its evaluation of Poseidon's proposed seawater intake and discharge technology modifications for the purposes of complying with CEQA. Regional Board staff agrees to consult with Coastal Commission staff on the Poseidon Project's Marine Life Mitigation Plan to ensure both agencies' staffs recommend approval of the same mitigation permit conditions.

California Coastal Commission – The California Coastal Commission staff agrees to schedule a hearing on the Poseidon Project's Coastal Development Permit application on a date that is by the earlier of (a) 90 days from the Santa Ana Regional Water Quality Control Board's public release of the Tentative Order on the amendment and renewal of Order No. R8-2012-0007, NPDES No. CA8000403 and the California Water Code Section 13142.5(b) compliance determination; or (b) the first Southern California Coastal Commission hearing following the Santa Ana Regional Water Quality Control Board Tentative Order public release, provided that there are at least 21 days between the date of the Regional Board's staff's action and the "first mailing" date for that Commission meeting. The Coastal Commission staff agrees to consult with the Regional Board staff on the Project's Marine Life Mitigation Plan to ensure both agencies staffs recommend approval of the same mitigation permit conditions. The Coastal Commission staff agrees the Santa Ana Regional Water Quality Control Board will determine the best available site, design, technology and mitigation measures feasible to minimize the intake and mortality of all forms of marine life as required by California Water Code Section 13142.5(b).

Nothing in this Framework Agreement is intended to constrain the ability of any public agency or body to exercise its lawful discretion to approve, deny, or impose conditions on the Poseidon Project.

This Framework Agreement has been agreed and accepted by the staffs of the California Coastal Commission, Santa Ana Regional Water Quality Control Board, and California State Lands Commission. The following signatories affirm that they have the authority to bind their respective agencies to the terms of this Framework Agreement.

Interagency Permit Sequencing Framework

INTERAGENCY PERMIT SEQUENCING FRAMEWORK AGREEMENT

This agreement ("Framework Agreement") is entered into on October 3, 2016 by and between

the staffs of the California Countal Commission, Santa Ana Regional Water Quality Control

The California Countal Commission, Santa Ana Regional Water Quality Control Board, and

Desafination project ("Possidon Project"). These three agencies agree that the following permit sequence framework agreement sets forth the process and sequence of their respective agency's

action on the Poseidon Project, which each doem to be consistent with their respective statutory

Satta Ann Regional Water Quality Control Board - Poseidon has submitted an application to the

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California Water Code Section 13142.5(h) compliance determination in connection with the

desalinated water from the Huntington Beach Desalination Facility in new injection wells) in

and Water Code section (3) 42.5(b) compliance determination. The Regional Board agrees to

support of the Regional Board consideration of Possidon's NPDES Permit amendment/tenewal

make evallable for public review its tentative order amending and/or renewing the 2012 NPDES Permit and tentative Water Code section 13142.5(h) compliance determination within 40 days. of (a) a Regional Board determination that complete applications have been submitted for the

Proxidon Project. Based on information available to the Regional Board at this time, the Regional Board may want additional environmental information and analysis on the Orange County Water District (OCWD) groundwater injection system plans (should they involve

California State Lands Commission all have permitting or leasing authority over Poseidon

Resources (Norfolds) LLC's ("Poseidon") 50 million gallon-per-day Huntington Beach

Board, and California State Lands Commission.

and regulatory permitting authority:

The Coastal Commission staff agrees to consult with the Regional Board staff on the Project's Marine Life Mitigation Plan to ensure both State Lands Come agencies staffs recommend approval of the same mitigation permit conditions. The Coastal Commission staff agrees the Santa Ana Regional Water Quality Control Board will determine the best available site, design, technology and mitigation measures feasible to minimize the intake and mortality of all forms of marine life as required by California Water Code Section Commission staff agrees to cons at staff on the Project's Marine Life Mitigation Plan to ensure both 13142.5(b). agencies staffs recommend approval of the same mitigation permit conditions. The Coastal Commission staff agrees the Santa Ana Regional Water Quality Control Board will determine

13142.500.

Sequencing Agreement - CSEC, Santa Ana Regional Board, & CCC

amended or renewed 2012 NPDES Permit and the tentative Water Code section 13142.5(b)

Poseidon's application for an amendment to the October 29, 2010 Amendment of Lease No. PRC 1980.1; and (c) approval and/or certification of any and all CEQA documents and related

environmental information and analysis necessary for the Regional Board to act as a CEQA.

areas of CEQA analysis it may require on Poseidon's proposed seawater intake and disch

the hest available site, design, technology and mitigation measures familie to minimize the intake and mortality of all forms of marine life as required by California Water Code Section

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or body to exercise its lawful discretion to approve, detry, or impose conditions on the Poucidon

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Commission, Santa Ana Regional Water Quality Control Board, and California State Lands

Commission. The following signatories affron that they have the authority to bind their

respective agencies to the terms of this Framework Agreement.

technology modifications prior to the release by the Six

Responsible Agency in connection with the Poseidon Project. As a CEQA Responsible Agency, the Regional Board shall consult, as recessary, with the State Lands Commission regarding the

compliance determination; (b) a final approval by the State Lands Commission regarding

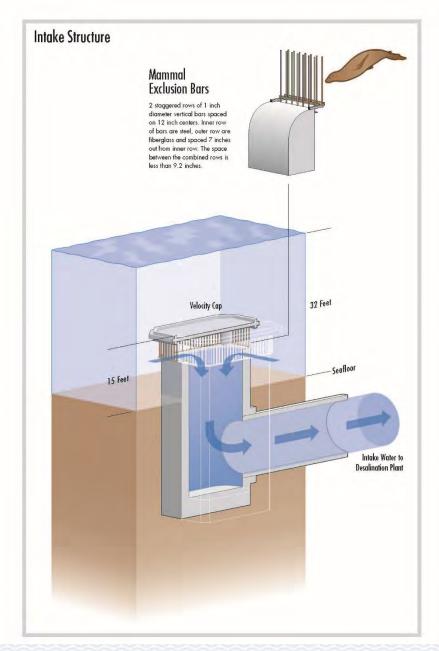
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SEAWATER INTAKE & DISCHARGE TECHNOLOGY ENHANCEMENTS

Offshore Intake and Outfall Pipelines



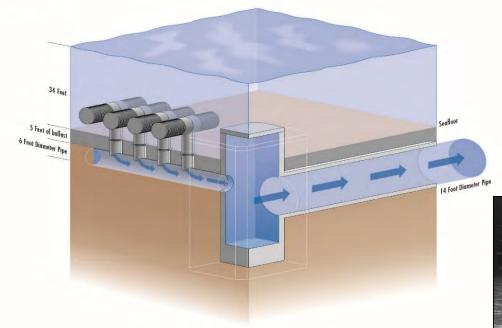
Existing Seawater Intake System

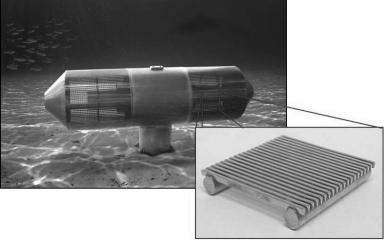


Seawater Intake – 1 mm Wedgewire Screen

Modification to make the intake compliant with the Ocean Plan Amendment

Huntington Beach Desalination Facility
Proposed Huntington Beach Desalination Project
Imm wedgewire screens

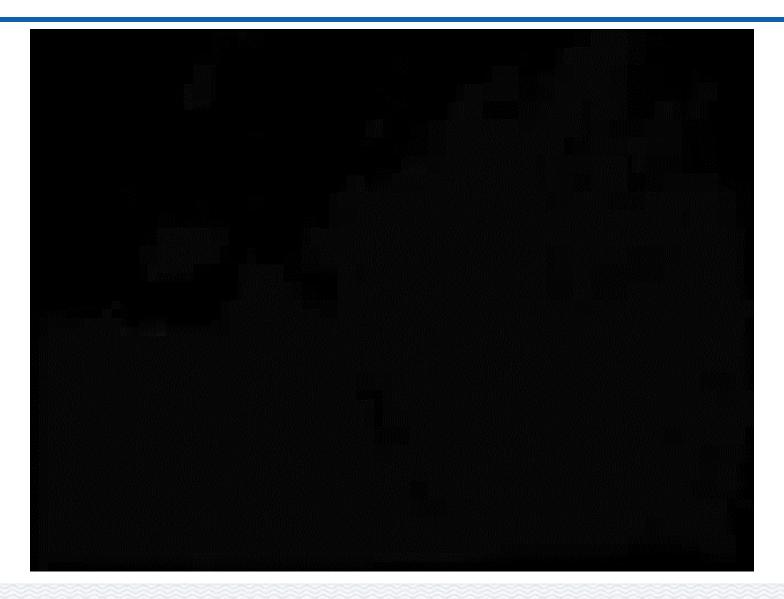




1MM Wedgewire Seawater Intake Screens



Seawater Intake Screens – No Impingement

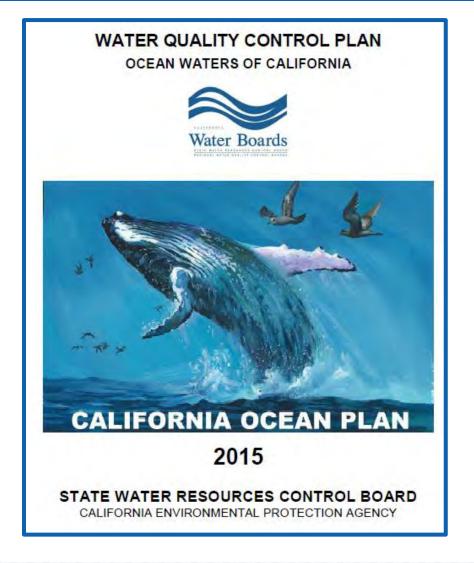


Seawater Intake Screens – Entrainment minimization



Diffusers = Preferred Discharge Technology

 "The preferred technology for minimizing intake and mortality of all forms of marine life resulting from brine discharge is to commingle brine with wastewater Multiport diffusers are the next best method for disposing of brine when the brine cannot be diluted by wastewater ..."



Diffusers = NGO Preferred Discharge Technology

































RESIDENTS FOR RESPONSIBLE DESALINATION

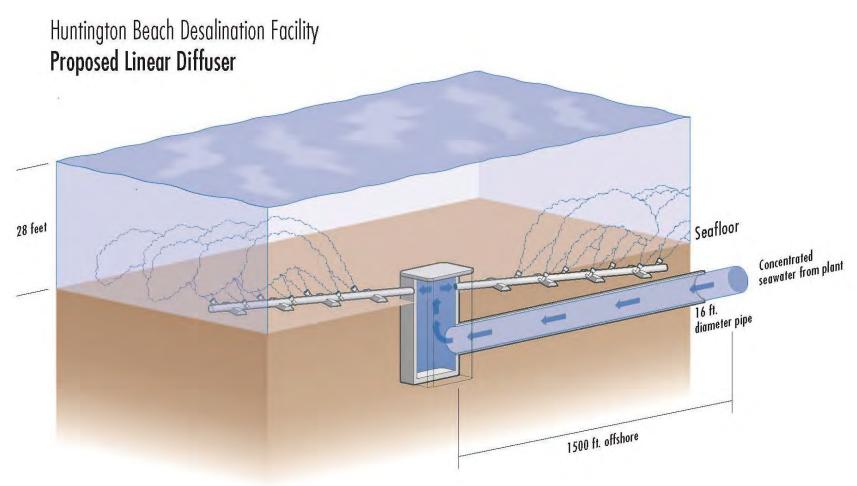




"The State Board should determine that spray-brine diffusers are the best available discharge technology; and prohibit flow augmentation for brine dilution."

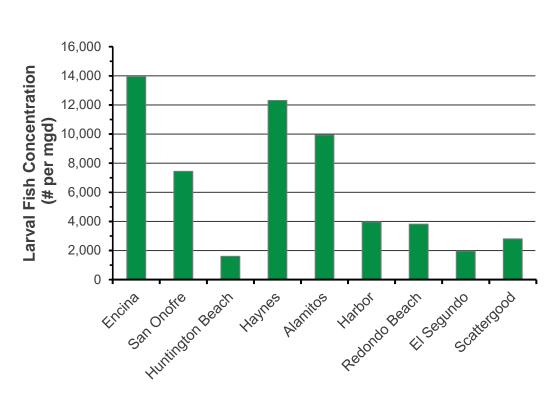
Brine Diffuser – Enhanced Seawater Discharge Technology

Modification to make the discharge compliant with the Ocean Plan Amendment





Low larval fish concentrations at risk of entrainment



Less than 2 larval fish per 1,000 gallons of sea water withdrawn

0.02% species entrainment risk

- Lowest larval fish concentrations of any of the intake locations studied in southern California
- Low abundances at HB are consistent with other locations with offshore intakes in sandy coastal areas such as El Segundo and Scattergood
- Diversity of taxa also lower at HB when compared to El Segundo and Scattergood
- Low impact location due to the absence of a diversity of habitats in vicinity of intake, and low abundances and diversity of larval fishes

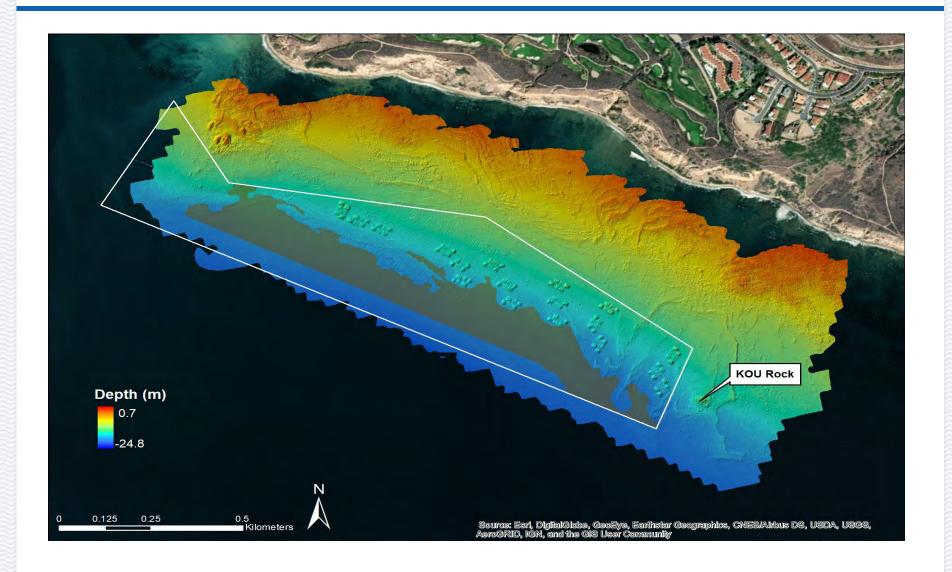
470 Acres of Coastal Wetland Habitat Benefit



41.5-acre creation of Palos Verdes Rocky Reef

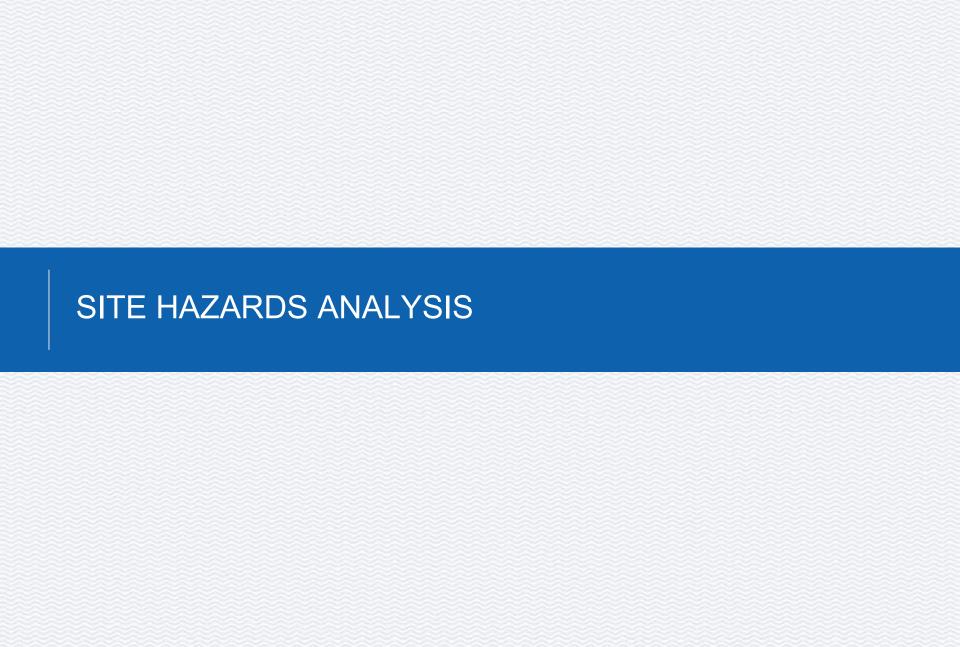


NOAA-SCMI Artificial Reef Lease Area



Over 513 Acres of Combined Habitat Benefit

Poseidon Mitigation Projects	Total Acres of Habitat Benefited	Acres of Awarded Mitigation Credit
1 – Bolsa Chica Ocean Inlet Preservation	317	28
2 – Bolsa Chica Intertidal Shelf Restoration	23	10.5
3 – Bolsa Chica MTB Restoration		
Fieldstone Property Restoration	6.0	4.5
Oil Pad/Berms/Road Area Removal and Restoration	1.2	1.2
4 – Bolsa Chica MTB Water Circulating System Restoration		
West MTB Water Circulating System Enhancements	25	0.71
Central MTB Water Circulating System Enhancements	38	4.03
East MTB Water Circulating System Enhancements	62	10.3
5 – Palos Verdes Rocky Reef Creation	41.3	41.3
Total Acres	513.5	100.5



Sea Level Rise & Tsunami Analysis

Sea Level Rise Scenario	Shoreline erosion	Tidal flooding (King Tide)	Extreme Coastal Storm (100-year)	Extreme Fluvial Storm (100-year)	Maximum Considered Tsunami (2,475-year)
0	None	None	None	None	None
1.6	None	None	None	None	None
3.3	None	None	None	None	Low*
4.9	None	None	None	None	N/A
6.6	None	Low*	Low*	Low*	N/A

^{*}Low vulnerability indicates flooding would be shallow and temporary and would not impact project