

CALIFORNIA COASTAL COMMISSION

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Th9a & Th10a

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

(Poseidon Water, Huntington Beach)

MAY 12, 2022

EX PARTE

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Mark Gold

1) Name or description of project: Huntington Beach desalination

2) Date and time of receipt of communication: 4/6/22 at 6:30 pm

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 communication: Greg Campbell

5) Identity of person(s) on whose behalf communication was made: _____

Greg Campbell for Brookfield and Poseidon

6) Identity of persons(s) receiving communication: _____

Mark Gold

7) Identity of all person(s) present during the communication: _____

Greg Campbell and Mark Gold

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

Discussion on status of mitigation proposal and mitigation credits

Also, timing on Coastal staff report on the project.

Critical infrastructure issues were discussed briefly.

4/11/22

Date

Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA
Date: 2022.04.11 17:34:29 -07'00'

Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

EX PARTE COMMUNICATION DISCLOSURE FORM

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):

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
each level mean for the project?

4/11/22

Date

Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA
Date: 2022.04.11 17:29:01 -07'00'

Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Mark Gold

1) Name or description of project: Huntington Beach desalination project

2) Date and time of receipt of communication: 3-14-22

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 communication: Corey Brown

5) Identity of person(s) on whose behalf communication was made: _____

Resources Legacy Fund

6) Identity of persons(s) receiving communication: _____

Mark Gold

7) Identity of all person(s) present during the communication: Corey Brown,
Michael Mantell, Mark Gold

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

Discussion focused on current status of application at Coastal Commission.

Also, discussion on proposed mitigation approach including Bolsa chica,
Los Cerritos wetland and Newland Marsh. Also discussed critical
infrastructure 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
potential water rate increase. Need for additional water supply in the OCWD.

Lack of mitigation progress as a result of Carlsbad desalination plant.

3-23-22

Date

Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA
Date: 2022.03.23 11:50:01 -07'00'

Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Mark Gold

1) Name or description of project: Huntington Beach desalination project

2) Date and time of receipt of communication: 3-4-22

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 communication: Greg Campbell

5) Identity of person(s) on whose behalf communication was made: Poseidon
and Brookfield - Daniel Reidy

6) Identity of persons(s) receiving communication: _____

Mark Gold, Chris Calfee

7) Identity of all person(s) present during the communication: Greg Campbell,
Dan Reidy, James Golden, Saichi Chawla, Chris Calfee, Mark Gold

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

Discussion focused on current status of application at Coastal Commission.

Also, discussion on proposed mitigation approach including Bolsa chica,
Los Cerritos wetland and Newland Marsh. Also discussed critical
infrastructure 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

Date

Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA
Date: 2022.03.23 11:43:04 -07'00'

Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Mark Gold

1) Name or description of project: Huntington Beach Desalination Plant

2) Date and time of receipt of communication: February 22 at 4 PM

3) Location of communication: phone 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, Wade Crowfoot

7) Identity of all person(s) present during the communication: _____

Greg Campbell, Mark Gold, Wade Crowfoot

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

Discussion on progress and content of alternative mitigation plan.

Further discussion on critical infrastructure designation and ramifications on project design.

Discussion of timing.

2/26/22

Date

Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA
Date: 2022.02.26 17:29:02 -08'00'

Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Mark Gold

1) Name or description of project: Huntington Beach Desalination Plant

2) Date and time of receipt of communication: February 11 at 4 PM

3) Location of communication: phone 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, Chris Calfee

7) Identity of all person(s) present during the communication: _____

Greg Campbell, Mark Gold, Chris Calfee, Daniel Reidy, Saichi Chawla,

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

Discussion on progress of alternative mitigation plan. Newland, Los Cerritos.

Further discussion on critical infrastructure designation and ramifications on project design.

Discussion of timing of finishing mitigation plan and possible hearing dates.

2/26/22

Date

Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA
Date: 2022.02.26 17:13:23 -08'00'

Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Mark Gold

1) Name or description of project: Huntington Beach Poseidon Desalination Plant

2) Date and time of receipt of communication: 1/28/22 at 3 PM

3) Location of communication: phone/zoom

(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

7) Identity of all person(s) present during the communication: Greg Campbell,

Daniel Reidy, Mark Gold, Chris Calfee, James Golden, Saichi Chawla

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

Further discussion on mitigation alternatives. Discussion on experts
on wetland restoration science. And who owns and manages potential
mitigation sites.

Further discussion on critical infrastructure designation and what it
means for building the facility.

Discussion on potential hearing date for the item

2/9/22

Date

Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA
Date: 2022.02.09 21:48:50 -08'00'

Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Mark Gold

1) Name or description of project: Poseidon Huntington Beach Desalination

2) Date and time of receipt of communication: January 21, 2022. 4:30 PM

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 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: _____

Mark Gold, Chris Calfee and Greg Campbell

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

We discussed mitigation issues for the proposed desalination plant.

Some alternative mitigation sites were 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

Date

Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA
Date: 2022.02.09 20:54:19 -08'00'

Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Wade Crowfoot

1) 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.
Discussion on feasibility of modifying mitigation package and what
that may require working with RB8.

1/6/22

Date



Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Mark Gold

1) 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: phone/zoom

(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.
Discussion on feasibility of modifying mitigation package and what
that may require working with RB8.

12/13/21

Date

Gold, Mark@CNRA Digitally signed by Gold, Mark@CNRA
Date: 2021.12.13 21:51:59 -08'00'

Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Mark Gold

1) Name or description of project: Posedion Desalination

2) Date and time of receipt of communication: 11/18/21 at 11 am

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 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 and Chris Calfee

7) Identity of all person(s) present during the communication: _____

Mark Gold, Chris Calfee and Scott Maloni

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

Meeting focused on sea level rise resilience analysis. Looked at 1.3'
to 6.6' in their analysis. Maloni said there were no impacts at 6.6'

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

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: _____

1) Name or description of project: _____

2) Date and time of receipt of communication: _____

3) Location of communication: _____

(If not in person, include the means of communication, e.g., telephone, e-mail, etc.)

4) Identity of person(s) initiating communication: _____

5) Identity of person(s) on whose behalf communication was made: _____

6) Identity of persons(s) receiving communication: _____

7) Identity of all person(s) present during the communication: _____

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

Date

Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

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

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Wade Crowfoot

1) Name or description of project: Poseidon Desalination

2) Date and time of receipt of communication: 10/11/21 12:15pm

3) Location of communication: In person, Sacramento, CA

(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: _____

Nancy Vogel and Wade Crowfoot

7) Identity of all person(s) present during the communication: _____

Nancy Vogel, Wade Crowfoot, and Scott Maloni

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

Mr. Maloni provided an overview of the proposed construction and
operation of the Huntington Beach desalination plant, as well as the
environmental restoration projects planned to mitigation impacts of
the facility. Ms. Vogel and Secretary Crowfoot asked questions to
clarify their understanding of the proposed facility and mitigation
projects.

1/6/2022

Date



Signature of Commissioner

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EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Wade Crowfoot

1) Name or description of project: Poseidon Desalination

2) Date and time of receipt of communication: 8/2/21 at 8:30am

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: _____

Nancy Vogel and Wade Crowfoot

7) Identity of all person(s) present during the communication: _____

Nancy Vogel, Wade Crowfoot, and Scott Maloni

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

Mr. Maloni provided an update on efforts to plan and permit the
proposed Huntington Beach desalination plant.

1/6/2022

Date



Signature of Commissioner

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**Huntington Beach Seawater
Desalination Project
November 12, 2021**



Aerial Imagery Looking NW



Aerial Imagery Looking North



Aerial Imagery Looking SE



Existing Site



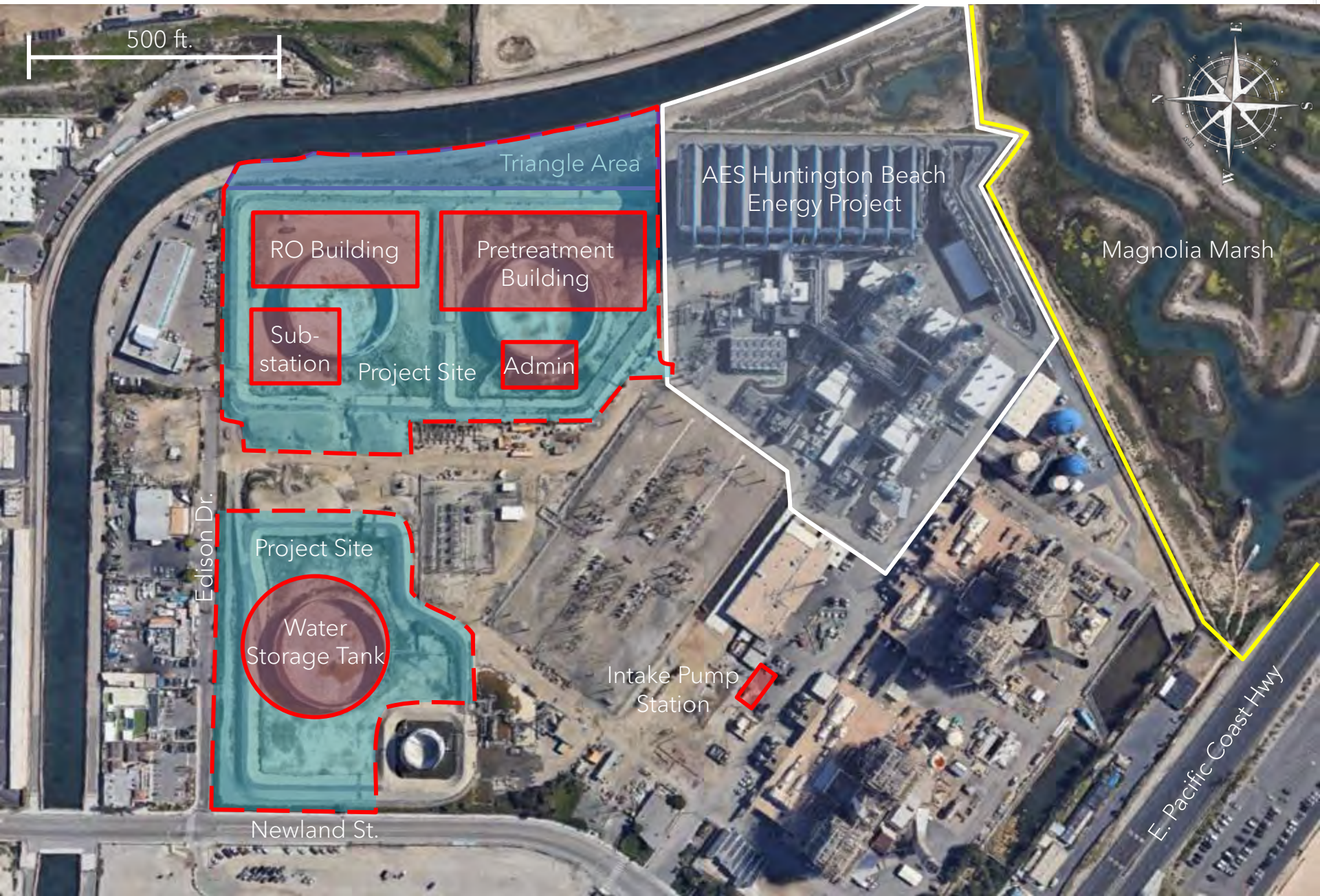
500 ft.

Edison Dr.

Newland St.

E. Pacific Coast Hwy

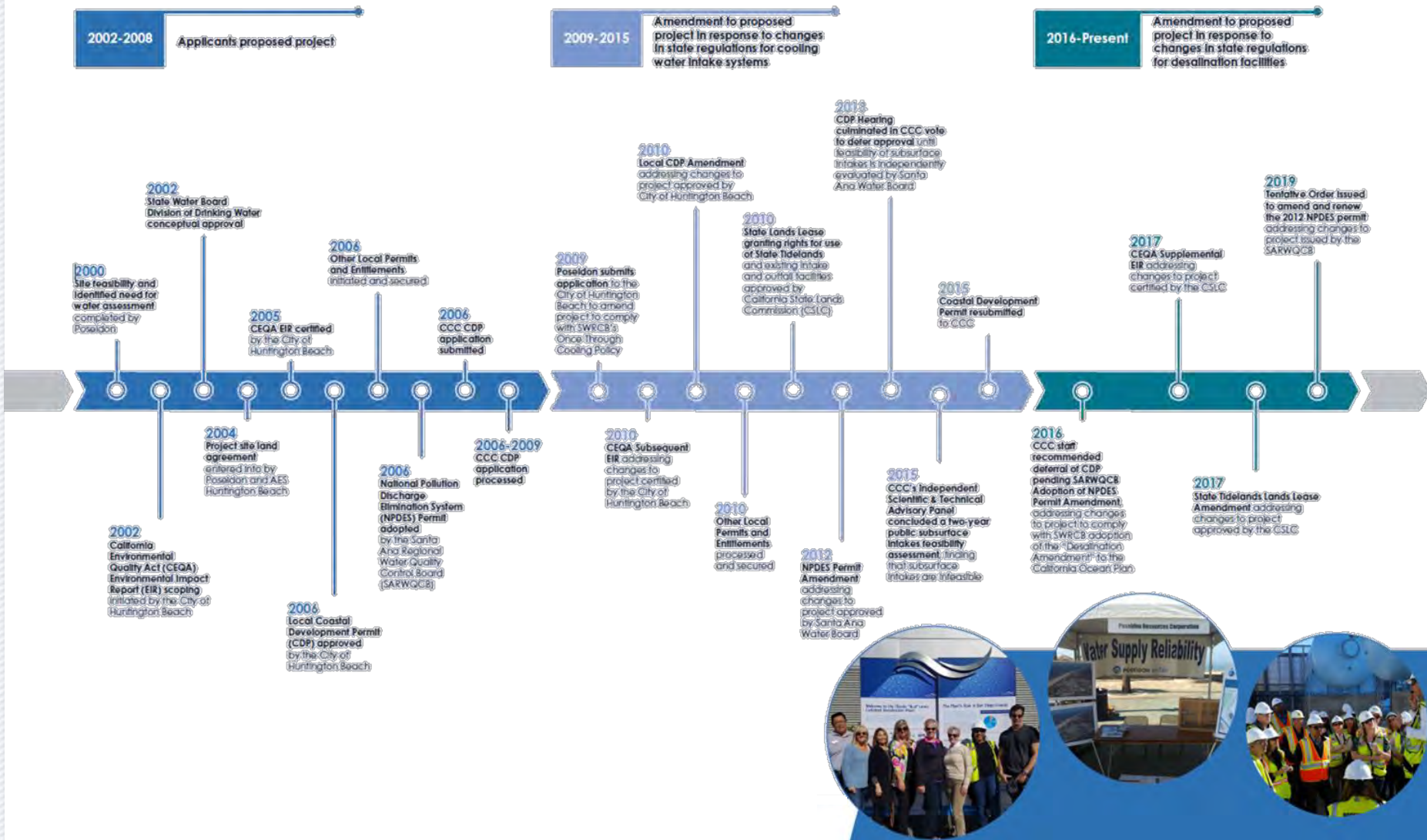
Proposed Project



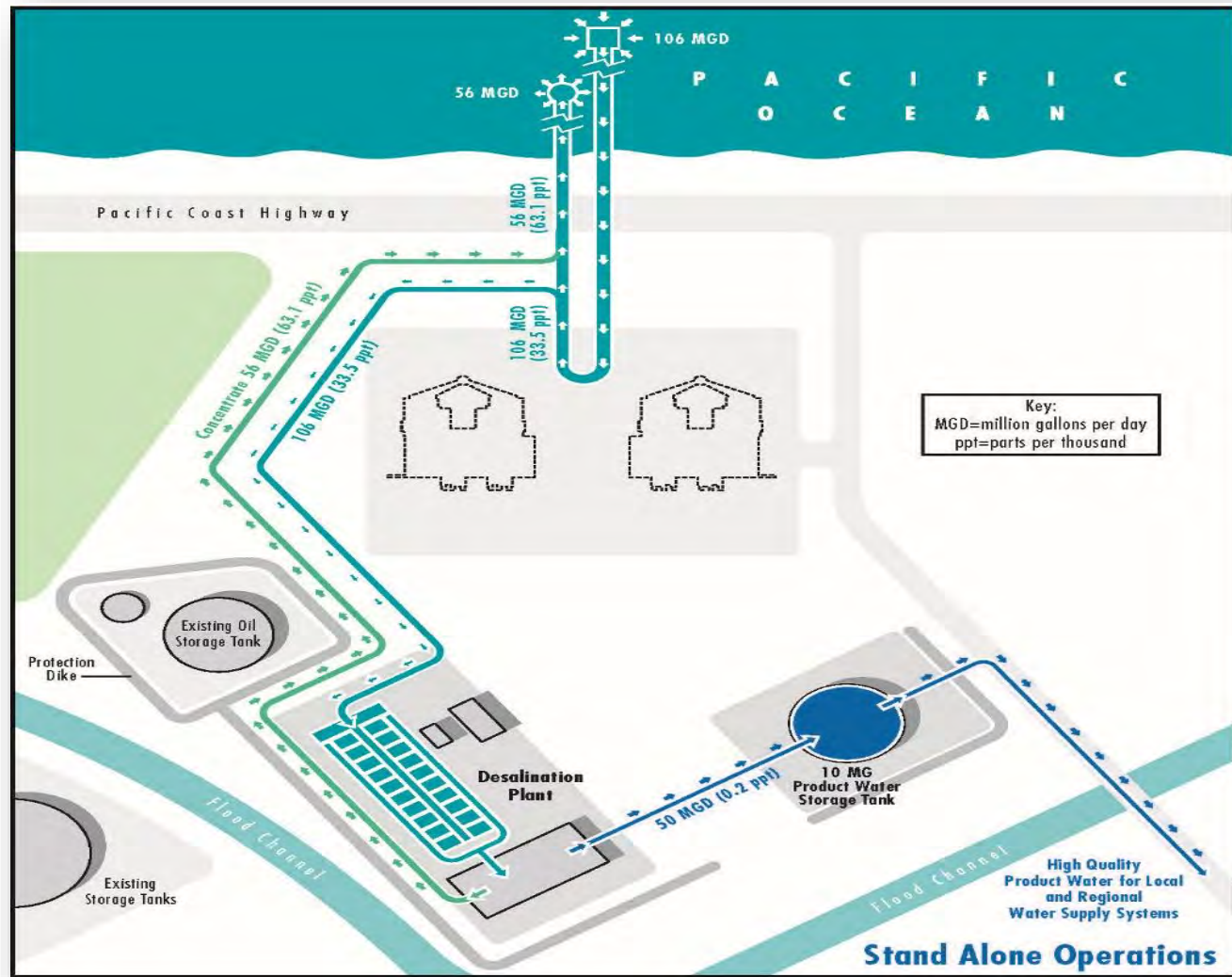


20-Year Permitting History

PERMITTING HISTORY



Project Design pre-State Water Board OTC Policy



Collaborate on CDP Permit Conditions

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

1. **Parties** – This Memorandum of Understanding (“MOU”) is entered into on this 15th 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.
3. **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** – Poseidon intends to resubmit a Coastal Development Permit application for the Project (“Resubmitted CDP”) soon after its withdrawal of the Pending CDP. Poseidon 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. **Approval Sequencing** – Commission Staff will adhere to and support the permit sequencing schedule outlined in the “Framework Agreement” attached hereto as Appendix A. 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. **CDP Special Conditions** – 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 ACTING EXECUTIVE DIRECTOR

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

Poseidon Resources (Surfside) LLC:

[Name/Title] Andrew Kugman Officer

[Signature] [Signature] [Date] 10/13/2016

Collaborate on CDP Permit Conditions

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

1. **Purpose** - This Memorandum of Understanding ("MOU") is entered into on this 15th day of October, 2016, ("Effective Date") by and between Poseidon Resources (Sunshine) 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 State 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. 9-15-1563 ("Poseidon CDP"). Nothing in this MOU is intended to constrain the ability of either party, including but not limited to the ability of the Coastal Commission to

will 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 4.

4. **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 as a condition of development.

c. CDP Special Conditions - 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 special conditions until the Coastal Commission acts on the Resubmitted CDP application.

3. **Consent** - The undersigned representatives of Poseidon and the Coastal Commission hereby agree to the terms of this MOU and to the submission of any required CDP application to the Coastal Commission.

5. **Approval Sequencing** - Commission Staff will adhere to and support the permit sequencing schedule outlined in the "Framework Agreement" attached hereto as Appendix A. In order to facilitate the Framework Agreement, at least once per quarter, the Commission Staff shall participate in callings 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 processing of the Project.

6. **CDP Special Conditions** - 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

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

California Coastal Commission Staff:

(Name/Title) John A. [Signature] Acting Regional Administrator

(Signature) [Signature] (Date) 10/11/2016

Poseidon Resources (Sunshine) LLC:

(Name/Title) Andrew [Signature] Attorney

(Signature) [Signature] (Date) 10/13/2016

Interagency Permit Sequencing Framework

INTERAGENCY PERMIT SEQUENCING FRAMEWORK AGREEMENT

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

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 CEQA 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 CEQA 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 2017.

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

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

Sequencing Agreement - CDEC, Santa Ana Regional Board, & CCC
Page 2 - October 3, 2016

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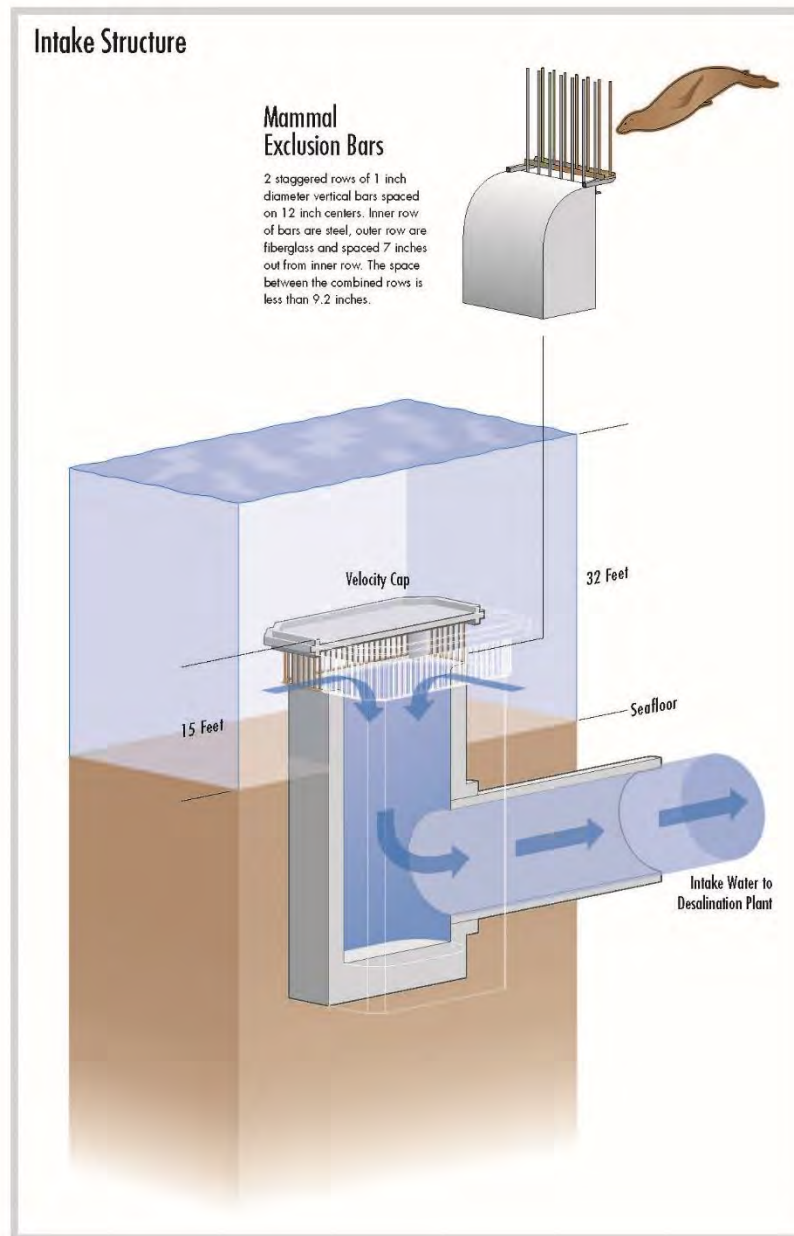
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SEAWATER INTAKE & DISCHARGE TECHNOLOGY ENHANCEMENTS

Offshore Intake and Outfall Pipelines



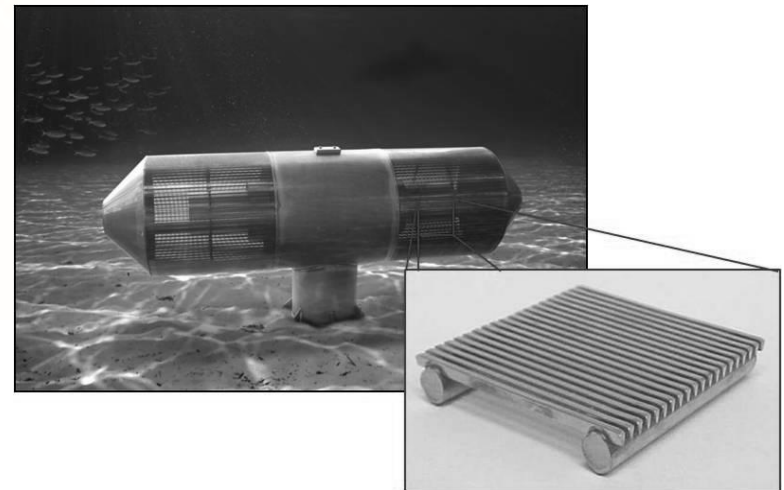
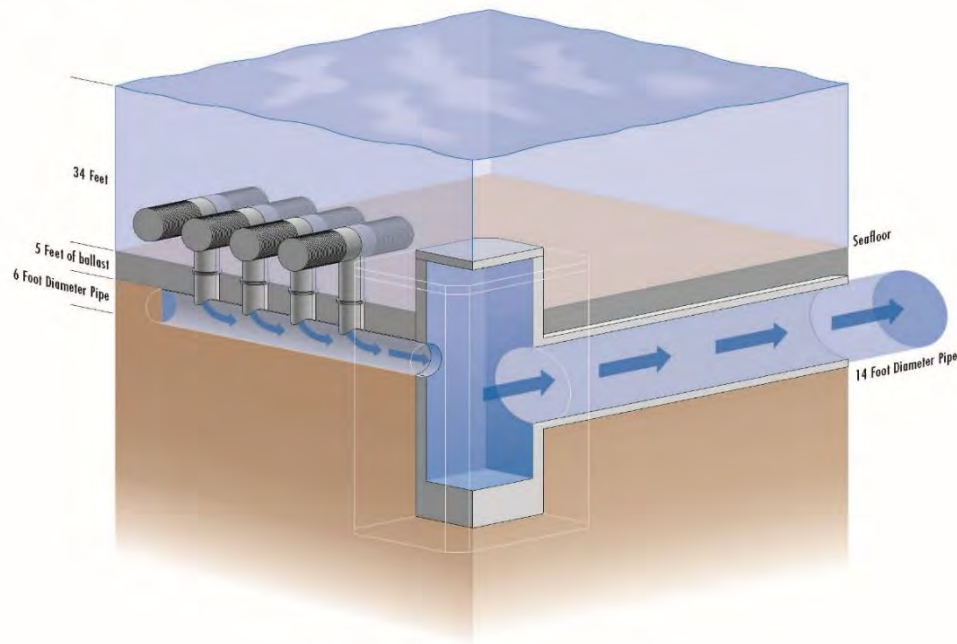
Existing Seawater Intake System



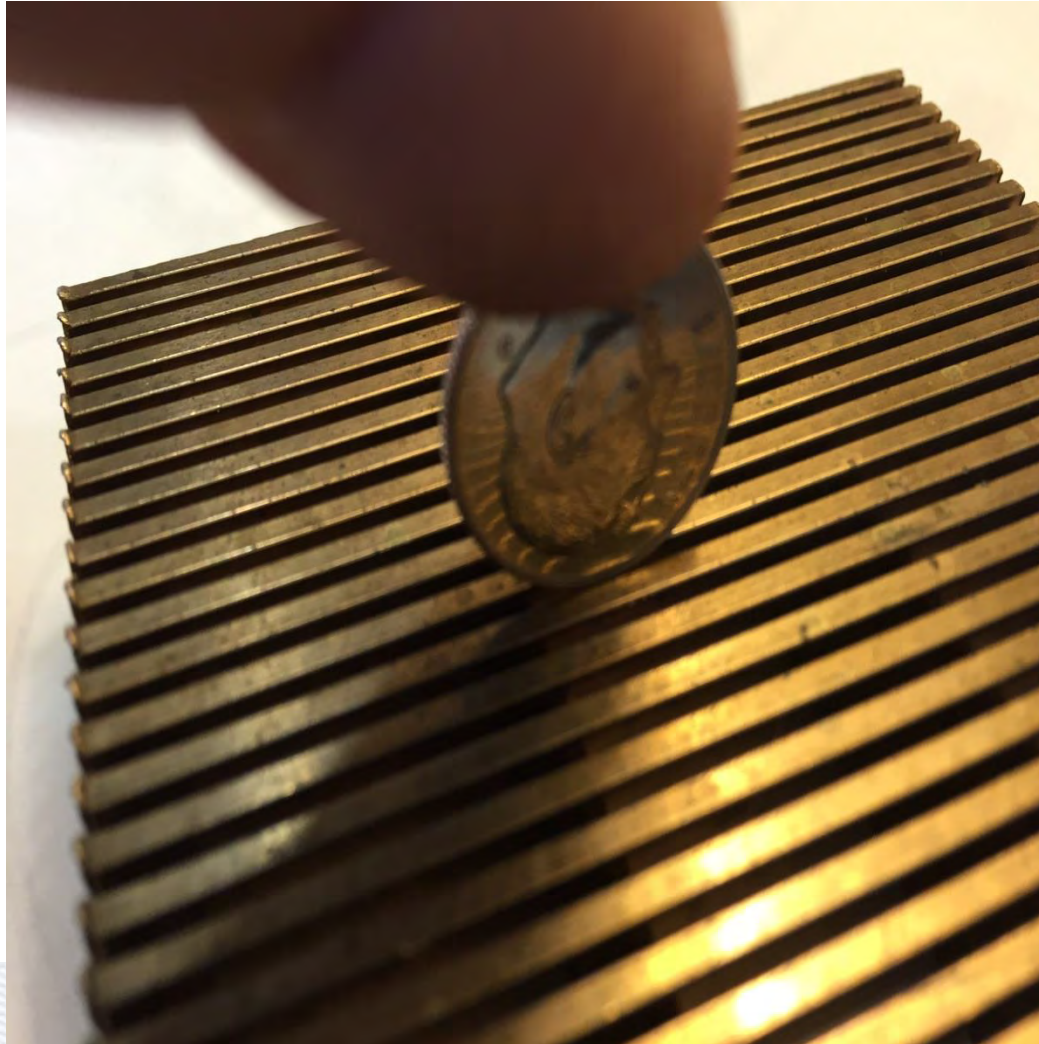
Seawater Intake – 1 mm Wedgewire Screen

Modification to make the intake compliant with the Ocean Plan Amendment

Huntington Beach Desalination Facility
Proposed Huntington Beach Desalination Project
1mm wedgewire screens



1MM Wedgewire Seawater Intake Screens



Seawater Intake Screens – No Impingement

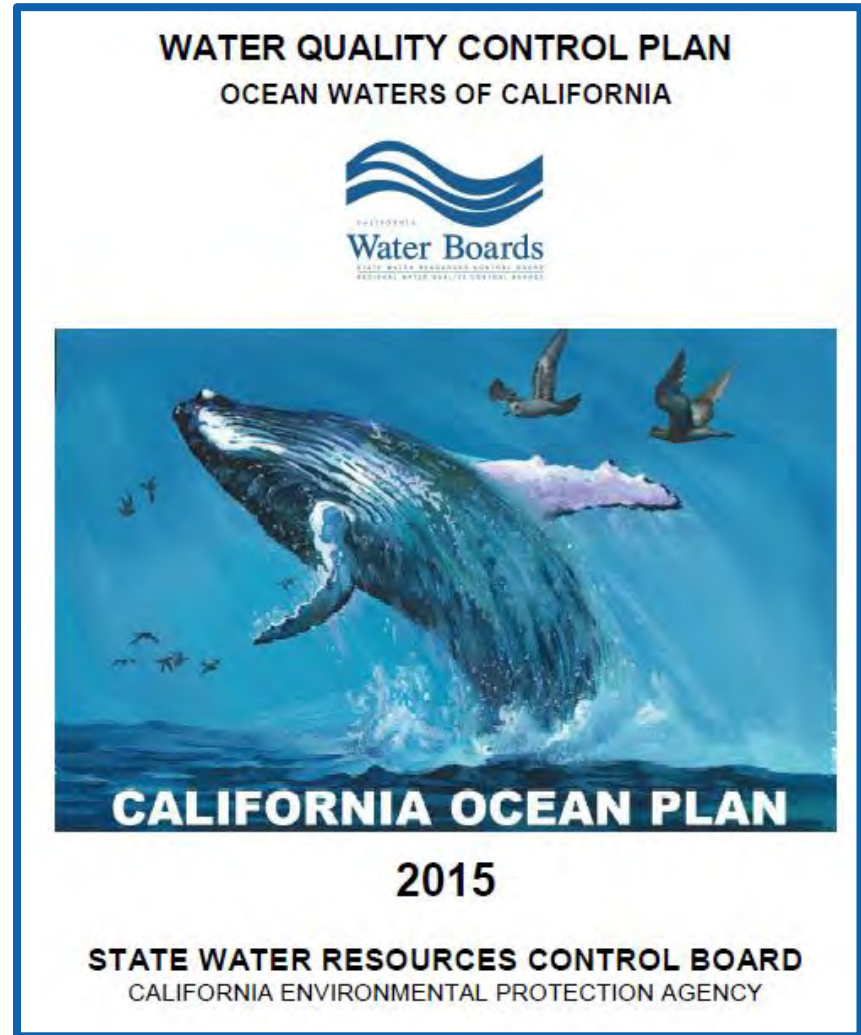


Seawater Intake Screens – Entrainment minimization



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

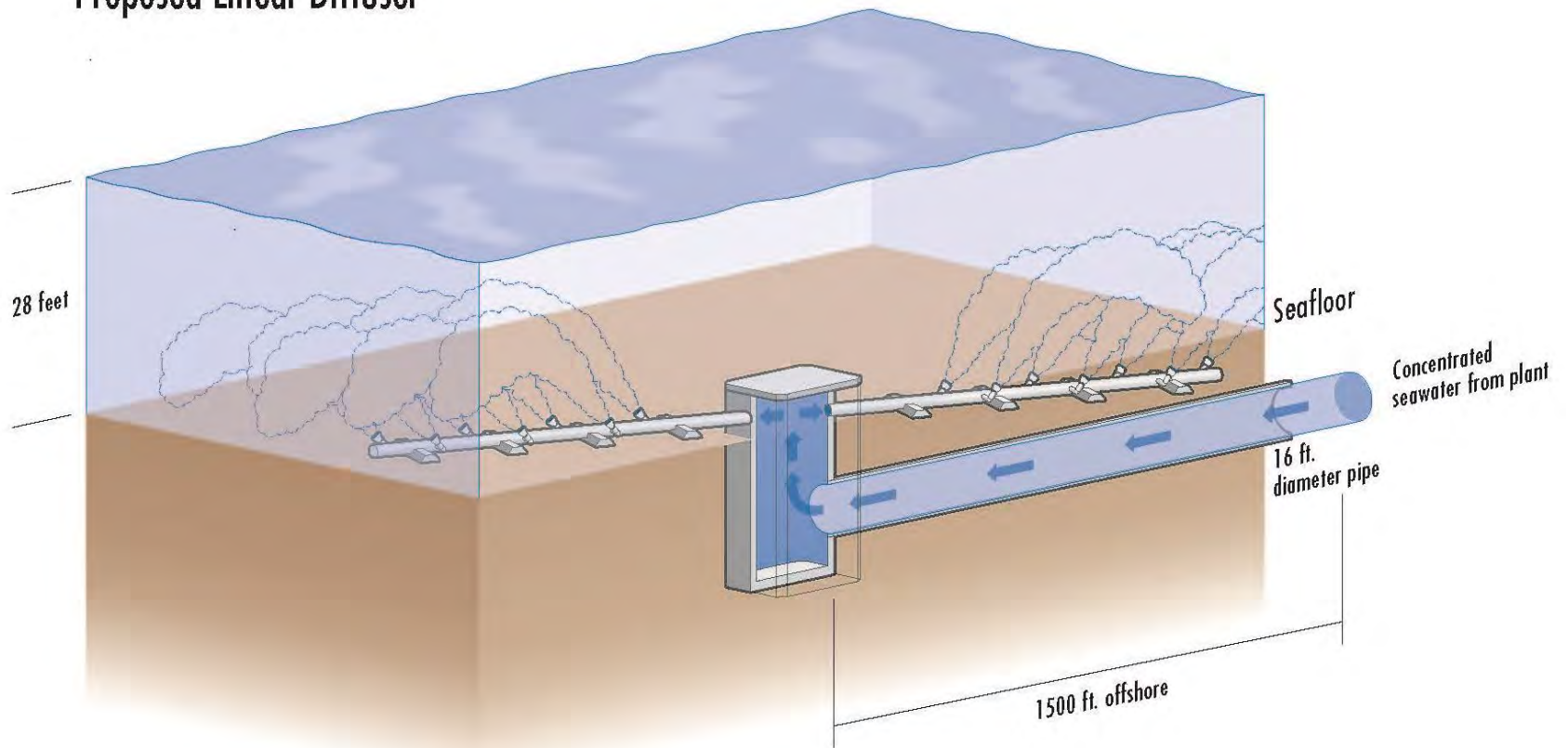


“The State Board should determine that spray-brine diffusers are the best available discharge technology; and prohibit flow augmentation for brine dilution.”

Brine Diffuser – Enhanced Seawater Discharge Technology

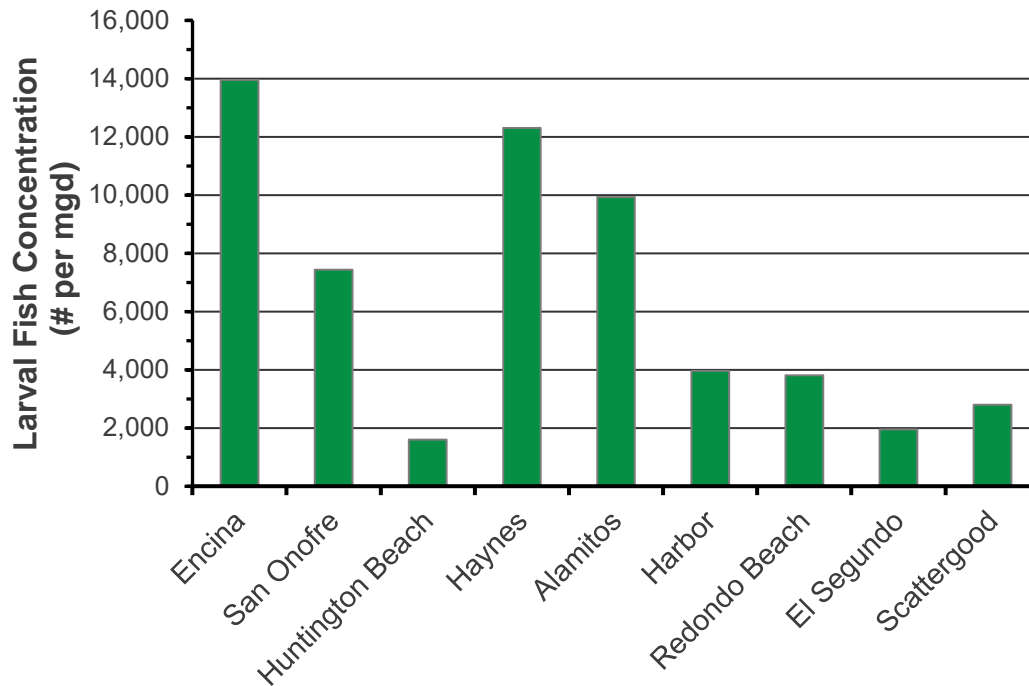
Modification to make the discharge compliant with the Ocean Plan Amendment

Huntington Beach Desalination Facility
Proposed Linear Diffuser



ENHANCED COASTAL HABITAT MITIGATION PLAN

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

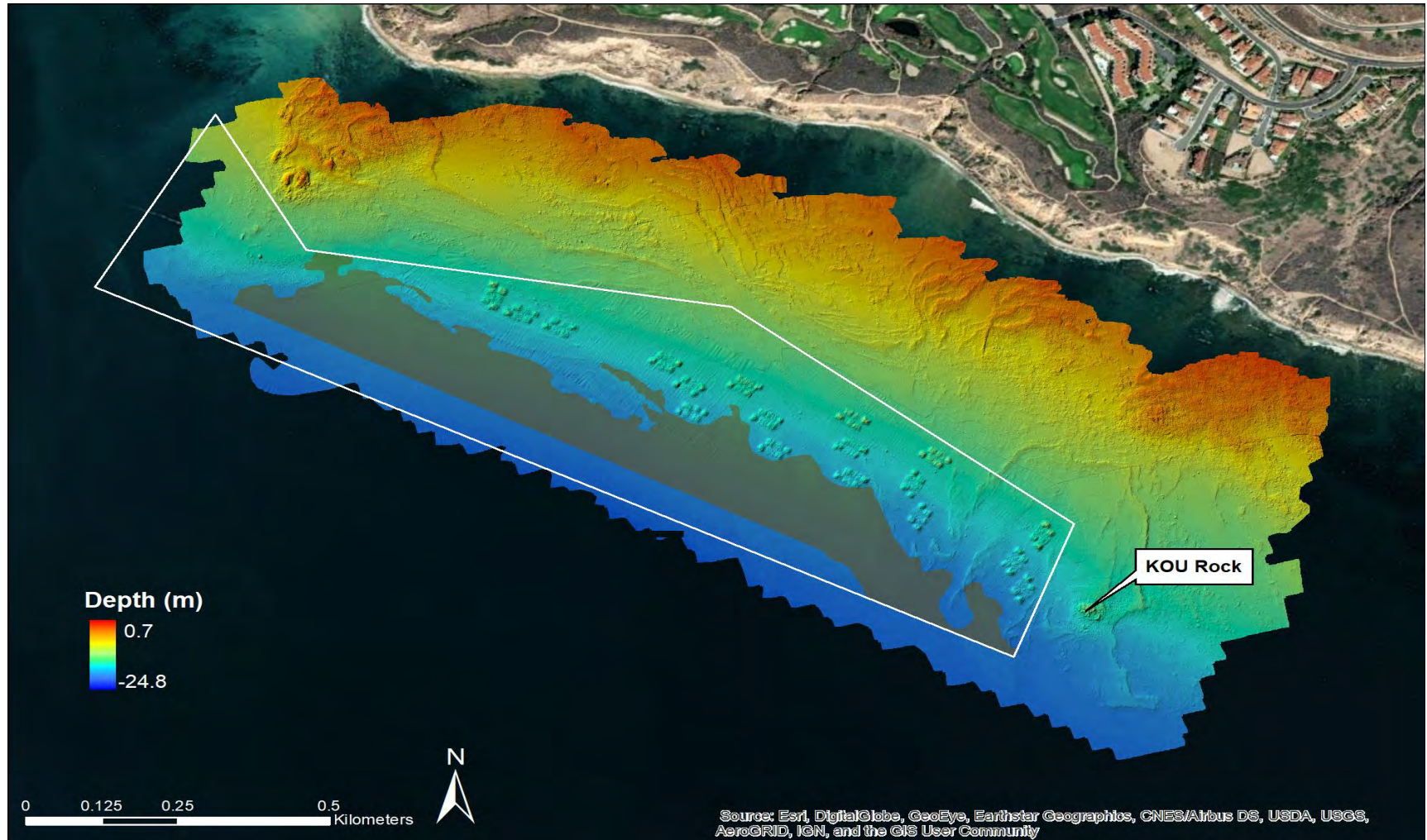
470 Acres of Coastal Wetland Habitat Benefit



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

SITE HAZARDS ANALYSIS

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