

Rosarito Beach desalination project moves forward

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Baja California's ambitious plan to build the largest desalination plant in the Western Hemisphere took an important step forward this week with the signing of a public-private partnership for a project in northern Rosarito Beach.

At full build-out, the reverse osmosis facility would produce 100 million gallons of water per day, a volume twice the capacity of the Poseidon desalination plant in Carlsbad. While the aim is to reduce the Tijuana-Rosarito Beach region's heavy dependence on the Colorado River, some of the water could be sent in the future across the border through a pipeline to the Otay Water District in San Diego County.

The contract signed Monday commits a private consortium to build the plant in two phases and operate it for 37 years before turning it back to the state, according to the Baja California Secretariat of Infrastructure and Urban Development. The plant's first phase would launch in late 2019 or early 2020 and produce 50 million gallons a day. The plant's capacity would be doubled under the second phase in 2024.

The proposal, still in its early stages of development, would be the largest to date built under Baja California's 2014 public-private partnership law. The

water would be sold to the state's water agencies, which in turn would be in charge of its distribution.

With the agreement reached, the next steps involve drafting final construction documents and securing financing for the project, whose estimated cost is more than \$490 million. Construction would take about three years.

Like San Diego, the Tijuana region receives most of its water supply from the Colorado River, carried across the state from Mexicali through a large aqueduct. Water planners in Baja California have been eager to reduce the area's heavy dependence on the aqueduct's deliveries, even more so since a 2010 earthquake in Mexicali caused widespread damage to the water delivery infrastructure.

A key player in moving the project forward is the North American Development Bank, an institution financed by the U.S. and Mexican governments that supports border environmental projects certified by the Border Environment Cooperation Commission.

"The bank believes that this project is critical to the sustainability of Tijuana and adjacent municipalities," said Jesse Hereford, the bank's director of public affairs. The NADB is "serving as lead arranger and working with a group of banks to structure the financing," he said. He expects that to be completed in the first half of next year.

The private consortium that won the bid to build and operate the plant is spearheaded by NSC Agua, a Mexican company that is the subsidiary of [Consolidated Water](#), a Cayman Islands-based company. The other two partners in the project NuWater of Singapore and the French company Degremont.

Rick McTaggart, president and CEO of Consolidated Water, was not immediately available for comment on the project's latest development.

To build the plant, NSC Agua has acquired 50 acres near the the Presidente Juarez thermoelectric plant in Rosarito Beach, a location that would provide the facility with a power supply, as well as access to the power plant's outfall and intake systems.

The desalination plant would ensure the Tijuana-Rosarito Beach region's water needs are met for the next 50 years, said Oscar Gracia Valencia, who heads the public-private partnership unit in the Secretariat of Infrastructure and Urban Development.

North of the border, the Otay Water District has been closely following the project's progress. The water agency, which has more than 220,000 customers in southeastern San Diego County, is hoping to purchase some of the water to diversify its supply.

The district is applying for permit from the U.S. State Department to allow construction of a pipeline that could carry up to 50 million gallons of water a day across the border.

"If we can get the water at a cost that makes sense, why wouldn't we?" said Mark Watton, the Otay Water District's general manager. "That's true whether we're importing solar panels or machine parts or automobiles. You've got a trading partner that's close by, why wouldn't you engage them?"

The cross-border transfer, if approved, wouldn't occur until the second phase. Watton said the district is interested in purchasing about 10 percent of the plant's output initially, growing to as much as 20 or 30 percent. To move forward, the district would also need approval from U.S. agencies to ensure the water meets California drinking water standards.

Both the planned desalination plant and the Otay Water District's proposal have come under fire in recent weeks from two U.S. environmental groups: the San Diego chapter of the Surfrider Foundation and Wildcoast.

In a letter to the U.S. State Department last month, the groups cited concerns about the coastal water quality in the plant's vicinity due to renegade discharges and "the large amounts of semi-treated and untreated waste water" emanating from a sewage treatment plant north of the proposed desalination plant.

Another challenge to the project has come from a San Diego resident, Gough Thompson, who is alleging that his ownership stake in NSC Agua was illegally reduced from 25 percent to .01 percent. McTaggart of Consolidated Water has said that Thompson was paid a settlement releasing the company from future claims, but litigation in the case has continued.

Thompson's attorney, Roberto Vega, said "we will look into every transaction NSC enters into with great detail," to ensure his client's rights are not violated.

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