NUECES RIVER AUTHORITY

Harbor Island Seawater Desalinization Project

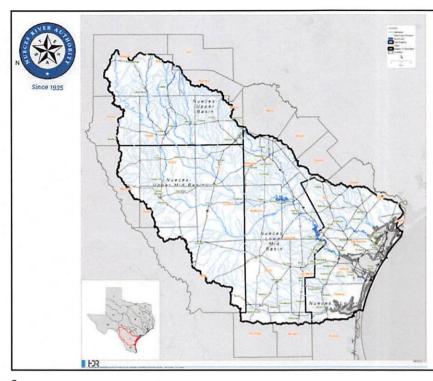
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Nueces River Authority Enabled by the Texas Legislature in 1935

Broad authority to:

- preserve, protect, and develop water resources;
- provide for flood control, irrigation, and navigation;
- develop parks and recreational facilities;
- •finance water supply, treatment, & pollution control projects;
- •receive state and federal grants and loans



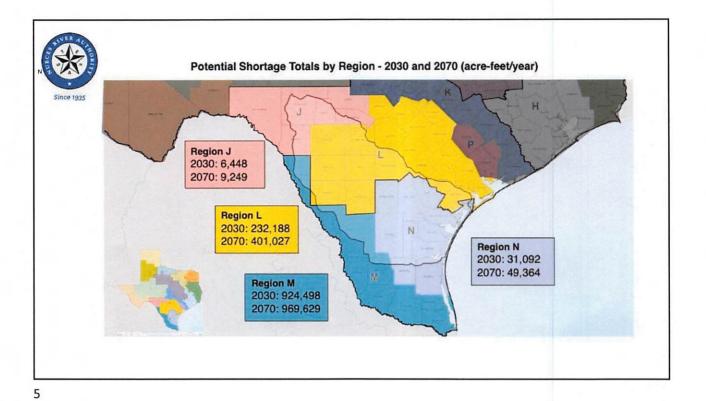
- •17,000 Sq. Mi. Region of So. Texas
- •21 Counties in full
- •10 partial Counties
- •Roughly 1Million People
- •65 Cities
- •42 Water Districts
- •Nueces, Frio and Atascosa Rivers and their tributaries
- •Lake Corpus Christi
- •Choke Canyon Reservoir

3





Lake Corpus Christi – 20.8 Percent Full Choke Canyon Reservoir – 12.8 Percent Full Combine Total – 15.1 Percent Full

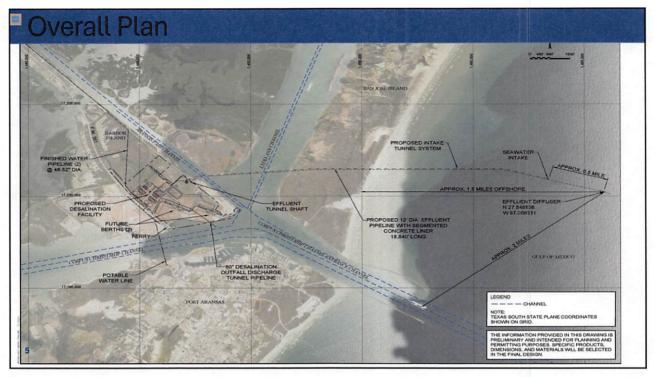


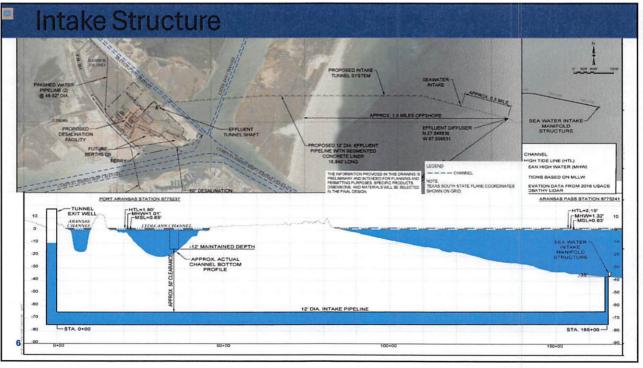
Large Scale Marine Desal

100 MGD Plant

Pipeline up the I37 Corridor

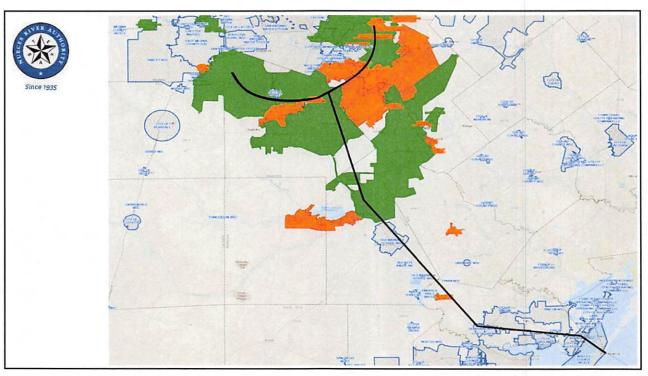
Service the Cities and Water Districts along through the basin and beyond





Summary of Potential Impacts (Avoided or Minimized)

Potential Impact	Avoided or Minimized	Description of Measures
Wetlands, SAV, oysters	Avoided	 Situate facilities to avoid impacts Utilize HDD/micro-tunneling/tunneling
Larval Fish	Minimized	 Locate intake / discharge in Gulf of Mexico in 35'+ of water Locate intake ~20' below surface Reduce flow velocity (≤0.5 ft/s)
Marine Life / T&E Species	Avoided	 Locate intake / discharge in Gulf of Mexico in 35'+ Locate intake ~20' below surface Reduce flow velocity (≤0.5 ft/s) Intake includes bar screens
Benthic Organisms	Avoided	 Locate intake and discharge at least 5' above sea floor
Salinity	Minimized	 Use of diffuser technology to mix salinity to diffuse brine to less than 2 ppt over ambient 100 meters from discharge point Discharge in Gulf of Mexico
Cultural Resources	Avoided	Designed to avoid identified cultural resources





NEXT

Where is the Water Going? YOU

Cost depends on the cost of pipeline to customer plus production fees

Reservation Contract for Municipal Water Providers

- \$24.44 per Acre Foot = \$27,376.32 per Million MGD per Day
- · Reserves your capacity at the Plant
- · Over next 12 to 18 months,
 - · Pipeline Plan
 - Preliminary Pricing
- · Only 100 MGD capacity open to reservation now