

**CalDesal State Legislative Committee Meeting Notes**

**Monday, January 27, 2020**

**West Basin Municipal Water District Conference Room**

**3:00-4:00 p.m.**

**\*Meeting notes revised on February 17, 2020**

**Members present:**

E.J. Caldwell (Chair), West Basin Municipal Water District

Marina Lindsay, West Basin Municipal Water District

Rosalie Thompson, Metropolitan Water District

Glenn Farrell, San Diego County Water Authority

Ivy Ridderbusch, San Diego

Danielle Coats, Eastern Municipal Water District

Christine Compton, Irvine Ranch Water District

Phil Rosentrater, Salton Sea Authority

**Guests:** Wendy Ridderbusch, Executive Director

The meeting began at 3:02 p.m. with ED Wendy Ridderbusch thanking E.J. Caldwell and West Basin Municipal Water District for hosting the first in-person committee meeting. E.J. thanked folks for joining the call and pointed out that going forward the committee will be holding regularly scheduled meetings on a monthly basis. He also talked about committee members feeling free to suggest other water agencies or association colleagues who are currently not members to become members of the refreshed CalDesal organization and participate on one of the State Legislative Committee meeting call to get a sense of the improvements.

Wendy spoke about the newly-formed committee at CalDesal – the Outreach Communications Committee. The committee met for the first time last week and is off to a fast start. They have produced a communications plan that will assist CalDesal with social media and the public-facing and internal members-only website. They will work with the State Legislative Committee and the Regulatory Committee to help shape messaging and raise the association’s visibility to enhance message delivery for the benefit of its members. CalDesal needs to be the third-party, credible source for all forms of desal in California.

Climate Resiliency/Change General Obligation Bond Legislative Activity – There are a few climate resiliency bonds embedded in legislative vehicles currently circulating in the legislature. SB 45 (Allen) is one of those measures, and the most prominent. Governor Newsom has also introduced support and the broad outline for the concept of a climate resiliency bond within his January Budget proposal.

Historically, state funding for desalinated water within natural resource and water related G.O. bonds has come under the umbrella of alternative water supply. This umbrella includes recycled water. Recycled water and desal have traditionally been nested together in a larger funding pot. CalDesal does not have an issue with continuing utilizing what has worked in the past. CalDesal has also not heard from folks in the water recycling world that it would be a problem either. The organization has reached out to WateReuse as the statewide organization that has partnered with CalDesal in the past to advocate for this funding pot because of the overlap with the issues between both organizations.

Wendy asked the committee if they would like to take a position on SB 45 (Allen) and begin to weigh in in order to represent its members’ interests. Committee members spoke out about the need to include all types of desalination, brackish and ocean water, in the bond funding mix. It was reported that committee members who are also part of WateReuse had a discussion last week in which a large ask for funding -- $500 million up to $1 billion was being discussed and evaluated internally. The topic of including desalination funding was not broached during that particular discussion but it is important to note that we are not working at cross-purposes with WateReuse, in fact we want to try to work collaboratively with them on the bonds and will appreciate any collaboration.

Wendy also mentioned that Tonianne Pezzetti with DWR spoke to CalDesal’s Regulatory Committee about the status of desal funds in both Prop. 1 and Prop. 50. She shared that Proposition 1 desal funds have been fully appropriated. However, there are still some funds in the Proposition 50 bucket. Approximately $600,000 will be released on July 1, 2020 using the same continuous application process that DWR has utilized for past projects funded from these bond measures. She also reminded folks that one year later, on July 1, 2021, a couple million dollars will also be released for desal projects but that she was hoping CalDesal and its member agencies would be advocating to try and obtain $100 million dollars for brackish and ocean water desalination in the eventual climate resiliency bond. She shared that she did not see any funds for desalination currently in Senate Bill 45 (Allen) which proposes $4.2 billion nor in the Governor’s proposed Climate Resiliency Bond described in his January State Budget Proposal of $4.75 billion.

E.J. noted that at last week’s ACWA State Legislative Committee meeting, Cindy Tuck mentioned that within SB 45, they were prepared to fully fund the programs for water supply currently in that vehicle through the State Water Board. He was concerned because desalination has always been funded through the Department of Water Resources, not the SWRCB. The request is in to ACWA to include desalination through DWR on the ACWA member request list.

Wendy asked for some input regarding a possible dollar amount request for desalination in a climate resiliency bond. Glenn Farrell added that conventional wisdom is that the bond will come together in June around budget deadline as a final package. The message that Senator Allen communicated at CMUA’s recent lobby day is that now is the time to get together the draft package that stakeholders need to submit to the authors in order to be considered. He urged revisiting the Prop. 1 language to ensure it would still work for today’s needs. We should aim high as we all know that the dollar amounts from all stakeholders get significantly shaved down from the original asks.

Rosie Thompson communicated that her agency, Metropolitan Water District, has not taken a formal position on the bond(s) and she can only provide general comments for consideration. She shared some information about how she understands that the bond will be coming together. There may be a shift in the approach with this bond on a new focus on overarching climate change, instead of solely water. She suggested that CalDesal explore being included in the regional water resilience space. Many water agencies do not yet have concrete asks in terms of programs or specific dollar amounts for the bond(s). Wendy reiterated that CalDesal wants to work collaboratively with other associations to try and secure funding.

Wendy wondered how the committee would feel taking a “support if amended” position on SB 45 (Allen) early on? The committee did not think there would be harm in submitting a letter in support of the concept and would like to see funding in here like we have seen in former natural resource G.O. bonds like Prop. 1 and Prop. 50. The committee felt it would be good to signal our interest now in participating. Phil Rosentrater noted that in light of the resiliency portfolio we have various sources of water that require salt management and desal in an overall resiliency portfolio and that the timing on that piece suggests we should get out in front of it and we should consider hooking our message into that as part of the bond.

EJ asked if CalDesal had access to, or could gather information from, its members on the amount of funding that they may need for future projects? Wendy suggested that the association could send a survey out to its member agencies to gather this data. This could help inform the dollar amount that we could ask for in a G.O. bond. She agreed to both circle back with DWR to find out how they came to their $100 million figure as well as launch a survey to members requesting that information as well.

Governor Newsom’s 2020 Water Resilience Portfolio

The Committee had a good discussion and gave the following feedback to inform and help augment CalDesal’s initial draft comment letter which was crafted after input from the Regulatory Committee:

* We have to be careful with our tone. We should consider softening it a bit. It would help to have this comment letter tie back to the intent of what the resiliency portfolio is intended to do -- which is to help sustain California in times of uncertainty. It would make the argument flow better as to how the Administration is seeing this response from CalDesal. We need to be working with them rather than primarily pointing out the flaws in the draft portfolio. We should articulate how desal can specifically contribute to a more resilient water package. Then it could loop back to the comments we have in the bond letter. From the Administration’s perspective they are going to be closely linked. The Administration is asking for examples and input of what should be included in the Water Resilience Portfolio action plan. The resilience portfolio is intended to be an action plan and the bond is intended to be the funding mechanism to initiate it.
* Echoing agreement with the first comment, the draft comment letter could be stronger in some of the resiliency language to linking it more directly to the purpose of the plan to make the point more clearly.

Wendy will take this feedback and integrate it into the first draft and then send it out to the committee for final feedback before submittal. CalDesal will then submit the comment letter by the February 7th deadline.

As a wrap-up to the meeting Wendy emphasized that CalDesal wants to re-engage on the state legislative front with committee positions and the accompanying appropriate advocacy. Feel free to communicate with us via e-mail or text. Let us know if there are bills that we are not yet following that would impact the desalination community. Wendy thanked the members of the committee who joined the call for donating their time and talent to CalDesal for the upcoming 2020 year!

Next State Legislative Committee Meeting: **Monday, February 24, 2020 at 3:00 p.m.**

**Adjourned by Chair Caldwell at 3:40 p.m.**