



June 19, 2023

Honorable Rebecca Bauer-Kahan, Chair
Assembly Water, Parks, and Wildlife Committee
1020 N. Street, Room 160
Sacramento, CA 95814

SUBJECT: SB 867 (Allen) – SUPPORT IF AMENDED

Dear Assemblymember Bauer-Kahan:

CalDesal would support SB 867 (Allen), as amended on May 18, 2023, which would enact the Drought and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, and Park Creation and Outdoor Access Bond Act of 2023, and if approved by the voters, would authorize the issuance of \$15.5 billion in General Obligation bonds to finance projects for a variety of purposes, **if it is further amended as described below and in the attachment.** SB 867 is scheduled to be considered in your Committee on June 20, 2023.

CalDesal is a statewide association comprised of nearly 60 organizations, representing public and private sector entities as well as non-profit organizations, integrating the use of desalination to ensure a sustainable water future for communities throughout California. CalDesal is dedicated to helping California advance improved statewide water resilience which has been impacted by a changing climate, water supply challenges, and continued population growth.

We appreciate the Senator's ongoing leadership to protect, restore, and enhance California's natural resources through the creation of a substantial funding package for the voters' consideration to provide new investments in our state's parks, rivers and streams, watersheds, and for improving California's long-term water resilience. We believe that SB 867 establishes the parameters and framework that would be necessary to achieve a meaningful and comprehensive resources bond package.

We greatly appreciate that recent amendments to SB 867 identify \$100 million in funding for desalination projects in California. As bond discussions continue to advance through 2023, and as you and your colleagues consider further shaping SB 867 to ensure it would provide maximum benefits for Californians, **we would encourage consideration of amendments to SB 867 that would provide for additional specific funding for capital investments in brackish desalination, seawater desalination, contaminant and salt removal, and salinity management projects to improve California water and drought resilience.**

The attached proposed amendments to SB 867 outline a framework for public investments in desalination projects to make meaningful advancements in a wide range of drought-resilient water supply development throughout the state. These proposed investments are divided into three important categories:

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- **Investments in Brackish Desalination Projects.** Substantial investment is necessary to pursue opportunities for development of brackish surface and groundwater desalination infrastructure and associated treatment, storage, conveyance, and distribution facilities, including pilot and demonstration projects for new salt and contaminant removal technologies.
- **Investments in Seawater Desalination Project.** Substantial investment is necessary to pursue opportunities for seawater desalination infrastructure and associated treatment, storage, conveyance, and distribution facilities, including pilot and demonstration projects for new and innovative seawater desalination technologies.
- **Investments in Salinity Management Projects.** Substantial investment is necessary to advance brine disposal solutions, including brine lines or brine disposal or remediation technologies, particularly focused in inland regions experiencing salinity and brine management challenges related to facilitating groundwater desalination.

We look forward to engaging in this effort and working closely with you, your staff, and your colleagues in the Legislature to address these significant and critically important public policy and funding issues.

Please don't hesitate to contact me at glennf@caldesal.org or (916) 216-1747 – or CalDesal's legislative advocate, Steve Cruz with Cruz Strategies at steve@cruzstrategies.com – if you have any questions regarding CalDesal's position on SB 867.

Sincerely,



GLENN A. FARREL
Executive Director, CalDesal

Attachment

cc: Senator Ben Allen
Members, Assembly Water, Parks, and Wildlife Committee
Casey Dunn, Assembly Republican Caucus

Desalination Public Benefit Investments

XXXX1. The sum of six hundred million dollars (\$600,000,000) shall be available, upon appropriation by the Legislature, for capital investments in brackish desalination, seawater desalination, contaminant and salt removal, and salinity management projects to improve California water and drought resilience.

(a) Of the funds made available pursuant to Section XXXX1, four hundred million dollars (\$400,000,000) shall be available, upon appropriation by the Legislature, for grants for advanced treatment technology projects, as follows:

(1) One hundred fifty million dollars (\$150,000,000) shall be available for the following types of projects:

(A) Brackish surface and groundwater desalination infrastructure and associated treatment, storage, conveyance, and distribution facilities.

(B) Contaminant and salt removal projects and associated treatment, storage, conveyance, and distribution facilities.

(C) Pilot or demonstration projects for new brackish groundwater and surface water salt and contaminant removal technologies, including, but not limited to, electrostatic deionization and brine remediation strategies.

(D) Competitive research and development grants.

(E) Cost share to access federal and other funding opportunities to advance low-cost, decarbonized brackish desalination and water treatment technologies and systems.

(F) Technical assistance and grant writing assistance for disadvantaged communities.

(2) Two hundred fifty million dollars (\$250,000,000) shall be available for the following types of projects:

(A) Seawater desalination infrastructure and associated treatment, storage, conveyance, and distribution facilities.

(B) Pilot or demonstration projects for new seawater salt and contaminant removal technologies, including, but not limited to, land-based desalination, offshore desalination, and subsea desalination.

(C) Competitive research and development grants.

(D) Cost share to access federal and other funding opportunities to advance low-cost, decarbonized seawater desalination and water treatment technologies and systems.

(E) Technical assistance and grant writing assistance for disadvantaged communities.

(b) Of the funds made available pursuant to Section XXXX1, two hundred million dollars (\$200,000,000) shall be available, upon appropriation by the Legislature, for research and development and grants and direct expenditures for brine disposal solutions, including but not limited to, brine lines or brine disposal or remediation technologies, particularly focused in inland regions experiencing salinity and brine management challenges related to facilitating groundwater desalination.

(c) At least a 50 percent local cost share shall be required for projects funded pursuant to this section. That cost share may be suspended or reduced for disadvantaged communities and economically distressed areas.

(d) Projects funded pursuant to this section shall be selected on a competitive basis, considering all of the following criteria:

(1) Water supply reliability improvement.

(2) Water quality and ecosystem benefits related to decreased reliance on diversions from the Delta or instream flows.

(3) Public health benefits from improved drinking water quality or supply.

(4) Cost-effectiveness.

(5) Energy efficiency and greenhouse gas emission impacts.

(6) Reasonable geographic allocation to eligible projects throughout the state, including both northern and southern California and coastal and inland regions.

(e) Preference may be given to projects that demonstrate substantial use of renewable or zero-carbon energy resources or grid-responsiveness in water supply production.