

**ASSEMBLY BILL****No. 2595****Introduced by Assembly Member Hall**

February 24, 2012

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An act to add Section 35616 to the Public Resources Code, relating to water, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2595, as introduced, Hall. Desalination.

The Cobey-Porter Saline Water Conversion Law authorizes the Department of Water Resources, either independently or in cooperation with public or private entities to conduct a program of investigation, study, and evaluation in the field of saline water conversion, to provide assistance to persons or entities seeking to construct desalination facilities, and after submission of a written report and upon appropriation from the Legislature, to finance, construct, and operate saline water conversion facilities. Existing law required the department, not later than July 1, 2004, to report to the Legislature, on potential opportunities and impediments for using seawater and brackish water desalination, and to examine what role, if any, the state should play in furthering the use of desalination technology. Existing law required the department to convene a Water Desalination Task Force, comprised of representatives from listed agencies and interest groups, to advise the department in carrying out these duties and in making recommendations to the Legislature.

The California Ocean Protection Act establishes the Ocean Protection Council in state government. Existing law requires the Ocean Protection Council to coordinate activities of state agencies that are related to the protection and conservation of coastal waters and ocean ecosystems to

improve the effectiveness of state efforts to protect ocean resources within existing fiscal limitations, to establish policies to coordinate the collection, evaluation, and sharing of scientific data related to coastal and ocean resources among agencies, and to identify and recommend to the Legislature changes in law needed to achieve these goals.

This bill would require the council to report to the Legislature, by December 31, 2013, on opportunities for streamlining the current statewide permitting processes for seawater desalination facilities, including an evaluation of impediments to desalination projects relative to the current permitting process and to recommend potential administrative and legislative actions for streamlining the permitting process while maintaining current regulatory protections. The bill would require the council to convene the Seawater Desalination Permit Streamlining Task Force to review the current permitting processes required by all state regulatory agencies for the planning, design, construction, monitoring, and operation of seawater desalination facilities, to identify opportunities for streamlining the permitting process, and to advise the council in making the report.

Existing law, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative bond act approved by the voters as Proposition 84 at the November 7, 2006, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$5,388,000,000, of which \$1,000,000,000 is made available to the department, upon appropriation by the Legislature, for grants for projects that assist local public agencies to meet the long-term water needs of the state, including the delivery of safe drinking water and the protection of water quality and the environment. Eligible projects are required to implement integrated regional water management plans that meet certain requirements.

This bill would appropriate \$250,000 of these funds to the department to pay the costs of convening the Seawater Desalination Permit Streamlining Task Force and preparation of the report.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

1 (a) A growing population, climate change uncertainty, and the  
2 need to grow the state's economy while protecting and restoring  
3 our fish and wildlife habitats make it essential that the state manage  
4 its water resources as efficiently as possible.

5 (b) Diversifying regional water supply portfolios will increase  
6 water supply reliability and advance state policies for regional  
7 self-sufficient water supplies. In addition to stormwater capture,  
8 water recycling, and conservation, water agencies located in coastal  
9 areas are considering seawater desalination to help diversify their  
10 water supply portfolios. These water agencies include seawater  
11 desalination as potential future supplies in their most recent urban  
12 water management plans. Seawater desalination projects are also  
13 elements of several integrated regional water management plans.

14 (c) In addition to providing much needed water supply reliability  
15 against future uncertainties, seawater desalination projects have  
16 the potential to create new jobs in the state over the next 10 years  
17 and generate much needed investment in local economies. Reverse  
18 osmosis and other seawater desalination technologies were  
19 pioneered and developed in California, and desalination technology  
20 remains an important industrial sector in San Diego County and  
21 other regions.

22 (d) Proponents for seawater desalination projects must obtain  
23 close to 30 local, state, and federal permits and related approvals.  
24 The procedure for obtaining key state permits is not always clear,  
25 and there can be significant redundancy in the requirements  
26 between some of the permitting agencies. As a result, both the cost  
27 and the timeframe for obtaining state permits has become a  
28 potential impediment for some proposed desalination projects.

29 (e) As a result of Chapter 62 of the Statutes of 2003 (Senate  
30 Bill No. 600), a Water Desalination Task Force was convened and  
31 delivered a report to the Legislature that included the following  
32 recommendation: "To improve communication, cooperation, and  
33 consistency in permitting processes, encourage review processes  
34 for each desalination project to be coordinated among regulators  
35 and the public."

36 (f) Section 12947 of the Water Code states the intent of the  
37 Legislature that the Department of Water Resources undertake to  
38 find economic and efficient methods of desalting saline water so  
39 that desalted water may be made available to help meet the growing  
40 water requirements of the state.

(g) Existing law requires the State Water Resources Control Board to formulate and adopt a water quality control plan for ocean waters of the state known as the California Ocean Plan. The board is currently updating the California Ocean Plan with environmentally protective, science-based regulations, specifically for seawater desalination projects. These new regulations will be implemented through existing National Pollution Discharge Elimination System permits managed by regional water quality control boards.

SEC. 2. Section 35616 is added to the Public Resources Code, to read:

35616. (a) (1) Not later than December 31, 2013, the Ocean Protection Council shall report to the Legislature on opportunities for streamlining the current statewide permitting processes for seawater desalination facilities in California. The report shall evaluate impediments to desalination projects relative to the current permitting process and investigate opportunities to improve the process. The report shall also recommend potential administrative and legislative actions for streamlining the permitting process while maintaining current regulatory protections.

(2) The report submitted pursuant to this subdivision shall comply with Section 9795 of the Government Code.

(3) This subdivision shall become inoperative on January 1, 2018, pursuant to Section 10231.5 of the Government Code.

(b) The Ocean Protection Council shall convene a task force, to be known as the Seawater Desalination Permit Streamlining Task Force, to review the current permitting processes required by all state regulatory agencies for the planning, design, construction, monitoring, and operation of seawater desalination facilities, to identify opportunities for streamlining the permitting process, and to advise the Ocean Protection Council in implementation of subdivision (a), including making recommendations to the Legislature on the following:

(1) Establishing a clear pathway for obtaining state permits.

(2) Defining the regulatory scope for each permitting agency.

(3) Eliminating redundant requirements between California permitting agencies.

(4) Describing the data needed to complete each permit.

(5) Developing best practices for communication among regulatory agencies and the regulated community.

1 (6) Ensuring that any recommended changes maintain the current  
2 regulatory protections.

3 (c) (1) The recommendations developed by the Seawater  
4 Desalination Permit Streamlining Task Force shall focus on how  
5 state regulations are applied by permitting agencies and  
6 commissions during the permitting process.

7 (2) The recommended actions should review the scope for each  
8 permitting agency and commission, while maintaining current  
9 regulatory protections.

10 (3) The recommended actions shall accommodate any new  
11 regulations developed by the State Water Resources Control Board  
12 for the California Ocean Plan.

13 (d) (1) The Seawater Desalination Permit Streamlining Task  
14 Force shall include one representative from each of the following  
15 state entities:

16 (A) Department of Water Resources.

17 (B) State Water Resources Control Board.

18 (C) California Coastal Commission.

19 (D) State Lands Commission.

20 (E) State Department of Public Health.

21 (F) State Energy Resources Conservation and Development  
22 Commission.

23 (G) California Environmental Protection Agency.

24 (H) Natural Resources Agency.

25 (I) Department of Parks and Recreation.

26 (2) The Seawater Desalination Permit Streamlining Task Force  
27 shall include one representative from each of the following, as  
28 determined by the Ocean Protection Council:

29 (A) Commission for Economic Development.

30 (B) A coastal regional water quality control board in which is  
31 located at least one proposed seawater desalination facility.

32 (C) A recognized environmental advocacy group.

33 (D) A water purveyor, as defined in Section 512 of the Water  
34 Code, that is a public entity, as defined in Section 514 of the Water  
35 Code, that is developing or proposing to develop a seawater  
36 desalination facility.

37 (E) An entity that supplies water at wholesale to urban water  
38 suppliers, as defined in Section 10617 of the Water Code.

39 (F) A nonprofit association created to further the use of seawater  
40 desalination that includes both private and public members.

1 (G) A recognized environmental justice advocacy group.

2 (H) A recognized business advocacy group.

3 (I) A representative of a recognized organization representing  
4 public union members.

5 (J) A representative of a recognized organization representing  
6 private union members.

7 (3) A member of the Seawater Desalination Permit Streamlining  
8 Task Force may appoint an alternate to represent the member at a  
9 meeting of the task force.

10 (4) A representative of the Ocean Protection Council shall  
11 convene the Seawater Desalination Permit Streamlining Task Force  
12 and act as chair of the task force.

13 (e) Pursuant to Section 75026, the sum of two hundred fifty  
14 thousand dollars (\$250,000) is hereby appropriated to the  
15 Department of Water Resources for expenditure by the department  
16 to pay the costs for convening the Seawater Desalination Permit  
17 Streamlining Task Force and for preparation of the report pursuant  
18 to subdivision (a).