STATE WATER RESOURCES CONTROL BOARD BOARD MEETING SESSION – DIVISION OF WATER RIGHTS AUGUST 16, 2016

ITEM 10

SUBJECT

UPDATE REGARDING THE STATUS OF THE SALTON SEA MANAGEMENT PROGRAM

DISCUSSION

Background

The Salton Sea is California's largest lake and was once famous for its sport fishery and recreational uses. It is approximately 35 miles long and up to 15 miles wide with approximately 360 square miles of water surface and 105 miles of shoreline. The surface of the Salton Sea lies approximately 232 feet below sea level. Approximately 90 percent of the freshwater inflow to the Salton Sea is agricultural drain water from the Imperial Valley. As the Salton Sea has no outlets, salts concentrate in it and nutrients enhance the formation of eutrophic conditions. Currently, the Salton Sea has a salinity level that is approximately 50 percent higher than the ocean. The Salton Sea is a critical stop on the Pacific Flyway for migrating birds, including several threatened and endangered species. The Salton Sea National Wildlife Refuge was established in 1930 to preserve wintering habitat for waterfowl and other migratory birds. However, catastrophic die-offs of birds and fish between 1992 and 1997 indicate the Salton Sea is in serious trouble. Without a salinity control project, salinity at the Salton Sea will continue to increase until the Salton Sea can no longer support a productive fishery or fish-eating birds.

Among other things, the California Water Action Plan (January 2014) calls for protection and restoration of key ecosystems, including the Salton Sea. The California Water Action Plan provides that the Natural Resources Agency (Agency), in partnership with the Salton Sea Authority, will coordinate state, local and federal restoration efforts and work with local stakeholders to develop a shared vision for the future of the Salton Sea. The Department of Fish and Wildlife (CDFW) and the Department of Water Resources (Water Resources) are immediately to begin implementing the first phase of this effort with the construction of 600 acres of near shore aquatic habitat to provide feeding, nesting and breeding habitat for birds. This project could increase to 3,600 acres or more with additional resources. Concurrently, the Agency and the Salton Sea Authority are developing plans for the Salton Sea that will evaluate additional restoration projects and identify economic development opportunities through renewable energy development.

On October 28, 2002, the State Water Resources Control Board (State Water Board) issued <u>Order WRO 2002-0013</u>. On December 20, 2002, the State Water Board revised Order WRO 2002-0013 with the issuance of <u>Order WRO 2002-0016</u>. Revised Order WRO 2002-0013 approved the long-term transfer of up to 300,000 acre-feet of water per year authorized for diversion and use from the Colorado River under Imperial Irrigation District's (IID) water right Permit 7643 as follows: 1) 200,000 acre-feet of water per year from IID to San Diego County Water Authority (SDCWA); and 2) 100,000 acre-feet of water per year from IID to Coachella Valley Water District (CVWD) and Metropolitan Water District of Southern California (MWD). The approved transfer was for a term of 45 years with an optional 30-year renewal period, for a total of 75 years. The conservation and transfer of water from agricultural to urban uses is a critical part of California's Colorado River Water Use Plan, which provides a framework to reduce California's use of Colorado River water to its 4,400,000 acre-foot apportionment in normal years. To facilitate implementation of the Plan, in 2003, IID, the State of California, other California water agencies, the federal government and Indian tribes entered into a collection of agreements commonly referred to as the Quantification Settlement Agreement (QSA). The QSA was intended to settle longstanding disputes regarding the priority, use and transfer of Colorado River water. The QSA established water budgets for the parties and authorized the contracting parties to pursue the long-term transfer of conserved water from IID to SDCWA, CVWD, and MWD.

Approval of the transfer had the potential to further reduce the amount of inflow to the Salton Sea from IID, thereby exposing shoreline, which could cause air quality impacts, and increasing the rate at which the Salton Sea becomes too salty to support a viable fishery. At the time when the State Water Board approved the transfer, however, it was uncertain whether restoration of the Salton Sea would be feasible, or whether it would continue to decline with or without the transfer. In addition, providing replacement water to the Salton Sea to compensate for reduced inflows likely would entail fallowing land, which had the potential to cause socio-economic impacts within Imperial County. In Revised Order WRO 2002-0013, the State Water Board balanced the important water supply benefits of the transfer against these competing interests, and concluded that approval of the transfer should be conditioned on maintaining the salinity levels at the Salton Sea that would have existed in the absence of the transfer for a period of 15 years. The purpose of this condition was to mitigate the impacts of the transfer to the Salton Sea for a long enough period to study the feasibility of long-term restoration actions and develop a restoration plan. The Board reserved authority to add, delete, or modify the salinity mitigation requirement in light of the results of a study on the feasibility of Salton Sea restoration. The Board also required any air quality impacts of the transfer to be mitigated.

State legislation enacted in 2003 established the Legislature's intent that the State of California undertake restoration of the Salton Sea, and required the Agency to conduct a study to determine a preferred restoration alternative. In May 2007, the Agency published its Salton Sea Ecosystem Restoration Program Preferred Alternative Report and Funding plan. The report considered nine separate alternatives for Salton Sea restoration and identified a preferred alternative. The preferred alternative was projected to cost \$8.9 billion and has yet to be funded. In August 2013, Water Resources, CDFW, the United States Geological Survey and the United States Bureau of Reclamation issued an interagency Monitoring and Assessment Plan in support of ecological restoration at the Salton Sea. The Monitoring and Assessment Plan will allow assessment of existing ecosystem projects as well as establish a baseline against which to measure the success of future activities, thereby contributing to more effective and targeted environmental mitigation efforts at the Salton Sea.

On November 18, 2014, IID filed a Petition for Change seeking modification of Revised Order WRO 2002-0013. The petition notes that the requirement to mitigate for the salinity impacts of the transfer to SDCWA, CVWD, and MWD will end in 2017, at which point the ongoing decline of the Salton Sea's water surface elevation and the ongoing increase in salinity levels at the Salton Sea is expected to accelerate if no program to restore the Salton Sea is in effect. Accordingly, IID requests the Board to order the parties to the QSA and the Salton Sea Authority to meet and confer in an effort to achieve consensus around a realistic, feasible restoration plan for the Salton Sea and a mechanism for funding the plan. IID also requests that the State Water Board modify Revised Order WRO 2002-0013 to require the State of California to fulfill its commitment to restore the Salton Sea as a condition of the Board's approval of the transfer.

On March 18, 2015, the State Water Board held a workshop and received information from agencies, stakeholders and interested parties on the status of mitigation and restoration planning, the timing and funding of restoration work, and efforts to provide an overall framework to address long-term issues at the Salton Sea. The workshop specifically solicited and received input on the following questions 1) how the State Water Board can promote implementation of a reasonable and sustainable plan to address the air, wildlife, and water quality problems at the Salton Sea; 2) if there is a necessary and appropriate role for the State Water Board, what specific issues or obstacles need to be addressed and in what sequence and timeframe and; 3) what changes, if any, should the State Water Board consider making to Revised Order WRO 2002-0013?

Following the March 18, 2015 workshop, efforts have been underway to address the habitat and air quality problems at the Salton Sea. In May, the Governor's Office formed the Salton Sea Task Force with principals from several key state agencies, including the Agency, the State Water Board, and the Air Resources Board. Working in coordination with IID and other stakeholders, the task force is taking a phased approach to restoration planning, with short-term and medium-term goals. The Agency appointed Bruce Wilcox as the Assistant Secretary for Salton Sea policy to lead these efforts. As the former interim Assistant Executive Director at the Salton Sea Authority and Manager of environmental and Salton Sea programs at IID, Mr. Wilcox was centrally involved in the development of recent plans by IID and the Salton Sea Authority to manage the exposed playa at the Salton Sea.

On January 5, 2016, the State Water Board held a workshop and received information from agencies, stakeholders and interested parties on the status of efforts to address the habitat and air quality problems at the Salton Sea. The purpose of the workshop was to receive updates from the key state agencies of the Salton Sea Task Force on their efforts towards Salton Sea restoration since the March 18, 2015 workshop.

On April 19, 2016, the State Water Board held a workshop to receive information regarding the status of the Salton Sea Management Program. The State Water Board received updates from the Agency on: 1) the status and implementation of proposals to implement habitat creation and dust suppression projects; and, 2) an assessment of transmission options to access and facilitate renewable energy development at and around the Salton Sea regarding the Renewable Energy Transmission Initiative 2.0.

The purpose of the August 16, 2016 Board item is to receive an update from the Agency on the progress made in implementation of the Salton Sea Management Program since the April 19, 2016 workshop.

POLICY ISSUE

The California Water Action Plan calls for the Agency, in partnership with the Salton Sea Authority, to take the lead on coordinating state, local and federal restoration efforts and working with local stakeholders to develop a shared vision for the future of the Salton Sea. IID's request to the State Water Board to amend Revised Order WRO 2002-0013 to make approval of the transfer contingent on restoration of the Salton Sea, has the potential to unravel the complex series of agreements that make up the QSA, which would have significant water supply implications for the State.

The State Water Board's interest is to ensure that restoration solutions will be achieved in a timely manner, while standing ready to engage at various levels. This is an informational item only and no decisions will be made.

FISCAL IMPACT

None. This is an informational item only and no decisions will be made.

REGIONAL BOARD IMPACT

None. This is an informational item only and no decisions will be made.

STAFF RECOMMENDATION

None. This is an informational item only and no decisions will be made.

State Water Board action on this item will assist the Water Boards in reaching Goal 5 of the Strategic Plan Update: 2008-2012 to improve transparency and accountability by ensuring that Water Board goals and actions are clear and accessible.