Salton Sea Authority

STATEMENT OF ROGER SHINTAKU

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SALTON SEA AUTHORITY

LITTLE HOOVER COMMISSION

APRIL 27, 2015

Thank you, Mr. Chairman, for inviting me to testify today about the Salton Sea Authority's role in the Salton Sea restoration process. I commend you and the Commission for taking an interest in this issue which is of paramount importance not only to the residents of the Imperial and Coachella Valleys, but to all the people of California. The Salton Sea can be either an ecological, health, and economic disaster for the region and the state, or a vital environmental resource. The outcome will likely depend on the decisions that are made by the participants in this hearing in the near future.

Below, I have briefly addressed the issues presented by the Commission's staff. I would be happy to elaborate on any issue during the hearing.

A. ***Introductory overview of the problems at the Salton Sea and the events leading to the creation the Salton Sea Authority.***

The challenges faced by the Salton Sea are well described in the 2008 LAO report entitled "Restoring the Salton Sea", which has summarized those challenges as:

> "In the coming decades, a transfer of Colorado River water from Imperial Valley to San Diego County will reduce the amount of agricultural runoff that currently flows into the Sea. Primarily due to this change in water use, the Sea will begin to dry up – impairing air quality, reducing available wildlife habitat, and increasing salinity of the remaining Sea, thereby killing off most of the aquatic life in the Sea."

Consequently, the shrinking Sea poses a major threat to public health in the surrounding region, and to the vitality of one of California's most important environmental resources. Additionally, the shrinking Sea will endanger economic development in vicinity of the Sea by impeding real estate development and recreational use.

The Salton Sea Authority was formed by local agencies in 1993 to seek collaborative solutions to the challenges posed by the dying Sea.

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B. ***The governance structure of the Salton Sea Authority***.

The Salton Sea Authority is a joint powers authority whose members include Imperial County, Riverside County, Imperial Irrigation District, Coachella Valley Water District and the Torrez Martinez Band of Cahuilla Indians. The Authority meets monthly at alternate locations in the vicinity of the Sea.

C. ***The State of California's obligations to the Salton Sea and repercussions if the state does not meet those obligations.***

The State is contractually and statutorily obligated to mitigate the impacts of the QSA water transfers as identified in the State Water Resources Control Board order (WRO 2002-0013) that authorized the water transfers, to the extent those impacts exceed an initial contribution of $133 million by the participating water districts. Failure of the State to fulfill that mitigation obligation would jeopardize the water transfers upon which Southern California water security relies.

In addition, a state default on obligations related to the water transfer affecting the Salton Sea could destabilize the integrity of existing water transfers all around the state, and effectively preclude voluntary water transfers that may be beneficial to all concerned in the future.

During the QSA negotiations, and in subsequent legislation, the State also committed itself to undertake the broader task of restoring the Salton Sea. (See 2008 LAO 2008 Report "The State of California has legal and contractual obligations to restore the Sea") The failure of the State to fulfill that obligation would be a breach of faith with the communities that have suffered the consequences of the water transfer, would imperil the health of the residents of the region, and would impair the economic and ecological vitality of the region, and throughout California.

D. ***Primary obstacles encountered by the Salton Sea Authority in its work to oversee restoration of the Salton Sea.***

The State of California took charge of restoration efforts by legislation enacted in 2003 and 2004. Since that time, the Salton Sea Authority has lacked the funding and regulatory and legislative authority sufficient to tackle the breadth of the challenges, which are regional, national and international in scope. Due to the State's inaction in fulfilling its restoration obligations, the Authority lobbied strenuously for, and in 2014 was finally granted, legislative authority to co-lead with the State a funding and feasibility review.

The State and Federal Governments retain ultimate authority over restoration activities. Restoration of the Salton Sea will cost billions of dollars. The Salton Sea Authority does not have the wherewithal to generate this magnitude of funding independent of state and/or federal contributions.

E. ***Details about the Salton Sea Authority's Financial Feasibility Action Plan.***

The goal of the Action Plan is to generate a toolbox of restoration components and funding alternatives which State and local policy makers can use to fashion a feasible and affordable restoration plan. Details and current status of the Action Plan are included in attachment A, prepared by the Tetra Tech, the Authority's contractor in preparing the Action Plan.

F. ***Any other information that would be useful to the Commission's analysis of the environmental mitigation and restoration of the Salton Sea.***

The 2008 LAO report provides a fairly comprehensive summary of the mitigation and restoration challenges. A more recent summary of the challenges faced in restoring the Sea, and the State's failure to adequately address those challenges, is provided in the "*Petition of Imperial Irrigation District for Modification of Revised Water Rights Order 2002-0013*", filed in November 2014. A comprehensive assessment of potential damages of failure to restore the Sea was recently presented by the Pacific Institute in *Hazard's Toll: The Costs of Inaction at the Salton Sea* (Sept. 2014)

To summarize those reports, the Salton Sea is an inter-continentally important stop over on the Pacific Flyway. Failure to adequately restore the Sea will irreparably impair that ecological treasure. Hundreds of thousands of residents in the vicinity of the Sea are imperiled by potential dust emissions from exposed playa. And the vitality of the economies of the Imperial and Coachella Valley are inextricably tied to the vitality of the Sea that their communities surround.

Thank you for inviting me to testify today. I look forward to working with you and other hearing participants to bring greater clarity to the issues presented by the restoration of the Salton Sea and to work collaboratively to achieve the full potential of a restored Sea.

Attachment A to Salton Sea Authority Testimony

To Little Hoover Commission

Salton Sea Funding and Feasibility Action Plan
Overview – April 2015

The broad goal of the Salton Sea Funding and Feasibility Action Plan project is to develop an updated vision for the Salton Sea and surrounding region that matches funding realities with needs. The project has three specific goals for the Salton Sea and its surrounding area:

- Provide a healthy environment for residents around the Sea
- Work toward a Salton Sea and bordering habitat that sustains enough aquatic life to provide habitat for wildlife on the Pacific flyway
- Help revitalize the economy around the Salton Sea and in Imperial and Riverside Counties

Goals and objectives for the project can be divided into the following categories: planning and engineering, environmental, and financing and feasibility which includes evaluating land development options and alternative energy sources. The basic project goals along with the specific objectives for implementing the goals will continue to be re-assessed and re-evaluated as each phase of the project is implemented.

The Salton Sea Funding and Feasibility Action Plan project was funded by a $2 million grant between the State of California Natural Resources Agency and the Salton Sea Authority (the Authority), Agreement No. 0540 – SSA 1. The bulk of the project has been divided into the following seven benchmarks:

- **Benchmark One** is the Work Plan. The Work Plan was posted to the Authority website (http://saltonsea.ca.gov/News) and is considered a living document subject to update as the program moves forward. The Work Plan provides an overview of the project and the methods that are being used to complete each of the benchmarks.
- **Benchmark Two** consists of a Data Report which provides a review and update of existing environmental data at the Sea. A working draft of this document is posted on the Authority website (http://saltonsea.ca.gov/News).
- The **third benchmark** consist of a review of previously proposed alternatives with respect to existing conditions, including engineering data and an evaluation of individual restoration components. A working draft of this document is also posted on the Authority website (http://saltonsea.ca.gov/News).
- A set of conceptual plans for restoration components with cost estimates will be developed as part of **Benchmark Four**. The analysis includes an evaluation of pipeline alternatives for conveying water into the Sea from other sources and out of the Sea. Conceptual designs and cost estimates for these alternatives have been prepared in draft form for staff review. Benchmark Four also includes an engineering evaluation of structural alternatives to divide the Sea into smaller compartments or create a smaller Sea. Other issues to be addressed include the formation of habitat areas and methods for dust mitigation.

- The **fifth benchmark** will be marked by the completion of an infrastructure development feasibility report. The Salton Sea Authority is currently developing a Request for Proposal that will be used to bring on a consulting team to help with this benchmark.
- **Benchmark Six** involves economic analyses and funding feasibility with a major portion to be completed by the National Renewable Energy Laboratory (NREL). NREL is investigating funding sources of revenue that may be available from fees associated with renewable energy development in the area around the Salton Sea. A draft of the NREL report is nearly complete and is planned for internal staff review by late April or early May 2015.
- **Benchmark Seven** will be comprised of the Final Report and the associated presentation of findings which will pull together the results of the first six benchmarks.

In addition to the seven benchmarks discussed above, a Project Management Task involves program administration, oversight and legal review. The project is near the mid-point of a two year effort, and on schedule to be completed by the required end time of May 16, 2016.