April 21, 2016

Carole D'Elia, Executive Director
Milton Marks Commission on California State
Government Organization and Economy
925 L. Street, Suite 805
Sacramento, CA 95814

Subject: Written Testimony for Salton Sea Public Hearing

Dear Commissioners:

Imperial Irrigation District offers the following written testimony requested for the Little Hoover Commission's public hearing on the Salton Sea scheduled on April 25, 2016. IID is gratified by the Commission's continued attention to this matter. The Salton Sea is one of California's most important environmental resources, and the current threat to its continued viability presents an issue of both local and statewide importance. Also of statewide importance are the Quantification Settlement Agreement water transfers, which are central to California's water policy, and which went forward on the understanding that the State of California would fulfill its obligation to restore the Sea so that the transfers would not negatively affect the communities and ecosystem of the Salton Sea region, including the health and welfare of area residents and the critical wildlife habitat that the Sea offers.

Imperial Irrigation District's Role and Proposed Projects

You have asked IID to provide comment on its role in the state's short, medium- and long-term planning and how IID's proposed projects have been incorporated into the state's Salton Sea Management Program.

In late 2014, IID filed a petition to the State Water Resources Control Board requesting that it initiate a stakeholder process to develop a restoration program for the state to implement. In May 2015, Governor Brown formed the Salton Sea Task Force and appointed members of multiple agencies and jurisdictions. The Task Force was directed to identify realistic short and medium term goals to respond to air quality and ecological threats at the Salton Sea resulting from reduced drainage inflows from conservation activities. In October 2015, the Governor announced specific restoration goals including a short-term goal of 9,000-12,000 acres of habitat creation

and dust suppression projects and a medium-term goal of 18,000-25,000 acres of similar projects.

During this same time period, IID and Imperial County released the draft Salton Sea Restoration and Renewable Energy Initiative (SSRREI) Framework Document and associated Executive White Paper, which outlined an inclusive range of potential actions and realistic strategies for restoring the Salton Sea. The purpose of the framework document was to highlight key focus areas and goals to initiate a dialogue about a comprehensive restoration effort that provides water supply reliability for Southern California, protects public health in the Imperial and Coachella valleys, preserves the Salton Sea as one of the key stopping points on the Pacific Flyway, and generates renewable energy to power California in the 21st century.

The SSRREI was developed as a multi-phased roadmap to Salton Sea restoration. The first part involves developing an initial plan for an incremental restoration approach for the Salton Sea that will bridge the gap between current conditions and the longer-range restoration planning activities. It promotes development of projects that provide immediate habitat and air quality benefits while at the same time promoting development of renewable energy projects in the region. Additionally, it incorporates the construction of a water delivery infrastructure system to accommodate future uses on the exposed lakebed.

At this time it is IID's understanding that the Salton Sea Management Program is still under development and is being driven primarily by the Salton Sea Task Force Agency Actions, not specific projects. However, the Salton Sea Projects list discussed in the section below does outline a series of projects that include some proposed by IID and others where IID is a partner.

Salton Sea Projects List per AB 1095

You have asked IID to provide comment on the short- and medium-term projects list submitted to the Legislature by the Natural Resources Agency.

On April 8, 2016 the California Natural Resources Agency (CNRA) submitted to the legislature its report on Salton Sea projects as required by Assembly Bill 1095 (E. Garcia) from the 2015 legislative session. Included in that list are two projects that were initially proposed under the district's SSRREI.

One of these projects in particular, the SSRREI Water Delivery Backbone, has been further developed and was formally submitted to the CNRA for its consideration. As an integrated part of the existing IID drainage system, the "backbone" project will develop the facilities required to collect, store, manage, and release available IID drainage water to accommodate future uses on the newly exposed playa of the Salton Sea. Those uses could include actions by IID to protect the health of the population of the Imperial and Coachella valleys, the agricultural and water

management facilities and practices of the IID and Imperial Valley farmers, and allow for the orderly development of lands within the adjacent areas. Other uses could include the anticipated needs of the state-led Salton Sea Management Program and other public and private entities to fulfill the obligations related to or consistent with the restoration of the Salton Sea.

Furthermore, the "backbone" project is intended to comprehensively plan, permit and support phased construction as the Salton Sea recedes and new lakebed is exposed. Its implementation would allow and support the range of habitat restoration options considered by the State of California and included in the Salton Sea Management Program.

The SSRREI Habitat and Air Quality Mitigation project incorporates some concepts proposed by IID but based on the CNRA report's description, it may also include additional design concepts proposed by the state. Although IID is pleased to see it included in the projects list, we are not fully informed about the planning and construction timelines outlined in the report.

IID has actively participated in the efforts led by Assistant Secretary of the Natural Resources Agency for the Salton Sea, Bruce Wilcox, to develop a plan to protect public health and the environment at the Salton Sea. We appreciate the efforts that have been made to date and shown in the report, but the project implementation dates identified in the report do not meet expectations. Although defined as "shovel ready" per the legislation, the proposed projects are not short-term and fail to meet the Salton Sea's immediate needs. The earliest construction start date is not until the last quarter of 2016, which is the Red Hill Bay project that covers only 420 acres. The next project is the Species Conservation Habitat Phase 1, at 640 acres, which is not estimated to begin construction until the first quarter of 2017. This is far behind the expected start date of March 2016. The other estimated construction start dates on the "shovel ready" projects are not until 2018 and 2019, which is unacceptable. Even if all timelines set forth in the report are met, it is projected that there will be approximately 17,600 acres of exposed playa, which equates to approximately 25 square miles or more than half the size of San Francisco, by the end of 2017 and based on the report only about 5 percent of that exposed playa will be covered by projects.

Agency Actions on Renewable Energy

You have asked IID to provide comment on why the Salton Sea Task Force's renewable energy development agency actions are important to the district and what actions it has requested from the state and its response.

One of the key secondary goals of restoration of the Salton Sea should be to contribute to the State's climate goals for mitigation, adaptation and resilience. As IID has consistently stated over the past year, renewable energy development at the Salton Sea offers an exceptional opportunity for California to continue to lead the way on climate change. Renewable energy development at

the Sea – primarily geothermal, but including solar and wind – can contribute to reducing GHG emissions and meeting the State's 50% RPS requirement. IID believes that measuring the reductions in GHG emissions and the percentage to which renewable energy at the Salton Sea can contribute to the States RPS goals and GHG reduction goals are appropriate metrics to be included in this overall process. In addition, restoration plans should strive to be as resilient as possible by being designed to adapt over time to changes in the environment resulting from climate change and other factors, including the potential for changing inflows to the Sea.

The Salton Sea Task Force Agency Actions state the following;

- As part of the implementation of the Clean Energy and Pollution Reduction Act of 2015 (SB 350), the California Energy Commission and the Public Utilities Commission will evaluate how renewables at and around the Salton Sea will further the goals of the integrated resources plans, including a balanced resource mix and the minimization of localized air pollutants.

- Within the next year, as part of planning to meet the 2030 greenhouse gas goals, the Public Utilities Commission, the Energy Commission and the Independent System Operator will consider renewable energy opportunities at and around the Salton Sea and the region, and any additional transmission that may be needed for the near term or long term.

To IID's knowledge, there have been no public discussions or updates on any activities related to the specific actions listed above.

Recommendations and Next Steps

The question is not whether action is taken; it is whether the proposed action achieves the vision, mandates and goals shared by Governor Brown, the State of California and all the stakeholders who are relying on the State to make good on its promise.

Consultations with the task force and review of its initial steps toward a Salton Sea Management Program raise a central concern that common goals have not been identified. The primary purpose of restoration is development of a smaller but sustainable Sea that will protect the public health and the environment so critical to this region. Secondary goals such as development of renewable energy resources, recreation and economic development should be considered when consistent with these primary goals. Renewable energy production on exposed playa, for instance, is likely to go hand-in-hand with the goal of mitigating fugitive dust emissions. Additionally, providing enhanced economic opportunity in Imperial and Riverside counties will help to offset the significant impacts of the QSA water transfers on those communities.

Imperial Irrigation District very much appreciates that the Brown Administration recognizes that time is of the essence for the Salton Sea. But, it is critical that it takes definitive action at the Salton Sea during 2016, for two reasons. First, IID's obligation to deliver mitigation water to the Salton Sea under the terms of the QSA ends at the end of 2017. Accordingly, it is important for the Administration to act during 2016 so as to provide sufficient time for transition to other resources or other management strategies. Second, there will be a change in the federal administration at the end of 2016. Thus, any coordination with the United States must – as a practical matter – occur before the end of the Obama Administration. It is unrealistic to think that a new administration will have its sub-cabinet confirmed and able to make critical decisions before the middle of 2017. In plain language, the time for action is now.

We look forward to discussing all of these issues with the members of the Commission at the forthcoming hearing, and again thank the Commission for its attention to this matter of profound significance to all Californians.

Sincerely,

Antonio Ortega
Government Affairs Officer