

Work Plan for Local Agency Support of State-Led Process to Select and Identify Funding Sources for a “Preferred” Sea Restoration Project by December 2006

The California Department of Water Resources (DWR) and the Sacramento based engineering consulting firm engaged by DWR (CH2MHill) are spending \$20 million in Proposition 50 bond funding to perform a Preliminary Environmental Impact Report (PEIR) on alternatives for achieving and sustaining a “restored” Salton Sea as part of implementation of the recently approved transfer of 300,000 acre-feet per year of Colorado River water out of the Salton Sea watershed. This transfer will reduce inflows to the Salton Sea by approximately 25%. DWR faces a legislatively mandated December 2006 deadline for recommending a preferred alternative and identifying a funding plan for a Salton Sea restoration project. Time is of the essence in actually implementing a restoration project since the Salton Sea ecosystem is presently stressed, and the long-term viability of the water transfers depend upon achievement of an ecologically sustainable Sea.

As the local public agency specifically charged with identifying and implementing restoration solutions for the Salton Sea, the Salton Sea Authority (SSA) is requesting the award of \$9.5 million in Proposition 50 funding to perform the following specific “pre-implementation” tasks and projects. This work will be performed in support of, and in coordination with, the PEIR work being performed by DWR and CH2MHill. Assuming the award of these funds to the SSA in early 2005 and completion of this work by December 2006, actual implementation of the restoration project will be accelerated by 18 months.

1. Evaluate Effectiveness and Design Parameters for Using Constructed Wetlands on Inflow Streams as Water Quality Improvement Measure

A key design element of all restoration alternatives will be the use of constructed wetlands on the three major inflows streams (i.e., the New and Alamo Rivers in Imperial County and the Whitewater River in Riverside County) to improve the quality of the inflow streams before the water reaches the Sea. The purpose of the constructed wetlands is to remove silt and nutrients (nitrates and phosphates) and increasing dissolved oxygen levels. Some selenium may also be removed. Local entities have constructed and are presently operating pilot wetlands projects on the New River; and a similar project is under construction on the Whitewater River. To understand how upstream constructed wetlands can be used advantageously as part of the overall restoration project, this present pilot work must be expanded to include a more extensive monitoring and performance evaluation program by qualified scientists and engineers. This task will also include identifying high source loads of selenium in the Salton Sea watershed and performing an engineering assessment of the feasibility of applying selenium treatment units at these locations for reducing selenium concentrations in the river water. The knowhow gained from this work, including monitoring protocols, wetlands design parameters, and wildlife mitigation measures, will be used in the full-scale restoration project.

2. Field Pilot Testing of Selenium Treatment Process

The Salton Sea Advisory Committee has heard several hours of presentations at recent meetings on the selenium issues associated with the restoration effort and on potential selenium treatment strategies and technologies. The conclusion of DWR's selenium sub-consultant (SAIC), as reported at the November 4th committee meeting, is that field pilot testing is needed in order to establish the efficacy of using a particular selenium treatment technology for a specific application. The SSA is aware that the U.S. Bureau of Reclamation's technical team recently conducted an extensive evaluation of potential selenium treatment technologies for use in current Reclamation's San Luis Unit Drainage Features Re-evaluation Project in the western San Joaquin Valley. As a result of these studies, Reclamation selected the ABMet bioreactor selenium treatment process, as marketed by Applied Biosciences, for pilot testing at two high selenium tile-drain sumps (Panoche DP#25 and Red Rock Ranch) in the San Luis Unit. These pilot tests -- which have been in progress now for over 18 months -- initially showed over 95% selenium removal efficacy. Subject to investigation and confirmation by SAIC of Reclamation's satisfaction with the ABMet test results to date, SSA proposes to install two or three similar ABMet pilot-test units at high selenium discharge points along the New and/or Alamo Rivers. In addition, if membrane desalination pilot testing is performed within the next two years, an ABMet unit will be tested on the reverse osmosis concentrate stream. The efficacy of selenium treatment is a determining factor on the possibility of using river water and/or RO retentate to create shallow-habitat pools as part of overall restoration project.

3. Design Development of Mid-Sea Barrier and Water Conveyance Features for Alternatives that Include Preservation of a Large Marine Lake as the Essential Element of the Restoration Project

There are two basic concepts for a restoration project: configurations that involve creation of a perimeter water body (or bodies); and configurations that involve preservation of a large marine lake as the project's essential feature. Over the last year, private interests (specifically, the Imperial Group) have reportedly spent over \$5 million of their own money developing and advancing the engineering design of a particular perimeter water-body configuration (i.e., the Cascade Plan). An equivalent amount of engineering design work has not been performed on project alternatives involving construction of a mid-sea barrier as means for preserving the Salton Sea as a marine lake. If the preserved marine lake is located in the north end of the current Sea (as generally considered being most feasible), conveyance facilities must be designed and constructed for moving the inflows from the New and Alamos Rivers in the south end to the mid point of the current Sea. The mid-sea barrier configuration also requires the design and construction of conveyance facilities for distributing the "flush out" water from the lake into the saline sink and mitigated exposure areas in the opposite end of the project. In order for the two basic concepts to be compared and evaluated over the next two years on the basis of roughly equivalent levels of engineering design and cost estimates,

considerably more project-level engineering work must be performed on the mid-sea barrier design configuration over the next two years. The expenditure of public funds for this additional project-level engineering work on the mid-sea barrier design is justified and compelled by the fact that, to date, all local public entities (including the five-agency SSA itself, the Torres Martinez tribal nation, and the Southern California Association of Governments) which have taken a position supporting one configuration or the other are unanimous in their support for the preservation of a large marine lake (i.e., construction of a mid-sea barrier) as the essential feature of the Salton Sea restoration project.

4. Study of Relative Economic Development and Recreational Benefits/Impacts of Project Alternatives Included in PEIR Being Performed by DWR

The formal PEIR that DWR is performing using its \$20 million in Proposition 50 funding does not include evaluation of the recreational and economics benefits that one alternative would afford over other alternatives and the “no project” case. This is because, in crafting the legislation for the PEIR, DWR argued for, and prevailed, in having the growth inducing impacts of the restoration project excluded from its study and from the cost estimate for DWR’s recommended preferred project. However, the SSA and its individual member agencies feel very strongly that local economic benefits/impacts (including tourism, job creation, and housing starts) and regional recreational opportunities should be included in the evaluation of alternative designs and in the cost estimate for the selected restoration project. The SSA and its member agencies are prepared to provide local funding to pay for project “upgrades” necessary for maximizing local economic and regional recreational benefits by forming a property-tax increment district around the restored Sea and using the pledge of the tax receipts from this district to sell municipal bonds. Accordingly, DWR has agreed to allow the SSA to perform a study on the relative economic and recreational benefits/impacts of the project alternative identified in the PEIR. The SSA will use the Proposition 50 funding request for this task to perform this study in cooperation with local entities. Since this study must begin in early 2005 to meet the PEIR time schedule, the SSA may pre-fund work on this study using other SSA funds prior to receipt of the Proposition 50 funds requested for this task.

5. Preparation by Local Agencies for Performance of the Project-Level EIR/EIS on the “Enhanced” Preferred Alternative, Including Consideration of Growth Inducing Impacts

As noted above, the PEIR being performed by DWR specifically excludes analysis of the grow inducing impacts attributable to a restored Salton Sea. However, it is inconceivable that any project design that actually succeeds in achieving and sustaining a “restored” Salton Sea -- as set out in DWR’s legislative mandate -- would not have growth inducing impacts. Clearly, any successful restoration project will spur construction of new homes in the already existing sub-divided communities next to the Sea (e.g., Salton City in Imperial County and North Shores in Riverside County). Furthermore, a successful

restoration project based on any workable design will accelerate the conversion of farmland to housing developments in the southern Coachella Valley in Riverside County. The inevitability of growth inducing impacts arising from a successful restoration project is evidenced by the fact that the even the Imperial Group's Cascade Plan – which arguably does not involve actually “restoring” the Salton Sea as legislatively mandated -- claims to afford superior local economic benefits and recreational opportunities than the SSA's endorsed North Lake Plan.* In any case, as mentioned above, the local agencies will seek to enhance whatever plan is recommended by DWR to maximize local benefits using local bond financing. Thus, to overcome the above cited deficiency in the state-level PEIR process, the SSA -- in cooperation with its member agencies -- will initiate a project-level EIR/EIS in 2005. This effort will be conducted in compliance with and as part of the County of Riverside's and the County of Imperial's General Plan and the appropriate Torres Martinez planning documents. Specifically, this SSA-led effort will begin to assess the infrastructure elements, public service requirements, local fiscal issues, and the socioeconomic impacts that will result from a successful restoration project. Once the specific design elements of preferred alternative are determined in the state's PEIR process, this preliminary EIS/EIR work will be expanded to include consideration of the direct environmental impacts associated with DWR's recommended preferred project design, as enhanced by local interests, as well as incorporation of the base line conditions and project alternatives that were developed and used in the PEIR.

6. Interim Environmental and Ecological Preservation Actions

Regardless of the specific design of the eventual recommended preferred restoration project, the improvements in water quality, air quality, habitat areas, and ecology that will be eventually achieved by the project will have very little effects within the next 10 to 15 years. Mitigation measures specified for the next 15 years in the water transfers documents are limited primarily to air quality concerns and endangered species protection. Thus, a separate program of interim stabilization and preservation measures is required in order to ensure the viability of the restoration effort. The SSA has requested that the USGS Salton Sea Science Office develop a program of specifically recommended interim actions. These actions would be implemented in consultation with, and be subject to approval by, the state and federal regulatory agencies with jurisdictional responsibilities. Salton Sea Coalition members would also be consulted and used to assist in the development and implementation of these interim actions.

* See Notice of Preparation response letters submitted by Jurg Hueberger of the Imperial County Planning Department, dated April 13, 2004 and by James Fletcher of the Southern California Agency of the Bureau of Indian Affairs, dated April 16, 2004, for enumeration of the local land use planning issues that must be addressed as part of the EIR/EIS process for implementing a Salton Sea restoration project.