

- **Board of Directors**
Water Planning, Quality and Resources Committee

March 8, 2005 Board Meeting

9-4

Subject

Status Report of Salton Sea Restoration Study

Description

The following report is a status update on restoration efforts for the Salton Sea. The Department of Water Resources (DWR), under the direct guidance of the California Secretary for the Resources Agency (Resources Secretary), is preparing the "Salton Sea Ecosystem Management Plan" (plan). The plan will identify a preferred alternative for the restoration of the Salton Sea ecosystem and the protection of wildlife dependent on that ecosystem.

In preparation of the plan, the Resources Secretary regularly meets and consults with a Salton Sea Advisory Committee (Advisory Committee) consisting of representatives from federal, state and local government agencies, as well as non-government environmental advocacy organizations. Metropolitan is a member of the Advisory Committee, represented by Dennis Underwood, Vice President of Colorado River Resources.

Background

The plan is being developed pursuant to legislative direction to the Resources Secretary contained in state legislation passed in 2003 to facilitate implementation of the Colorado River transfers and other programs under the Quantification Settlement Agreement (QSA). The Resources Secretary is required to submit to the Legislature a plan that identifies a preferred alternative no later than December 31, 2006.

Development of the plan is funded by a \$20 million grant from state Proposition 50 bond funds. Implementation of a preferred plan would be funded from the Salton Sea Restoration Fund (Restoration Fund). Pursuant to QSA-related agreements, Imperial Irrigation District (IID), Coachella Valley Water District, and San Diego County Water Authority are obligated to make contributions to the Restoration Fund in an aggregate amount of \$30 million (present value in 2003 dollars). Additional potential deposits to the Restoration Fund include the proceeds from a DWR-facilitated transfer of IID conserved water to Metropolitan described below, and a \$20 per acre-foot surcharge on certain surplus Colorado River water, if made available by the Secretary of the Interior, that is actually diverted by Metropolitan.

The Legislature directed the Resources Secretary to determine the availability to Metropolitan of up to 1.6 million acre-feet of water that would be conserved by IID and made available to Metropolitan with the net proceeds being placed in the Restoration Fund. DWR is to help facilitate the transfer. This potential transfer is composed of two blocks of water: (1) 800,000 acre-feet of new water to be conserved by IID at a cost of \$175 per acre-foot, for which Metropolitan would pay \$250 per acre-foot; and (2) 800,000 acre-feet of water presently scheduled to be conserved by IID under the QSA to provide salinity management water for the Salton Sea, which is paid for from mitigation funds set aside for the IID Water Conservation and Transfer Project, for which Metropolitan would pay \$250 per acre-foot. Conserved water could be available as soon as 2007 through 2017. These prices are in 2003 dollars and are subject to annual increases for inflation. The net proceeds placed in the Restoration Fund would be used for implementation of the plan. For the water to become available, DWR must complete environmental documentation and resolve environmental impacts, including those related to Salton Sea salinity. Metropolitan is not obligated to take delivery of water under a schedule to which it does not agree.

Current Status

DWR is in the initial stages of preparing a Program Environmental Impact Report (PEIR) for the plan. To date, DWR has provided the Advisory Committee draft reports on the baseline condition and the "No Action" alternative. Metropolitan staff reviews these reports, as they are made available, and provides DWR with technical information and other input for its consideration. Presently, DWR is compiling the several alternatives proposed to date by a variety of interests. The Resources Secretary, in consultation with the Advisory Committee, is developing criteria to screen alternatives in the compiled list to arrive at a finite number of alternatives to be evaluated in the PEIR. A Draft PEIR is scheduled for release to the public in December 2005. The Final PEIR is scheduled for release in November 2006 with a Notice of Determination to be filed in December 2006.

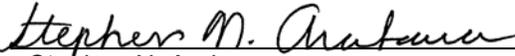
Following submittal of the completed plan to the Legislature no later than December 31, 2006, any actions to implement the plan to restore the Salton Sea and to make the additional IID conserved water available to Metropolitan would be dependent on action taken by the state Legislature.

Policy

By Minute Item 45517, dated September 23, 2003, the Board approved the QSA and related agreements and authorized the Chief Executive Officer to execute the finalized QSA and related agreements.

Fiscal Impact

None

| | |
|--|-----------|
|  | 2/11/2005 |
| Stephen N. Arakawa Manager, Water Resource Management | Date |
| <hr/> | |
|  | 2/11/2005 |
| Gilbert F. Ivey Interim Chief Executive Officer | Date |