Joint Statement of

Imperial Irrigation District
Coachella Valley Water District
The Metropolitan Water District of Southern California
San Diego County Water Authority

Regarding

H.R. 5123

Before the

Subcommittee on Water and Power

of the

Committee on Resources
U.S. House of Representatives

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This joint statement is presented by the representatives of the four Southern California water

agencies that together use the large majority of Colorado River water delivered to California – the Metropolitan Water District of Southern California (MWD), the Coachella Valley Water District (CVWD), Imperial Irrigation District (IID), and the San Diego County Water Authority (SDCWA), which we will collectively refer to as the "Agencies". We are the water agencies that are directly participating in the water transfers and other vital actions that make up the Quantification Settlement Agreement, which is the subject of this bill, H. R. 5123. The Quantification Settlement Agreement (QSA) is the vehicle through which we will implement essential provisions of California's Colorado River Water Use Plan (California Plan). We cannot overstate the importance of the California Plan to California, its economy and environment. Unless this effort succeeds, a major statewide water shortage will occur, depriving Southern California of 700,000 acre feet per year of crucial water supplies beginning on January 1, 2003, only five months from now. We have achieved remarkable progress during the years that have been devoted to avert this impending crisis, and we are within sight of our goal. This effort has not been just that of our four agencies; it has involved the work of the legislative and executive branches of the federal government and the State of California, particularly Members of the House of Representatives.

The Impending Water Shortage

The Colorado River is a vital resource for Southern California, supporting a tremendous agricultural industry and more than 17 million residents in one of the most economically productive regions of the world, including the cities of Los Angeles and San Diego. The state has a Colorado River basic annual apportionment of 4.4 million acre-feet, but for many years California has used up to 5.2 million acre-feet per year, relying on system surpluses and the apportioned but unused Colorado River water of Arizona and Nevada. Before 1997, because the unused apportionments of Arizona and Nevada were available to California, the availability of additional water over and above the state's basic annual apportionment of 4.4 million acre-feet was highly predictable. But since Arizona and Nevada have begun using their full entitlements, California has had to rely on year-to-year declarations of surplus by the Secretary of the Interior to provide the additional 800,000 acre feet per year to meet California's needs. Those surplus declarations depend on the vagaries of the weather and are unpredictable.

If the Guidelines do not remain in effect, California stands to lose approximately 700,000 acre feet that are needed to fill MWD's Colorado River Aqueduct (CRA), which annually delivers about 1.25 million acre feet of water to the urban coast. The practical effect of the loss of 700,000 acre feet per year to the urban coast would be a severe water crisis with devastating economic impacts for all of California, and a ripple effect through the economy of our entire nation.

The magnitude of our joint effort to prevent this impending crisis is extraordinary. We must reduce California's use of Colorado River water by 800,000 acre-feet per year and still continue to meet the region's water needs. This reduction is equivalent to the amount of water used annually by more than five million people in Southern California. Such a dramatic shift in resources is made possible through California Plan and QSA programs to conserve agricultural water and transfer it for urban uses, as well as groundwater storage and conjunctive use projects, and other water management programs. One of the most important components of the California Plan is the transfer of up to 200,000 acre-feet per year of water from the IID to SDCWA. This transfer, along with others, will maintain the reliability of the region's water supply and help eliminate the dependence on surplus water to fill the CRA.

Progress to Date

California is at a critical juncture in terms of its use of Colorado River resources. The urgent need to reduce river use is well understood by the Agencies. Along with the Colorado River Board of the State of California, we have responded with the California Plan, which was developed in consultation with and is supported by the other six Colorado River Basin states and the Department of the Interior. To date, the Agencies have successfully fast-tracked a wide range of complex legal agreements and environment documents needed to implement the Plan. The October 1999 *Key Terms for Quantification Settlement Among the State of California, IID, CVWD, and MWD* identified 12 specific areas of conditions that need to be satisfied or waived prior to execution of the QSA and related documents. This includes completion of environmental reviews, implementing interim surplus guidelines, implementing an inadvertent overrun and payback program relative to Colorado River water consumptive use, completing the California State Water Resources Control Board (SWRCB) water transfer petition review process, and obtaining conserved water and a means to deliver the water for the San Luis Rey Indian Water Rights Settlement Act. The critical path for satisfaction of the conditions includes completion of the environmental reviews and SWRCB transfer petition process, and securing of federal and state Endangered Species Act clearance for the water transfers. The remaining conditions have been or are achievable within the required time frame for executing the QSA and related documents.

The following is a list of the major accomplishments (including program and project implementation) to date that either relate to the California Plan or aid in their effectiveness and implementation:

- December 1988 – IID/MWD Water Conservation and Use of Conserved Water Agreement and the associated 1989 Approval Agreement
- April 1998 – Water Conservation and Transfer Agreement between IID and SDCWA
- August 1998 – Water Exchange Agreement between SDCWA and MWD
- September 1998 – State funding of $235 million for canal lining and conjunctive use elements of the California Plan
- October 1999 – Key Terms for Quantification Settlement Agreement Among the State of California, IID, CVWD, and MWD
- November 1999 – Secretary of the Interior Final Rule on Offstream Storage of Colorado River Water (Interstate Banking)
- May 2000 – California Colorado River Water Use Plan (a prerequisite for Secretarial Colorado River Interim Surplus Guidelines)
- December 2000 – Public release of draft QSA by QSA parties
- January 2001 – U. S. Fish and Wildlife Service Biological Opinion for Interim Surplus Guidelines and river impacts of the QSA

- January 2001 – Record of Decision for Colorado River Interim Surplus Guidelines
- May 2001 – Interim Surplus Guidelines Agreement between Arizona and MWD
- May 2001 – Certify Environmental Impact Report for Coachella Canal Lining
- June 2001 – State Funding Agreement for Coachella Canal Lining
- October 2001 – State Funding Agreement for All-American Canal Lining
- January 2002 – Draft Environmental Impact Report/Environmental Impact Statement for IID Water Conservation and Transfer Project and Draft Habitat Conservation Plan
- January 2002 – Draft Program Environmental Impact Report for Implementation of the Colorado River Quantification Settlement Agreement
- January 2002 – Draft Environmental Impact Statement for Implementation Agreement, Inadvertent Overrun and Payback Policy, and Related Federal Actions
- March 2002 – Record of Decision for Coachella Canal Lining
- May 2002 – Draft Environmental Impact Report for the Proposed Palo Verde Irrigation District Land Management, Crop Rotation and Water Supply Program
- May 2002 – Interim Surplus Guidelines Agreement between Southern Nevada Water Authority and MWD
- May – July 2002 – Completion of California SWRCB hearing on QSA water transfer petition
- June 2002 – Draft Program Environmental Impact Report for Coachella Valley Water Management Plan and State Water Project Entitlement Transfer
- June 2002 – Committee passage of California Senate Bill 482 regarding California “fully protected” species and facilitation of the QSA
- June 2002 – Certification of Environmental Impact Report for IID Water Conservation and Transfer Project
- June 2002 – Certification of Program Environmental Impact Report for Implementation of the Colorado River Quantification Settlement Agreement
- July 2002 – Notice to Proceed for Design of Coachella Canal Lining Project
- Drafts of the Quantification Settlement Agreement and all related legal documents
- All American Canal and Coachella Canal lining projects construction agreements

- MWD, in conjunction with others, has initiated development of potential Colorado River water storage and conjunctive use programs in:

    - Hayfield Valley
    - Chuckwalla Valley
    - Cadiz Valley
    - Lower Coachella Valley
    - Arizona

The California water agencies have already spent millions of dollars toward formulating and securing approval of vital components of the California Plan, and will commit billions of dollars upon their implementation. In addition, the State of California has appropriated $235 million for canal lining and groundwater projects in furtherance of the California Plan. The Plan will be complemented by efforts to aggressively promote additional water conservation, water reuse, and local water supply development within the service area boundaries of each agency.

California Plan – Implementation Timeline

California was given time to implement the water conservation and transfers when the Secretary of the Interior adopted the Interim Surplus Guidelines (Guidelines) in January 2001. The Guidelines are essentially special rules for operating Lake Mead that allow California to receive additional surplus water for 15 years, or through 2016. Without these special rules, California would now receive no surplus water and would presently be experiencing an 800,000 acre-foot shortage of water for this year. During the period that the Guidelines are in effect, California is expected to implement necessary water transfers and other programs. The Guidelines are contingent, however, upon California's successful completion of certain deadlines and milestones.

One critical deadline that must be met is the execution of the Quantification Settlement Agreement, the most important element of the California Plan, by December 31, 2002. The ability to execute the QSA by this deadline is the single most important issue facing us today. If the QSA is not executed by this deadline, the California Plan is at grave risk of unraveling.

The QSA is designed to settle longstanding differences between the Agencies and implement core water transfers, including the IID/SDCWA transfer. The QSA must be implemented to continue the Guidelines and allow the California Plan to go forward. The Guidelines specifically provide that unless the QSA is executed by December 31, 2002, the surplus provisions that benefit Southern California will be suspended until such time as California completes all required actions and complies with reductions in water use reflected in the Guidelines. This means that we are facing the loss of the additional surplus water provided under the Guidelines if the QSA is not executed by the end of the year, resulting in the loss of 700,000 acre-feet per year of water to Southern California, beginning on January 1, 2003.

Environmental Compliance Issues

The Agencies have worked diligently with the United States Fish and Wildlife Service and the Bureau of Reclamation to reach agreement on an on-river habitat and backwater mitigation plan to address impacts of shifting water from agricultural to urban points of use. Additionally, agreements will be in place

for in-valley measures to mitigate impacts of the programs in the area where water conservation will occur. Likewise, project-specific environmental reviews address individual project impacts. This includes canal lining projects and water storage and conjunctive use programs.

The Agencies have also pursued a similar course of action with the State of California executive branch and legislature to address compliance with the California Endangered Species Act and a special provision of California law dealing with "fully protected" species. The State of California places a high priority on implementing the California Plan and QSA, and the Secretary of the California Resources Agency, Mary Nichols, is chairing a broad-based group working to solve the state issues. In the California legislature, Senate Bill 482, sponsored by Senator Sheila Kuehl, has passed its committee and will now be considered by the full State Assembly and Senate. That bill resolves state "fully protected" species issues, which must occur to implement the QSA, and takes other actions to facilitate the QSA.

The remaining major federal issue regarding execution of the QSA is how to address potential environmental impacts of water conservation and transfers on the Salton Sea. The transfer of conserved water from the agricultural sector to the urban sector is essential to allow California to live within its 4.4 million acre-foot basic annual apportionment. However, water conservation in agricultural areas using Colorado River water, specifically in the IID service area, may cause reduced agricultural drainage to the Salton Sea.

The present Salton Sea was created in 1905 when floodwaters of the Colorado River broke through diversion facilities along the river near the international boundary and carried the entire flow of the river through the Alamo Canal into the below sea level Salton Sink until the breach was finally closed in 1907. Since that time, as the Sea's water has evaporated, it has been maintained by inflows, the vast majority of which consists of agricultural drainage water. As provided for by Presidential executive orders in the 1920's, the principal purpose of federal Salton Sink lands below elevation minus 220 feet since that time has been to serve as a reservoir for the irrigation drainage waters from the Imperial, Coachella, and Mexicali valleys. Without these drainage inflows, the Sea would evaporate and disappear. Freshwater fish species that were carried into the Sea by the floodwaters died off as the salinity level of the Sea rose. Beginning in 1929, the California Department of Fish and Game created a salt water fishery by introducing various species of sport fish from the Gulf of California. Other exotic fish have been accidentally introduced to the Sea and have established populations.

Today the Salton Sea is used by many species of migratory birds, including certain endangered species. Many of these species rely on the fish in the Sea for their food source. Because of evaporation, the Sea's salinity has increased steadily over the years, and will continue to increase absent intervention. Now at a salinity of 44,000 parts per million, which is 25 percent saltier than the Pacific Ocean, the Salton Sea is approaching a "hypersaline" condition, in which the reproduction and survival of fish is jeopardized. It has been estimated that under current conditions, the Sea will reach a critical salinity level that is unable to support a fishery in 7 to 25 years.

The causes of increasing salinity and environmental decline of the Salton Sea extend far beyond any effect of the transfers. Congress recognized this fact in the 1998 Salton Sea Reclamation Act (Public Law 105-372) and directed that the transfers be included in the baseline condition of the proposed Salton Sea reclamation options. The legislation acknowledged the importance of the water transfers to California, the other Colorado River Basin states, and Mexico.

The 1998 reclamation law required a feasibility study, providing reclamation options, be submitted to Congress by January 1, 2000. We had expected that Congress would by now have been able to consider the feasibility study and make a decision on reclamation of the Sea. However, the feasibility study has yet to be completed. The QSA, and its impending deadline for execution, is therefore ahead of the federal Salton Sea reclamation effort. Because of this, the Agencies must separately address environmental compliance related to the water transfers at the Salton Sea. This is difficult because the environmental impacts related to endangered species are temporal in nature and not easily quantified. The best scientific analysis available estimates that the Salton Sea will reach the critical hypersaline environment 2 to 11 years earlier if the QSA water transfers are implemented. Absent a comprehensive solution, the Salton Sea will soon reach a hypersaline level with or without the QSA water transfers.

These matters are beyond the Agencies' direct control to resolve. Accordingly, the Agencies have met extensively with Department of the Interior officials, including the Fish and Wildlife Service and the Bureau of Reclamation, to determine how the QSA may be executed within the time frame required. We are very appreciative of the assistance we have received and their recognition that this is an urgent matter.

We are also grateful for the concern and assistance of Members of Congress in identifying legislative proposals to move the QSA past the remaining obstacles. In August 2001, Congressman Hunter introduced a bill specifically designed to facilitate implementation of the QSA, and in October 2001, Congressman Calvert's H.R. 3208, the Western Water Security Enhancement Act, added authorization for an appropriation for activities to address environmental impacts on the Salton Sea. However, we are now only five months from the deadline for execution of the QSA, and we must resolve the Salton Sea issues this year in order meet the deadline. Recognizing the urgency and gravity of the situation, Congressman Hunter has introduced H.R. 5123 to address remaining issues.

H.R. 5123 – The Colorado River Quantification Settlement Facilitation Act

The basic tenet underlying H.R. 5123 is that the water agencies are not responsible for restoring the Salton Sea. This follows the principles of the 1998 Salton Sea Reclamation Act, which recognizes that Congress must make a decision on reclamation of the Sea, and that the Sea's problems cannot disrupt the water transfers that are so crucial to the future of California.

H.R. 5123 would also provide $53 million for small off-stream water management reservoirs and associated facilities to improve water conservation and river management, which could also provide improved water supply management options for Mexico. The Bureau of Reclamation estimated that in 2000 about 300,000 acre-feet was lost from Colorado River reservoir storage because of the inability to re-regulate lower Colorado River flows.

The Agencies look forward to working with Congressman Hunter, other Members of Congress and staff, and interested parties during the upcoming recess to agree on modifications to the bill language that will resolve all legitimate concerns and enable the QSA to move forward in a timely manner.

Conclusion

Failure to meet the deadlines will mean suspension of the Interim Surplus Guidelines and an immediate loss of over 700,000 acre-feet of water to Southern California on January 1, 2003. Such a massive water shortage would have severe economic consequences for the State of California, and those

consequences would be felt across the nation.

Finally, we want to restate our Agencies' commitment to implement the California Plan and maintain our lifeline to the Colorado River. We urgently need the assistance of the Congress to provide a means for us to proceed within our time constraints, while recognizing and meeting legitimate concerns for the future of the Salton Sea.

We appreciate the opportunity to appear before the Subcommittee to address these very important issues.