

SENATE THIRD READING

SB 369 (Padilla)

As Amended September 02, 2025

Majority vote

SUMMARY

Requires the use of a skilled and trained workforce for Salton Sea restoration projects that cost more than \$1 million.

Major Provisions

- 1) Requires a state agency undertaking a Salton Sea restoration project that costs more than \$1 million to obtain an enforceable commitment that every bidder, contractor, subcontractor, or other entity at every tier use a skilled and trained workforce to perform all work on the project that falls within an apprenticeship occupation in the building and construction trades. This requirement shall apply to any contract entered into on or after January 1, 2026.
- 2) Provides that this bill shall not apply to a Salton Sea restoration project if the project is subject to a project labor agreement that requires the use of a skilled and trained workforce.
- 3) Defines "Salton Sea restoration project" as the erection, construction, alteration, repair, or improvement of any Salton Sea ecosystem structure, building, road, or other improvement and that is undertaken as part of the restoration of the Salton Sea ecosystem.

COMMENTS

The Salton Sea is California's largest lake and was once famous for its sport fishery and other recreational uses. It is located in southern Riverside County and northern Imperial County in southeastern California. The sea is approximately 35 miles long and up to 15 miles wide with approximately 320 square miles of water surface and 105 miles of shoreline. The modern Salton Sea was created in 1905 as a result of flood flows from the Colorado River. Since then, approximately 90% of the freshwater inflow to the Salton Sea has been agricultural runoff from the Imperial Valley, preventing the sea from drying up as had occurred in the past. As the Salton Sea has no outlets, salts and nutrients concentrate in it. Currently, the Salton Sea has a salinity level that is approximately 60% higher than the ocean. Increasing levels of salinity have significantly reduced the presence of fish in the sea. In addition, as the sea has become increasingly nutrient-polluted (eutrophication), the occurrences of fish die-offs and unpleasant odors have made the area a much less attractive destination for recreation.

The surface elevation of the Salton Sea has steadily declined since the implementation of the Quantification Settlement Agreement (QSA) in 2003, an important water agreement regarding California's use of Colorado River water that included a water transfer from the Imperial Irrigation District (IID) to the San Diego County Water Authority (SDCWA). When the water transfer began in 2003, IID was required to put mitigation flows into the sea for 15 years. Mitigation flows into the sea stopped on January 1, 2018. A decrease of over 13 feet in elevation from 2003 to the present has resulted in a net exposure of 37 square miles of dry lake bed – known as "playa" (Pacific Institute, 2025).

In many areas, the playa consists of fine sediments that were deposited at the bottom of the sea over many years. Due to the high winds and arid climate around the sea, the wind picks up

significant amounts of fine dust, increasing the amount of particulate matter in the air and contributing to poor air quality in the Imperial and Coachella Valleys. Particulate matter is especially dangerous to children and the elderly. Over time, particulate matter can become trapped in the lungs, causing asthma attacks, bronchitis, and other lung diseases, and can also exacerbate existing heart conditions. While not solely attributable to the playa, Imperial County has one of the highest rates of asthma-related emergency room visits for children in California (Farzan *et al.*, 2019).

In order to facilitate the signing of the QSA, the state agreed to assume most of the financial responsibility for mitigating negative environmental impacts and for Salton Sea restoration efforts. The QSA limits the funding for mitigation related to the water conservation and transfer activities, as well as Salton Sea restoration, for certain QSA parties (IID, SDCWA, and Coachella Valley Water District) to \$163 million in 2003 dollars, adjusted for inflation. The Legislature enacted several bills in 2003 to implement the QSA. These legislative measures committed the state to taking on responsibility for Salton Sea restoration that was not covered by parties to the QSA and also established a number of broad goals for the restoration effort.

The California Natural Resources Agency (CNRA), with support from the Department of Water Resources (DWR) and the Department of Fish and Wildlife (DFW), implements the Salton Sea Management Program (Program). The Program was established to fulfill the state's obligations to restore the Salton Sea. The Program is currently focused on achieving the goals of the *Salton Sea Management Plan Phase 1: 10-Year Plan* by completing 29,800 acres of dust suppression and habitat restoration projects. To date the Program has completed projects covering 3,225 acres; this falls short of its goal of having completed 14,200 acres of projects by the end of 2024. The Program has also developed a long-range plan to outline a path for the restoration and management of the Salton Sea beyond 2028. The *Long-Range Plan* was released last year.

California has expended more than \$285 million in bond funds and \$73 million in General Fund for restoration and mitigation projects at the Salton Sea since 2003, most of this funding has been expended in recent years to implement the *Phase 1: 10-Year Plan*. The federal government has also committed an additional \$250 million to fund projects at the Salton Sea.

According to the Author

"For years, the receding lake bed at the Salton Sea, exacerbated by our changing climate, has created environmental hazards that threaten the health of communities in the Imperial Valley, predominantly composed of Latino agricultural workers. The state and federal government have provided funding for Salton Sea restoration, which is critical to ensuring the health and well-being of the Salton Sea ecosystem and the Imperial Valley community, but this only a piece of helping this region overcome the challenges it faces. The Imperial Valley already has a high unemployment rate and many residents face poor working conditions and low wages. Given the risk to workers, effort to ensure a labor pipeline for residents in the Imperial Valley, and support towards the rapid completion of Salton Sea Restoration projects, [this bill] is crucial to statutorily require the use of a local skilled and trained workforce for all restoration work at the Salton Sea."

Arguments in Support

The California-Nevada Conference of Operating Engineers (Operating Engineers) is the sponsor of this bill and argues that it will facilitate the rapid completion of Salton Sea restoration projects and ensure the protection of workers. The Operating Engineers contend that this bill is necessary because "workers performing Salton Sea restoration projects are at greater risk of exposure to

toxic substances given their proximity to, and interaction with, the toxins that encompass the lakebed of the Salton Sea." Finally, the Operating Engineers assert that by creating a pipeline of trained workers in the region, this bill will benefit the Imperial Valley for years to come.

Arguments in Opposition

The Department of Finance is opposed to this bill, stating it "would significantly increase the cost of the state's existing legal liabilities associated with Salton Sea restoration."

FISCAL COMMENTS

According to the Assembly Appropriations Committee, this bill has the following fiscal impact:

- 1) Costs of an unknown amount, almost certainly in excess of \$150,000 in the aggregate, to CNRA, DWR, and DFW for increased administrative costs to ensure compliance with the new contracting requirements (General Fund, bond funds). The magnitude of these costs is variable based on the number of and amount of funding allocated to potential restoration projects.
- 2) The aforementioned state agencies may also incur potentially significant increased project costs, to the extent this bill increases bid prices or deters some contractors from bidding on contracts. In cases where a foregone contractor would have been the low bidder, the state agency will pay more, and remaining contractors may face less competitive pressure when bidding on contracts, thus increasing contract costs. The labor requirement may also result in scheduling delays or limit the number of bids received due to regional workforce limitations. For example, if there is a shortage of skilled and trained workers locally, a contractor may need to spend more on travel, lodging, and meals for workers from other parts of the state.
- 3) DFW notes it currently uses a variety of methods to contract for Salton Sea restoration work, including utilizing nonprofits, public works contracts, and partnerships with other state agencies. Often, workers hired to work on projects in the Salton Sea have been trained in other countries or receive on-the-job training. Requiring contracted workers to obtain formal skills and training for construction positions as a prerequisite to working on Salton Sea restoration projects may limit the department's options to hire workers and complete projects on time and within specified budgets.
- 4) For a prior version of the bill, DWR noted that while there is significant uncertainty about the cost of this bill, the department estimated approximately a 10% increase in contracting costs as a result of the skilled and trained workforce requirement. As an example, DWR expects to receive approximately \$150 million from the Proposition 4 climate bond for Salton Sea projects – which the department plans to expend through five separate state contracts. Of this amount, DWR estimates an approximately \$15 million increase in project costs. CNRA notes it carries out nearly all its Salton Sea-related project contracting through DWR. Limiting the skilled and trained workforce requirement to projects over \$1 million should limit the overall impact on project and contracting costs, although the magnitude remains unknown.
- 5) The Department of Industrial Relations does not anticipate any costs as a result of this bill.

VOTES**SENATE FLOOR: 33-2-5**

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

NO: Grove, Ochoa Bogh

ABS, ABST OR NV: Choi, Hurtado, Niello, Reyes, Seyarto

ASM WATER, PARKS, AND WILDLIFE: 12-0-1

YES: Papan, Jeff Gonzalez, Alvarez, Ávila Farías, Bains, Bennett, Boerner, Caloza, Hart, Celeste Rodriguez, Rogers, Tangipa

ABS, ABST OR NV: Macedo

ASM LABOR AND EMPLOYMENT: 6-0-1

YES: Ortega, Chen, Elhawary, Kalra, Lee, Ward

ABS, ABST OR NV: Flora

ASM APPROPRIATIONS: 13-1-1

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache, Ta, Tangipa

NO: Dixon

ABS, ABST OR NV: Sanchez

UPDATED

VERSION: September 02, 2025

CONSULTANT: Pablo Garza / W., P., & W. / (916) 319-2096

FN: 0001420