



Salton Sea Authority Board of Directors Meeting

Thursday, December 19, 2019
10:00 a.m.

Coachella Valley Water District
Steve Robbins Administration Building
75515 Hovley Lane East
Palm Desert, CA 92260
(760) 398-2651



AGENDA: **BOARD OF DIRECTORS MEETING**
DATE: **Thursday, December 19, 2019**
10:00 a.m.
LOCATION: **Coachella Valley Water District**
Steve Robbins Administration Building
75515 Hovley Lane East
Palm Desert, CA 92260
(760) 398-2651

I. CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

II. BOARD MEMBER COMMENTS

This is the time set aside for any Board Member to ask questions or address any issue posed by a member of the public.

III. PUBLIC COMMENTS

*Any member of the public may address and ask questions of the Board relating to any matter within the Authority's jurisdiction. **This Public Comments time is reserved for matters not already on the agenda. The law prohibits members of the Board from taking action on matters not on the agenda.***

Citizens are invited to speak on any item listed in the agenda upon presentation of that item.

Remarks shall be limited to a maximum of three (3) minutes unless additional time is authorized by the Board.

IV. CONSENT CALENDAR – Receive, Approve, and File

- A. Minutes of October 24, 2019
- B. Minutes of November 20, 2019
- C. Warrant Register Ratification for October 2019
- D. Warrant Register Ratification for November 2019
- E. Internal Financial Report for: 7/01/2018 – 10/31/2019

V. PRESENTATIONS

- A. Pre-Qualified bidding process – Matt Schroder, Gordian, Sourcewell ezIQC
- B. Strategic Planning review and report – Debra Williams, President, Higher Ground International
- C. WRI Archives: Salton Basin Maps – Water Resources Institute - Suzie Earp, Director and Archivist

VI. ACTION ITEMS

- A. Legislative Platform Ratification
- B. Amendments to SSA Procurement Policy
- C. Consideration of Resolution of Support for Imperial County Declaration of Local Emergency at the Salton Sea

VII. REPORTS

- A. General Manager’s Report on Activities – (Phil Rosentrater, GM/Executive Director, Salton Sea Authority)
- B. Standing Reports from Federal and State Partners
 - 1. FEDERAL:
 - a) US Bureau of Reclamation – (Genevieve Johnson, Program Manager for the Salton Sea)
 - 2. STATE:
 - a) Salton Sea Management Program – (Arturo Delgado, Assistant Secretary for Salton Sea Policy)
- C. Salton Sea State Recreation Area Update on Activities – (Steve Quartieri, Acting District Superintendent, California State Parks)
- D. Salton Sea Action Committee – (Juan DeLara, President)

VIII. ADJOURNMENT

NEXT MEETING TIME & LOCATION:

Thursday, January 23, 2020

10:00 a.m.

Imperial Irrigation District

Bill Condit Auditorium

1285 Broadway Avenue

El Centro, CA 92243

(760) 482-9618

Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection in the lobby at the front desk of the County Law Building located at 82995 Highway 111, Indio, CA 92201.

OFFICIAL PROCEEDINGS

SALTON SEA AUTHORITY

BOARD OF DIRECTORS MEETING

October 24, 2019

I. CALL TO ORDER

The regularly scheduled meeting of the Salton Sea Authority (“Authority” or “SSA”) Board of Directors (“Board”) was called to order by Chairman Estrada, President, at 10:07 a.m., October 24, 2019, at the Imperial Irrigation District, Bill Condit Auditorium, 1285 Broadway Avenue, El Centro, CA 92243, (760) 760-482-9618

PLEDGE OF ALLEGIANCE

Director Estrada led the Pledge of Allegiance

ROLL CALL: (Corrected officer positions)

DIRECTORS PRESENT

Cástulo R. Estrada, President
Alex Cardenas, Vice-President
Luis A. Plancarte, Secretary
Thomas Tortez, Director
James C. Hanks, Director
Ryan E. Kelley, Director
G. Patrick O’Dowd, Director

AGENCY

Coachella Valley Water District
Imperial Irrigation District
Imperial County
Torres Martinez Desert Cahuilla Indians
Imperial Irrigation District
Imperial County
Coachella Valley Water District

DIRECTORS PRESENT VIA TELECONFERENCE

Jeff Hewitt, Director
V. Manuel Perez, Treasurer

AGENCY

Riverside County
Riverside County

In keeping with the Salton Sea Authority Bylaws, there being at least three of the five member agencies represented, and a single Director carrying the vote of both Directors when the second Director of the same agency is absent, a Quorum was declared, and the meeting proceeded.

DIRECTORS ABSENT

Altrena Santillanes, Director

AGENCY

Torres Martinez Desert Cahuilla Indians

SALTON SEA AUTHORITY STAFF PRESENT

Phil Rosentrater, Executive Director/General Manager

Bob Hargreaves, Best Best & Krieger, Legal Counsel

MEMBERS OF THE PUBLIC PRESENT

AGENCY

Nicola Lakic

Geothermal Worldwide, Inc

Glen Williams

Ecosystem Investment Partners

Tom Dubose

DuBose Design Group

Gilbert Rebollar

Imperial County

Thomas Brinkerhoff

Imperial County

Katie Burnworth

Imperial County

Sarah Lopez

IID

Juan Murillo

CSUSB WRI

Kjell Eriksson

AM/R&D Institute

Vanessa Ramirez

Imperial County

Darren Simon

SDCWA

Vickie Doyle

IID

Kaylee Nelson

Bureau of Reclamation

Jessica Humes

IID

Max Ochoa

Comite Civico del Valle

Antonio Ortega

IID

II. BOARD MEMBER COMMENTS

A. Director Cardenas acknowledged Director Kelly’s action to pass an Imperial County board of supervisors resolution declaring a state of emergency at the Salton Sea in Imperial County. SSA Directors asked questions to clarify the purpose, scope and intended outcome but were not able to take action because the declaration had been announced after the SSA board agenda was posted, and the item was not agendized for discussion or action. Director Ryan explained that the Imperial County declaration was sent to the state of California in hopes that the Governor may agree, resulting in a streamlined release of emergency funds with expedited project permitting. Director Hanks expressed concerned about the potential erosion of local control if the state accepts the State of Emergency. Directors concurred with Chairman Estrada’s recommendation to take up the matter at an upcoming board workshop for Strategic Planning in November, 2019.

B. Director Kelley further commented that Imperial County requests for meetings with the Army Corp. of Engineers have been unproductive.

III. PUBLIC COMMENTS

- A. Katie Burnworth, Imperial County Air Pollution Control District expressed support for the Imperial County declaration of Emergency.

IV. CONSENT CALENDAR – Receive, Approve, and File (*see attached*)

- A. Minutes of September 19, 2019
- B. Warrant Register Ratification for September 2019
- C. Internal Financial Report for: 7/01/2019 – 8/31/2019
- D. Approval of 2020 SSA Board Meeting Schedule

Chairman Estrada moved that the Consent Calendar be approved. Seconded by Director Cardenas. Unanimously carried.

V. PRESENTATIONS

- A. Glen Williams, California Projects Director with Ecosystem Investment Partners (EIP), presented his company's "Pay for Performance" concept. His firm uses investment funds to acquire, restore and permanently protect priority properties and sell the credits they generate to customers who must offset their unavoidable environmental impacts. They have \$1 billion in invested collateral. Their projects are large scale – between 30-50 million-dollars. Mr Williams provided an example of their funding, Delta X, where the Department of Water Resources was having a problem with delta smelt; 3,400 acres were restored. The firm does not get paid until there are substantiated deliverables established within the project.
- B. Nikola Lacic, Geothermal Worldwide, Inc. presented his proposal for Restoration of the Salton Sea. The presented proposal includes several options based on the same concept: 1) Dividing lake into three sections; 2) Importing seawater from the ocean; 3) Harnessing prevalent geothermal energy.

VI. ACTION ITEMS

- A. Approval of resolution honoring retiring CNRA Assistant Secretary for the Salton Sea Authority

The SSA Board presented a plaque to Bruce Wilcox, thanking him for his service and dedication to the Salton Sea.

Bruce thanked everyone and is accepting this for a lot of people that put in a lot of effort. "We have made great progress and we are in a good position." He's anxious to watch and maybe help in the future.

Chairman Estrada called a vote to approve the resolution honoring retiring CNRA Assistant Secretary, Bruce Wilcox. Unanimously carried

VII. REPORTS

A. General Manager's Report on Activities

The GM/Executive Director invited question or comment from the board on the GM report provided in the meeting's agenda packet. The report was received and filed.

B. Standing Reports from Federal and State Partners

1. FEDERAL:

- a) US Bureau of Reclamation (BOR) Kaylee Nelson, provided an update on behalf of Genevieve Johnson, BOR Program Manager for the Salton Sea on the Salton Sea projects being funded by the Bureau.

The projects include:

Environmental compliance, dust suppression and revitalization of the North Shore Beach and Yacht Club Harbor;

The Red Hill Bay Restoration Project utilizes agricultural drain water to create wildlife habitat. This concept that was developed and studied by U.S. Geological Survey and the Bureau of Reclamation at the Salton Sea blends the agricultural drain-water with hyper-saline Salton Sea water, the undesirable features of each are diluted and the resulting water can be made suitable for maintaining wetland habitat; and,

A collaborative well project will be moving forward with IID.

- b) Federal Activities Lisa Lehman, Partner, Cultivating Conservation, reported that a hearing on Salton Sea is still in the works after the first of the year in the House of Representatives, likely focused on Salton Sea legislation.

2. STATE:

- a) Salton Sea Management Program

Arturo Delgado, Assistant Secretary for Salton Sea Policy, Mr. Delgado was absent from the SSA Board meeting due to a family matter.

- b) State Advocacy Report

Oracio Gonzalez, Principal, Ollin Strategies, Mr. Gonzalez reported on efforts to release \$30M authorized in Prop 68 for Salton Sea Authority oversight of SSMP projects:

- \$10M proposed for New River restoration;
- \$20M proposed for projects other than New River.

- C. Salton Sea State Recreation Area Update on Activities – (Steve Quartieri, Acting District Superintendent, California State Parks)

No Report given, Mr Quartieri was not able to attend the SSA Board Meeting

- D. Salton Sea Action Committee – (Juan DeLara, President)

Mr DeLara attended the EIP Meeting. As part of the Salton Sea Summit, the SSAC contributed \$1,500, the members also made a contribution for a total of \$3,500 to support the North Lake concept. They also had a booth there to promote the Perimeter Lake and the North Lake along with some images of what kind of development can happen when the EIFD starts to kick in, and they can generate those dollars towards the restoration efforts of the Perimeter Lake and the North Lake.

VIII. ADJOURNMENT

There being no further business, Board President Estrada adjourned the meeting at 11:45a.m.

NEXT MEETING TIME & LOCATION:

The regularly scheduled meeting will be held
Thursday, December 19, 2019
10:00 a.m.

Coachella Valley Water District
Steve Robbins Administration Building
75515 Hovley Lane East
Palm Desert, Ca 92260
(760) 398-2651



OFFICIAL PROCEEDINGS
SALTON SEA AUTHORITY
BOARD OF DIRECTORS SPECIAL MEETING
STRATEGIC PLANNING SESSION
November 20, 2019

I. CALL TO ORDER

The special meeting (Strategic Planning Session) of the Salton Sea Authority (“Authority” or “SSA”) Board of Directors (“Board”) was called to order by Castulo Estrada, President, at 12:00 p.m., November 20, 2019), at Fantasy Springs Resort, 84-245 Indio Springs Parkway, Indio, CA 92203, (760) 342-5000.

II. PLEDGE OF ALLEGIANCE

Director Estrada led the Pledge of Allegiance

III. ROLL CALL (Corrected*)

DIRECTORS PRESENT

Cástulo R. Estrada, President
V. Manuel Perez, Treasurer
Thomas Tortez, Director
James C. Hanks, Director
Ryan E. Kelley, Director**
G. Patrick O’Dowd, Director
Altrena Santillanes, Director*

AGENCY

Coachella Valley Water District
Riverside County
Torres Martinez Desert Cahuilla Indians
Imperial Irrigation District
Imperial County
Coachella Valley Water District
Torres Martinez Desert Cahuilla Indians

* Director Santillanes arrived at 12:56 p.m., as noted in the text.

** Director Kelley left at 3:00 p.m., as noted in the text.

In keeping with the Salton Sea Authority Bylaws, there being at least three of the five member agencies represented, and a single Director carrying the vote of both Directors when the second Director of the same agency is absent, a Quorum was declared, and the meeting proceeded.

(*attendee and officer positions corrected)

DIRECTORS ABSENT

Alex Cardenas, Secretary
Luis A. Plancarte, Treasurer
Jeff Hewitt, Director

AGENCY

Imperial Irrigation District
Imperial County
Riverside County

SALTON SEA AUTHORITY STAFF PRESENT

Phil Rosentrater, Executive Director/General Manager
Bob Hargreaves, Best Best & Krieger, Legal Counsel

MEMBERS OF THE PUBLIC PRESENT

AGENCY

Debra J. Williams
Josh Zipperman
Lisa Moore Lehman
Oracio Gonzales
Pat Cooper
Esmeralda Perez
Kristen Johnson
Antonio Ortega
Rebecca Terrazas-Baxter
Otoniel Quiroz
Barry Busch
Miguel Hernandez
Maximiliano Ochoa
Nina Waszak
Bryan Williams
Brian Nestande

Higher Ground International
Burke Rix
Cultivating Conservation
Ollin Strategies
Supervisor Perez’ Office
Supervisor Perez’ Office
CVWD
IID
County of Imperial
Torres Martinez
Riverside County
Comité Cívico del Valle
Comité Cívico del Valle
Coachella Valley Waterkeeper
Pinnacle Forum Coachella Valley
Riverside County

IV. DISCUSSION REGARDING STRATEGIC VISION

A. Introductions & Workshop Overview

1. Goals, Desired Outcomes, Ground Rules

Salton Sea Authority GM/Executive Director Phil Rosentrater opened the session.

Salton Sea Authority Counsel Robert Hargreaves, of Best Best & Krieger, explained the difference between a regular board meeting and a workshop. He further assured that public comment would be invited if the board were to take up any action items and at the end of the meeting if there were time.

Facilitator Debra Williams, President of Higher Ground International management consulting firm, provided an overview of how the participants would work together (different from a regular board meeting), and explained the strategic planning process. The goal of the session is to develop a three-year plan with objectives, milestones, and a timeline. The decision-making process for strategic planning was consensus rather than a vote. Her definition of consensus: “You may not agree with it, but you can live with it, and when you walk out the door you can support it.”

B. Review of SSA strategic vision and key consensus actions

Phil Rosentrater, SSA GM/Executive Director, shared SSA's strategic vision and key consensus points via PowerPoint: SSA's Guiding Principles, AB 71 (Perez), consensus on benefits of a stable shoreline, success in securing state and federal policy changes and major funding, plus historic support for the Perimeter Lake among the SSA, and all counties, cities and tribes in the watershed.

C. Policy & Procurement: Status of current challenges & opportunities

1. Federal (Lisa Moore, Cultivating Conservation)

Ms. Moore reviewed her role in Federal affairs to benefit the Salton Sea, including work in EPA, USDA, Army Corps of Engineers, and Dept of Interior. She noted that Congress has supported Salton Sea Authority's efforts when it is clear that the SSA members are united.

** Director Santillanes arrived at 12:56 p.m. during Lisa Moore's talk.*

2. State (Oracio Gonzalez, Ollin Strategies)

Mr. Gonzalez reported on his discussion with the state regarding the release of \$30 M in Prop 68 Bond funds approved by California voters for allocation to SSA. State wants SSA to provide a vision document – a detailed outline of what the Authority would be doing with the \$30M. An initial draft was provided to Resources. The state further stated:

- The spending has to be specific to capital outlay. A fresh draft will be provided that is more specific to capital outlay.
- SSA must provide detail on what they will do with the \$10M for the New River.
- The State is considering a resiliency bond, with possible funds for the Salton Sea.
- The speaker of the assembly has made it clear that Assemblymember Eduardo Garcia's bill is the priority.

Discussion ensued.

The Chairman paused proceedings for a brief break

V. NEXT STEPS

A. Board discussion: Aligning policy and resources to leverage beneficial outcomes

As the meeting resumed after a break, the facilitator had the directors confirm whether they had a consensus on the SSA's Mission Statement (they did) and on the SSA's Guiding Principles (they did).

She then invited the directors to share their thoughts on externals - positive or negative - in the following areas that could - or do - impact forward motion. "What are the issues outside of SSA that could impact SSA?" And then "What could help or hurt our progress toward achieving our mission?"

Political Environment

Economic Factors (local, state, federal): “What are the things, related to the economy, that can impact SSA?”

Social/Societal Issues: “What are the social/societal issues – all the way to the national level – that can move you forward or stop progress?”

Technology*

Environment*

Legal*

Their suggestions were written on wall notes for later consideration/discussion.

*Discussion on these took place after the consideration of Next Step item on the state of emergency which Imperial County Supervisor Ryan Kelley requested to be taken out of order on the agenda ahead of the completed strategic planning workshop discussion.

40 minutes into this discussion, the chairman asked the facilitator to pause this line of process and redirect the discussion to agenda item V.B.3 – local recommendation for state of emergency – so Director Kelley, who had to leave soon, could participate in the discussion regarding local recommendation for state of emergency. The facilitator turned the discussion over to the chairman.

B. 3. Local Recommendation for State of Emergency

SSA’s GM/Executive Director introduced this item at the chairman’s request, then turned it over to Director Kelley who told of Imperial County’s Declaration of Emergency. He asked that Salton Sea Authority vote in support of the emergency declaration by Imperial County.

*Director Hanks made a **motion** to support Imperial County’s emergency declaration. **Seconded** by Director Santillanes.*

Discussion ensued with varying opinions.

Public comment was invited: Lupe Garcia, of the National Border Patrol Council, and JD Hamby, an Imperial County resident, encouraged the SSA to support Imperial County’s emergency declaration.

Counsel asked Director Kelley for clarification whether there were two declarations of emergency – one on the Salton Sea and one on the New River – and whether both were to be included in the motion. Director Kelley confirmed that there were two declarations of emergency. He asked to have the Salton Sea emergency agendized, and did not ask for the New River; but since Director Hanks included it, he feels it is appropriate to include both in the motion.

*After further discussion, Director Perez made a **motion** to substitute another motion in the place of the first motion. **Second** by Director Estrada. **Passed**, with Director Hanks opposed.*

*Director Perez then made a **motion** to table the vote until the December 19 Board meeting at which time the SSA directors will vote in support of the emergency*

*declaration if the state still has not responded, has responded in the negative, or still has this on hold. **Seconded** by Director Estrada. **Carried** with none opposed.*

** Director Kelley left at 3:00 p.m.*

A. Board discussion resumed: “Aligning policy and resources to leverage beneficial outcomes”

Resuming the earlier discussion, with only 30 minutes of meeting time remaining, the facilitator advised the participants that they would not be able to finish the strategic planning process today. She recommended that they go as far as they could, and then the participants would have to decide how they want to proceed.

The discussion, which had paused at the topic of “Social”, resumed with “Technology”:

Technology: How can technology help or hurt your efforts? Is there any technology you can use to help clean up (the Sea)?

Environmental: What are the environmental issues that are taking place right now or that you see coming down the pipeline that can impact the work that you’re doing at the Salton Sea Authority?

Legal: What are some possible legal issues that could impact the SSA positively or negatively?

The next step would be the SWOT analysis:

Strengths

Weaknesses

Opportunities

Threats

The facilitator stopped the process at this point. Normally the SWOT analysis would be next, then identify what key areas they want to focus on for the next three years, and define goals and objectives, but insufficient time remained, so she asked their direction.

Chairman Estrada recommended that they get into the discussion of what their priorities are as relates to funding, strengths they might go after, prioritization of projects, how to determine which projects to prioritize.

The participants engaged in discussion for the time remaining.

B. Consideration of Strategic Plan Recommendations for Action

1. Federal Recommendations (no time to discuss)
2. State Recommendations (no time to discuss)
3. Local Recommendation for State of Emergency (discussed earlier in the meeting)

In closing, Ms. Williams, facilitator, suggested priorities to work on - from notes of earlier discussions and presentations:

- Identify and prioritize the current federal and state funding opportunities
- Identify SSA's role versus California's role (who's supposed to do what?)
- Define expectations of water quality by area and by agency
- Revisit SSA's mission statement
- Add some core values

VI. PUBLIC COMMENT (if time permits)
(out of time - see public comments in item V.B.3)

VII. ADJOURNMENT

SSA's GM/Executive Director announced that the facilitator had agreed to come back to the December 19 board meeting to provide a synopsis of this session.
The meeting ended at 3:37 p.m.

DRAFT

Checking Account Activity

October 1, 2019 through October 31, 2019



Warrant Date	Warrant Number	Vendor Name	Amount
		Beginning Cash	\$ 700,039.55
10/03/2019	EFT	Visa Payment	(982.90)
10/17/2019	EFT	AMEX Payment	(7,622.54)
10/17/2019	EFT	Verizon Wireless	(535.76)
10/21/2019	1019	ACWA	(5,060.00)
10/21/2019	1020	Best, Best & Krieger	(2,019.96)
10/21/2019	1021	Bravata, Lisa	(114.83)
10/21/2019	1022	CSDA	(1,446.00)
10/21/2019	1023	Cultivating Conservation	(5,403.74)
10/21/2019	1024	OfficeTeam	(7,272.00)
10/21/2019	1025	Ollin Strategies	(10,000.00)
10/21/2019	1026	Rosentrater, Phil	(504.60)
10/21/2019	1027	SystemGo IT LLC	(699.50)
10/21/2019	1028	V John White & Associates	(4,000.00)
10/22/2019	Deposit	FY19-20 Member Contributions - COI	150,000.00
10/23/2019	10-23	Verizon Wireless	(267.97)
		Net Activity	104,070.20
		Ending Cash	\$ 804,109.75

Checking Account Activity

November 1, 2019 through November 30, 2019



Warrant Date	Warrant Number	Vendor Name	Amount
		Beginning Cash	\$ 804,109.75
11/18/2019	EFT	AMEX Payment	(6,677.42)
11/20/2019	1029	Fantasy Springs Resort & Spa	(1,000.00)
11/25/2019	1030	Best, Best & Krieger	(6,113.10)
11/25/2019	1031	Davis Farr LLP	(3,000.00)
11/25/2019	1032	OfficeTeam	(10,928.99)
11/25/2019	1033	Ollin Strategies	(5,000.00)
11/25/2019	1034	RivCo EDA	(25,000.00)
11/25/2019	1035	SystemGo IT LLC	(699.50)
11/25/2019	1036	V John White & Associates	(4,000.00)
11/25/2019	EFT	Verizon Wireless	(267.97)
11/26/2019	1037	Cultivating Conservation	(5,720.98)
11/26/2019	1038	Fantasy Springs Resort & Spa	(67.25)
11/26/2019	1039	Ollin Strategies	(5,000.00)
		Net Activity	(73,475.21)
		Ending Cash	\$ 730,634.54

Salton Sea Authority
Statement of Revenues, Expenditures, and Fund Balance
(Unaudited)

Year to Date through October 31, 2019

	General Fund	Wetlands 2	NSBYC Grant	TOTAL
1 INCOME				
2 Local Government/Member Assessments	\$ 610,000	\$ -	\$ -	\$ 610,000
3 Grant Funding	-	-	-	-
4 State of California Grants	-	-	-	-
5 Pooled Cash Allocated Interest	1,508	-	-	1,508
6 Miscellaneous Revenue	240	-	-	240
7 TOTAL INCOME	611,748	-	-	611,748
8 EXPENSE				
9 SSA Administration				
10 Salaries				
11 Salaries - GM / Executive Director	34,554	-	901	35,455
12 Grant Support	25,470	-	-	25,470
13 Admin Support A	16,303	-	63	16,366
14 Admin Support B	11,387	-	-	11,387
15 Total Salaries	87,714	-	964	88,678
16 Employee Benefits				
17 Employee Benefits - GM / Exec. Dir.	10,575	-	270	10,846
18 Employee Benefits - Other SSA Staff	16,925	-	35	16,960
19 Total Employee Benefits	27,501	-	305	27,806
20 Audit/Accounting	4,806	-	-	4,806
21 Contract Attorney	7,175	-	-	7,175
22 Equipment Maintenance	2,099	-	-	2,099
23 Capital Equipment	-	-	-	-
24 Equipment Lease	88	-	-	88
25 Insurance	3,215	-	-	3,215
26 Office Exp/Operating Supplies	763	-	-	763
27 Office Exp/Online Services	316	-	-	316
28 Postage, Mail	226	-	-	226
29 Printing Services	-	-	-	-
30 Dues, Subscriptions	5,223	-	-	5,223
31 Communications	1,330	-	-	1,330
32 Travel/Mileage	32,188	-	-	32,188
33 Technical Support - Consultant	-	-	-	-
34 Technical Support - Engineering	-	-	-	-
35 Technical Support - General	-	-	-	-
36 Contract Svc / Website	-	-	-	-
37 Technical Support - Enviromental	-	-	-	-
38 Technical Support - Fiscal	-	-	-	-

Salton Sea Authority
Statement of Revenues, Expenditures, and Fund Balance
(Unaudited)

Year to Date through October 31, 2019

	General Fund	Wetlands 2	NSBYC Grant	TOTAL
39 Communications & Outreach	1,500	-	-	1,500
40 Utilities	-	-	-	-
41 Grants & Advocacy	35,604	-	-	35,604
42 Project Manager	-	-	-	-
43 Total SSA Administration	209,746	-	1,269	211,015
44 Wetlands Grant Administration				
45 Contract Svcs/Attorney	-	114	-	114
47 Total Wetlands Grant Administration	-	114	-	114
48 Wetlands Grant Technical				
49 Contract Svcs/LCP	-	-	-	-
50 Contract Svcs/Construction	-	-	-	-
51 Transfer In/Out Grant Administration	3,724	-	-	3,724
52 Total Wetlands Grant Technical	3,724	-	-	3,724
53 TOTAL EXPENSE	213,470	114	1,269	214,853
54 NET INCOME	\$ 398,278	\$ (114)	\$ (1,269)	\$ 396,895

**No assurance is provided on these financial statements. The financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the U.S. are not included.*

Salton Sea Authority
Balance Sheets
(Unaudited)

As of October 31, 2019

	General Fund	Wetlands 2	702 Fish Clean Up Trust	NSBYC Grant	TOTAL
1 ASSETS					
2 Local Government/Member Assessments					
3 Checking/Savings					
4 Cash - PW Checking	786,039	(2,920)	20,991	-	804,110
5 Cash - Money Market	-	-	-	-	-
6 Cash - RivCo Fund	43,672	-	-	(97)	43,575
7 RivCo investment fund	4,115	-	-	-	4,115
8 Cash - Petty Cash	321	-	-	-	321
9 Total Checking/Savings	<u>834,147</u>	<u>(2,920)</u>	<u>20,991</u>	<u>(97)</u>	<u>852,120</u>
10 Other Current Assets					
11 Prepaid Items	7,841	-	-	-	7,841
12 Total Other Current Assets	<u>7,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,841</u>
13 TOTAL ASSETS	<u>841,987</u>	<u>(2,920)</u>	<u>20,991</u>	<u>(97)</u>	<u>859,961</u>
14 LIABILITIES & EQUITY					
15 Liabilities					
16 Current Liabilities					
17 Accounts Payable	25,000	-	-	-	25,000
18 Credit Cards					
19 Credit Card Payable (Visa)	442	-	-	-	442
20 Credit Card Payable (AE)	19,467	-	-	-	19,467
21 Total Credit Cards	<u>7,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,142</u>
22 Other Current Liabilities					
23 Accrued Expenditures	11,328	-	-	1,172	12,500
24 Accrued Payroll	3,685	-	-	-	3,685
25 Accrued Vacation	6,852	-	-	-	6,852
26 Total Other Current Liabilities	<u>21,865</u>	<u>-</u>	<u>-</u>	<u>1,172</u>	<u>23,037</u>
27 Total Current Liabilities	<u>54,007</u>	<u>-</u>	<u>-</u>	<u>1,172</u>	<u>55,179</u>
28 Total Liabilities	<u>54,007</u>	<u>-</u>	<u>-</u>	<u>1,172</u>	<u>55,179</u>
29 Equity					
30 Fund Balance	389,702	(2,806)	20,991	-	407,887
31 Net Income	398,278	(114)	-	(1,269)	396,895
32 Total Equity	<u>787,980</u>	<u>(2,920)</u>	<u>20,991</u>	<u>(1,269)</u>	<u>804,782</u>
33 TOTAL LIABILITIES & EQUITY	<u>\$ 841,987</u>	<u>\$ (2,920)</u>	<u>\$ 20,991</u>	<u>\$ (97)</u>	<u>\$ 859,961</u>

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: December 19, 2019
Re: **Approval of SSA Legislative Platform for 2020: Federal and State**
CM No. **VIA – 12-19-2019**

GENERAL:

The Salton Sea Authority has effectively achieved significant results from its Board-approved legislative agenda in the past four years. The draft platform proposed for Board consideration in 2020 builds upon these advancements and remains consistent with the SSA Board-adopted Vision and Guiding Principles for Legislative Action.

The platform is intended to serve as a dynamic guide to SSA Board and staff alike in shaping favorable outcomes for the SSA in legislative policies and procurement priorities at federal and state levels. The draft 2020 Legislative Platform has been circulated previously to SSA member agencies for input and is presented as a staff consensus document for SSA Board consideration.

Upon approval of this draft platform, SSA staff in coordination with member agencies will continue to advocate its position on public policy issues in a unified manner. Under the direction of the Board, staff from the member agencies will closely monitor state and federal legislative proposals, executive actions and overall public policy initiatives that may have a direct impact on Salton Sea restoration efforts.

RECOMMENDATION:

The Salton Sea Authority Staff recommends that the Salton Sea Authority Board approve the 2020 Legislative Platform and authorize staff to take prudent action as needed in order to advance a unified and well-coordinated development of state and federal policies consistent with the SSA Board-approved Vision and Guiding Principles for Legislative Action.

Respectfully submitted,

Phil Rosentrater
GM/Executive Director

Salton Sea Authority

2020 Legislative Platform

Background:

SSA is a joint powers agency comprised of: Coachella Valley Water District, Imperial Irrigation District, Riverside County, Imperial County and the Torres Martinez Desert Cahuilla Indians. The Salton Sea Authority (SSA) is empowered under state law (AB 71 – Perez) to work in cooperation with the California Natural Resources Agency to ensure the beneficial uses of the Salton Sea.

The SSA closely monitors and provides comment on state and federal legislative proposals that may have a direct impact on Salton Sea management and revitalization efforts.

The Salton Sea is the largest inland sea in California. The 365-square mile lake is a shallow, increasingly saline terminal lake sustained by agricultural discharges from highly productive farmlands that produce more than \$2 billion annually in agricultural commodities. Tourism in the watershed generates an additional \$6 billion in annual revenues. The Sea provides significant habitat for birds, with an estimated 420 species relying upon the Sea, as well as habitat for several state and federally listed species.

The Salton Sea is impacted by rising salinity as well as changes in runoff from irrigated agriculture (supplied by Colorado River water). Legal agreements to provide conserved water to Southern California urban users in order to enable the state of California to live within its legal entitlement to Colorado River water has significantly reduced flows to the Sea, and if left unaddressed, nearly 100 square miles of dry lake bed will be exposed, resulting in diminished habitat, significant air quality problems and a damaged economy. Areas downwind from the Sea are already suffering from severe non-attainment for PM 10 under the Clean Air Act. These areas suffer the highest rates of childhood asthma in California, with emergency room admissions for children under four years of age roughly twice the state average.

In accord with the conserved water agreements, flow of mitigation water to the Sea was terminated at the end of 2017, accelerating the Sea's decline. Tens of millions of citizens downwind from the Sea could be impacted by dust blown from the playa into densely urbanized areas throughout Southern California (see attached map of actual AQ impacts in SoCal from the Salton Sea).

Further, conserved water agreements are currently being considered under Drought Contingency Plan (DCP) federal-state-water user negotiations to improve national and international water supply reliability of the Colorado River system, further impacting the economic and ecological health of the Sea including the human populations and migratory birds of the Pacific Flyway. DCP will be followed by negotiations beginning in 2020 among these same parties to develop a longer-term agreement concerning the management and operation of Colorado River reservoirs which could impact the Salton Sea.

The Salton Sea Authority and its partner agencies, working with state and federal counterparts, have achieved unprecedented progress in recent years with the State launching a draft Salton Sea Management Program (SSMP) 10-year plan with achievable projects with feasible designs, realistic budgets. This minimalist plan falls far short of what the ultimate objectives need to be for revitalization of the Sea areas impacted by the QSA. However, it is at least a consensus path forward that outlines the objectives and funding estimated for the state to begin to meet its obligations.

Coupled with the SSMP is a stipulated State Water Board Order between the State and the parties of the QSA establishing accountable performance to implement the SSMP. The SSA, along with every county, city, water agency and tribe in the Salton Basin, are united in supporting a Perimeter Lake strategy that will accomplish all of these State obligations in a manner that builds opportunity for economic development that can help sustain a healthier, more prosperous Sea.

Ultimately the Salton Sea Authority and its partners have helped bring about this plan through painstaking consensus building. It is not a perfect plan, but it is finally a plan with real projects with real designs, permits and funding. Now that an actionable plan exists, the effort to procure funding for this plan and its projects now becomes much more achievable. The funding of this plan was significantly bolstered by \$200 million due with the passage of proposition 68 in June 2018. The following SSA legislative platform for 2020 outlines the objectives and actions necessary to advance toward a smaller but healthy and prosperous Salton Sea in cooperation and consultation between the SSA and its local, regional, state and federal partners.

Federal Priorities

Federal Government and the Salton Sea

- The Federal government has major responsibilities and important federal interests in the Salton Sea and surrounding region. The Department of the Interior owns roughly 40 percent of the Salton Sea and has been directed to develop Sea management plans

by Congress in 1992 and 1998. Interior manages the Sonny Bono National Wildlife Refuge, which occupies 35,000 acres at the Salton Sea's south end. Interior interests include tribal trust responsibilities associated with the Torres Martinez Desert Cahuilla Tribe reservation, which occupies 5,000 acres of the Salton Sea's north end.

- The Army Corps of Engineers is the lead permitting authority for Salton Sea management projects, and has been directed by Congress to develop sea restoration projects in 2007 and 2016.
- The Department of Agriculture has developed conservation pilot projects in the Salton Sea region in partnership with SSA and has been provided the financial resources and authority by Congress in the 2018 Farm Bill to expand this work to scale.
- The Department of Defense manages the 357 square mile Chocolate Mountain Aerial Gunnery Range located directly to the east of the Salton Sea, which is one of the most heavily used and important aerial gunnery ranges in the West used by the Marines and Navy.
- Interior entered into a Memorandum of Understanding with the state of California in 2016 in order to accelerate and advance SSMP implementation, whereby Interior committed to provide additional funding to support SSMP, to develop a multi-year federal funding partnership with USDA, to develop a federal funding plan for the Salton Sea across federal agencies, and to abide by federal environmental laws at the Salton Sea.
- As part of the Colorado River system, the Salton Sea may be impacted by changes in the federal government's Colorado River reservoir management and operational decisions. Federal environmental reviews conducted in 2007 regarding the environmental impacts of those operations did not evaluate Salton Sea impacts.
- SSA fully and strongly supports maintaining federal environmental protections for the Salton Sea which require that the impacts of changes in the operation and management of Colorado River reservoirs on the Salton Sea be analyzed, avoided and mitigated by the federal government in advance of such changes in reservoir management and operations, and such mitigation costs should be borne by the federal government.
- SSA strongly supports the 2016 MOU commitments made by the Department of the Interior and will work to support federal funding efforts that would facilitate the meeting of these commitments.

United States Department of Agriculture (USDA) Partnerships

- The SSA member agencies are situated in a major agricultural region and the Sea itself is sustained by agricultural drainage flows from roughly 600,000 acres of prime irrigated agricultural land supplied by Imperial Irrigation District (IID) and Coachella Valley Water District (CVWD). Diminishing drainage flows to the Sea have a negative impact on the air quality and habitat values surrounding the Sea, and threaten the sustainability of an agricultural region which generates over \$2 billion annually in agricultural commodities.
- SSA supports efforts to secure a greater portion of USDA's \$6 billion annual mandatory conservation funding by expanding the current partnership's activities to the Salton Sea playa; this would provide a more comprehensive federal-state-local conservation partnership which could be scaled appropriately to the challenge.
- SSA succeeded in accomplishing this objective in its 2018 Farm Bill work, modifying multiple USDA conservation authorities that combined provide roughly \$4.5 billion in conservation assistance annually, and increasing overall conservation program funding in the bill by \$2.6 billion (over five years).
- Recognizing the critical importance of Sea restoration to this agricultural region, USDA approved the Salton Sea Regional Conservation Partnership Program (RCPP) to address habitat, water quality and air quality issues on agricultural land surrounding the Sea. A \$7.5 million RCPP partnership agreement was secured through the SSA as lead agency with USDA for this purpose in 2016.
- SSA and CNRA also worked to secure the reinstatement of USDA's Watershed Protection and Flood Prevention Act (PL 566) program in 2016 and worked to expand the program in the 2018 Farm Bill. This program is highly compatible with the type of work called for in SSMP, but the program budget had been zeroed out by Congress in 2010.
- After working to reinstate the program in Congress, SSA worked with CNRA to successfully secure USDA approval for providing cost-share assistance from this program to the Species Habitat Conservation Project (SCH) in 2017. This means that USDA has already given its approval for the use of the Watershed Act for SSMP projects at the Salton Sea. In the 2018 Farm Bill, SSA advocated for and successfully secured an additional \$50 million per year into this program in mandatory funding, and authorized USDA to use RCPP's \$300 million per year in funding for Watershed Act projects – accordingly the total funding authority for the Watershed Act authority

is \$500 million per year. SSA engaged in this advocacy to increase the total amount of funding for this program, since the Sea had been approved by USDA to secure assistance through it.

- SSA strongly encourages CNRA to expeditiously utilize the \$600,000 in Watershed Act funding provided by USDA to CNRA in late 2017 to complete a watershed plan for the entire SSMP. SSA recently supported and helped to secure an extension for CNRA to do this work by 2020. A watershed plan is an environmental assessment and is required to be completed before USDA will approve cost-share construction funding under the Watershed Act. This plan can be contracted out by CNRA and completed within a year. This would make SSMP projects eligible for construction funding from the Watershed Act, which is now a robust source of USDA funding due to SSA advocacy. The Watershed Act has no per project funding limit. It is very well suited to work on the Salton Sea playa.
- SSA supports the use of the new Drought Conservation Reserve Program (Drought CREP) authority it helped to secure in the 2018 Farm Bill at the Salton Sea. Drought CREP agreements may be undertaken with SSA, a state, tribe or other governmental entity in partnership with USDA. This authority was created in part to allow a Salton Sea partner to negotiate an agreement with USDA to partner on dust control measures on the Salton Sea playa. Such agreements are negotiated at the discretion of USDA. There is no application process.
- SSA also secured authority in the 2018 Farm Bill within the Environmental Quality Incentives Program (EQIP) to target EQIP funding to watershed-wide projects to address fish and wildlife habitat concerns and drought mitigation. SSA supports working with USDA to ensure that the rules for this new authority maintain the eligibility of the Salton Sea for this funding.
- SSA supports Senator Feinstein's EQIP Air Quality Initiative, which was successfully reauthorized in the 2018 Farm Bill and increased from \$25 million per year to \$37.5 million per year. Growers in the Imperial and Coachella valleys receive funding from this program to cost share on practices which minimize air quality impacts from agricultural operations. This additional funding was sought by SSA to better support these grower efforts in the Salton Sea watershed.
- SSA supports federal interagency cooperation and coordination between the Department of the Interior and the Department of Agriculture to ensure deployment of the federal funds in partnership with the state and SSA, in order to maximize opportunities for the federal government to address its public trust responsibilities at the Sea.

ACTION:

- *The SSA will work to ensure USDA implements these 2018 Farm Bill authorities consistent with congressional intent that they be deployed to facilitate the federal government's partnership commitments at the Salton Sea under the 2016 MOU.*
- *SSA will cooperate and consult with state and federal partners to continue to coordinate effective deployment of funding from the USDA (as provided in the 2018 Farm Bill) in a coordinated manner that maximizes beneficial outcomes for all parties concerned.*
- *Consistent with MOU Implementing One Federal Decision under EO 13807, the SSA supports actions to enhance federal interagency working group cooperation in a manner that expedites action at the Salton Sea benefiting all parties concerned.*

United States Army Corps of Engineers (Corps)

- SSA advocates for and supports Senator Feinstein's efforts to ensure the expedited permitting and environmental reviews (which are provided for within federal environmental laws and consistent with them) of SSMP projects and Salton Sea dust mitigation work to ensure that this important work is not delayed by federal permitting requirements.
- SSMP Species Conservation Habitat (SCH) is the subject of a National Environmental Policy Act (NEPA) environmental impact statement (EIS) and fully reviewed and permitted under the Endangered Species Act and Clean Water Act. SSA advocated that the Corps tier its environmental reviews for the remainder of SSMP off this existing documentation rather than require an EIS for each or remaining SSMP projects. Based on this advocacy, the Corps adopted an environmental assessment approach to SSMP which should significantly reduce the time required for such reviews.
- SSA supports federal funding and cooperation with the Army Corps of Engineers. \$30 million in federal funding for Salton Sea revitalization was authorized in 2007 under the federal Water Resource Development Act (WRDA), but never appropriated even though it has been included in past Administration budgets for the Corps.
- A renewed authorization for this \$30 million for the Salton Sea was included in the December 2016 passage of WRDA legislation (*S. 612 WIIN Act*). The law extends broad authorization for full Army Corps participation in watershed level planning at

the Salton Sea, and specifically designates the SSA as the preferred nonfederal partner for the funding agreements to be established with the Corps.

- SSA supports the Corps Tribal Partnership Program (TPP), a program with existing funding available to conduct feasibility planning in coordination with SSA and specifically as requested by tribes that hold property in and around the Sea. The SSA will continue to provide Letters of Interest in partnership with interested tribes at the Sea in order to activate this Army Corps program in coordination with SSA and partners, especially the tribes.

ACTION:

- *Facilitate federal engagement in Corps permitting matters to ensure that SSMP and dust mitigation programs are not delayed. Coordinate watershed planning between the Corps, State and other federal entities.*
- *Renew the LOI to the Army Corps for TPP and establish an MOU between the SSA and interested tribes in and around the Sea pursuant to engaging the Corps in feasibility planning.*
- *Consistent with MOU Implementing One Federal Decision under EO 13807, the SSA supports actions to enhance federal interagency working group cooperation in a manner that expedites action at the Salton Sea benefiting all parties concerned.*
- *Engage with the Corps and key Congressional members to explore potential Corps ecosystem restoration projects that would benefit the Salton Sea and all parties concerned.*

Bureau of Reclamation (BOR) Partnership

- SSA supports strong interagency cooperation between the BOR as a major federal landowner with public trust responsibilities at the Sea – in consultation with SSA and its member agencies and the State
- The CNRA and the Department of the Interior signed an MOU for the Salton Sea in 2016 that included several Interior commitments to develop federal funding sources, to work with USDA, to provide \$30 million in Interior funding, and to follow federal environmental laws at the Sea. SSA strongly supports the fulfillment of these Interior commitments.
- The SSA initiated an MOU with Interior in February 2014. The MOU signed by Interior (plus all sub-agencies) calls for sharing of information and expertise, with close cooperation and collaboration between SSA and Interior and its sub-agencies on

matters relevant to the improvement of conditions at the Sea. In particular, the MOU called for cooperation in planning for rights of way, easements, and land exchanges necessary to expedite mutually beneficial projects at the Sea.

- SSA supports federal interagency cooperation and coordination between the Department of the Interior (with BOR in liaison role) and the Department of Agriculture to ensure deployment of the federal funds in partnership with the state and SSA, to maximize opportunities for the federal government to address its public trust responsibilities at the Sea.

ACTION:

- *SSA will coordinate with Interior and sub-agencies, including BOR, in order to integrate federal interests and resources in joint funding, planning, design, construction and maintenance of projects, and to ensure Interior's progress towards the accomplishment of its 2016 MOU commitments.*
- *SSA will work to ensure Interior abides federal environmental laws, reviews and requirements associated with its role in managing Colorado River storage reservoir operations in order to protect the Salton Sea and surrounding communities, particularly in the context of regional drought control negotiations and efforts.*
- *Consistent with MOU Implementing One Federal Decision under EO 13807, the SSA supports actions to enhance federal interagency working group cooperation in a manner that expedites action at the Salton Sea benefiting all parties concerned.*

Environmental Protection Agency

- SSA supported the enactment of the Water Infrastructure Finance and Innovation Act (WIFIA) in 2014, which provided for low-interest, flexible financing for water infrastructure projects.
- In 2016, SSA requested that Senator Boxer modify WIFIA to provide that financing could be provided under the program for ecosystem projects and drought mitigation work, and those changes were enacted into law. SSA also engaged with Rep. Calvert, senior member of the House Appropriations subcommittee overseeing EPA's budget, and WIFIA was provided its first federal appropriations in 2016.
- SSA worked with CNRA to apply for financing for SSMP work in 2017. EPA was favorably disposed to affording federal financing for SSMP, but provided that project advocates (SSA, CNRA) needed to develop a more assured payback mechanism for the loan.

- SSA agencies efforts to develop Enhanced Infrastructure Finance Districts would provide such a payback mechanism.
- SSA supports the usage of WIFIA's low-cost loans for projects at the Sea. Funding for EPA WIFIA was increased to over \$60 million in recent years. This gives EPA \$6 billion in lending authority, which could be tapped for work contemplated in the SSMP.
- EPA also supports water infrastructure projects on both sides of the U.S.-Mexico Border to improve water quality in the New River through EPA's U.S.-Mexico Border Water Infrastructure Program. Senator Feinstein, Rep. Vargas, and other members of the California Congressional delegation have been strong supporters for the program.
- Although the Border Water Infrastructure Program was initially funded at \$100 million per year, over time its annual appropriations fell to below \$10 million. In fiscal year 2019, it was funded at \$15 million.
- SSA supports investments that improve water quality in the New River, which flows across the border from Mexico and into the Salton Sea.

ACTION:

- *Work to develop projects such as the Perimeter Lake concept that create a viable payback mechanism with a view toward a future WIFIA application in consultation with EPA.*
- *Consistent with MOU Implementing One Federal Decision under EO 13807, the SSA supports actions to enhance federal interagency working group cooperation in a manner that expedites action at the Salton Sea benefiting all parties concerned.*
- *Support increased funding for EPA's Border Water Infrastructure Program and investments in projects that improve water quality in the New River, the Salton Sea, and benefit all parties concerned.*

Federal/Local Government revenue sharing on Energy/ Mineral extraction

- SSA supports the development of local resources provided there is appropriate compensation to the impacted communities, as called for in the SSA's board-adopted Guiding Principles for Legislative Action.
- SSA supports revenue sharing agreements that are mutually acceptable to all concerned, along with legislation that will enable such arrangements. Cooperative

ventures between the federal government and the mineral rich counties in the Salton Sea region may offer opportunities to equitably address federal and local priorities with new resources.

- SSA supported *S. 32 (Feinstein) - California Desert Protection and Recreation Act of 2017* and other similar legislation as it aligns with SSA goals to incorporate revenue sharing as part of Salton Sea revitalization funding strategy.

ACTION:

- *Monitor status of relevant legislation and provide appropriate advocacy.*

State Priorities

Drawing Down State Funding

- SSA worked with Assemblymember Garcia, Joint Author of SB 5, the California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for all Fund (“Proposition 68” or “The Parks Bond”) to develop and include the language of Section 80110(a), making \$30 million available to the Salton Sea Authority for capital outlay projects that provide air quality and habitat benefits and that implement the Natural Resources Agency’s Salton Sea Management Program (SSMP), including \$10 million dollars for purposes consistent with the New River Water Quality, Public Health, and River Parkway Development Program.
- In the fall of 2019, SSA began meeting with the Natural Resources Agency to develop a plan outlining SSA’s vision for the \$30 million, including a schedule, scope and cost analysis of the projects it will fund with the \$30 million. The Resources Agency has committed to supporting the appropriation of these dollars to the SSA as part of the 2020-2021 State Budget.

ACTION:

- *Finalize plan outlining SSA’s vision for the \$30 million and provide to the Natural Resources Agency.*
- *Request that the Resources Agency include the appropriation of \$30 million under Section 80110(a) of the Parks Bond to the SSA as part of the Agency’s request to the Governor for the 2020-2021 State Budget.*
- *Arrange meetings with members and staff of the Assembly Budget Subcommittee on Resources (Sub 3) and the Senate Budget Subcommittee on Resources (Sub 2) to*

request the budget request be agendized and passed with language prioritizing projects that provide recreational deep water habitat.

Resiliency Bonds

- The legislature is likely to pass legislation in 2020 placing a minimum \$4 billion bond before voters to finance investments that make the state more resilient to the effects of climate change. At present, there are two bonds working their way through the legislature: SB 45 by Senator Ben Allen (D- Santa Monica), and AB 352 by Assemblymember Eduardo Garcia (D- Coachella Valley) and each proposal provides funding for the Salton Sea. Specifically:
 - SB 45: Allocates \$185 million to the Natural Resources Agency of which \$165 million would be used by the Resources agency for capital outlay and operations that provide air quality and habitat benefits and that implement the Salton Sea Management Plan. The remaining \$20 million will be available to the SSA for the New River Water Quality, Public Health, and River Parkway Development Program.
 - AB 352: Allocates \$185 million to the SSA, of which \$175 million would be used for capital outlay projects that provide air quality and habitat benefits and that implement the Salton Sea Management Plan, with the remaining \$10 million for the New River Quality, Public Health, and River Parkway Development Program.
- The inclusion of “operations” as an eligible funding category in SB 45, as well as AB 352’s allocation of substantial investment directly to the SSA presents an opportunity for SSA to propose broadening the language in the bonds to include funding for permanent project management staff, office space, as well as creating a source of matching dollars the SSA could pair with federal programs to increase investment at the Sea.

ACTION:

- *Propose language to Assemblymember Garcia and Senator Allen requesting the following: raise the overall allocation to the Natural Resources Agency for Salton Sea expenditures to a minimum \$300 million to be appropriated as follows: \$230 million would be used by the Resources agency for restoration activities identified in the Salton Sea Management Program Phase I: 10 Year Plan, dated March 2017, the final management plan report, and any subsequent revisions to this plan; \$50 million would be available to the SSA for capital outlay projects and operations that provide air quality and habitat benefits and that implement the Natural Resources Agency’s*

Salton Sea Management Program, as well as permanent staff for the SSA pursuant to the SSA Board approved staffing plan including project management, engineering, scientific, legal and community engagement,

Reframe Governance Conversation

- SSA supports the discussion and evaluation of enhancing efficiency through a reformed governance structure. This discussion was started with the introduction of SB 1277 (Hueso), and later SB 1365 (Hueso). Last year, Assemblymember Garcia furthered the discussion with the introduction of AB 1657, a measure that is currently before the State Senate. Each of these measures attempted to address the day to day management of the Salton Sea and the need for permanent, dedicated staff to provide that capacity. The approach of the bills was to create a new state office to provide this function. While the SSA was cooperating on the bills, there is an opportunity to reframe this discussion to focus on the need to build out the capacity of the SSA using existing funds from the Natural Resources Agency.
- During several meetings convened by Assemblymember Garcia with senior Natural Resources Department staff, including Secretary Crowfoot, the Department has been clear that they are prepared to move existing resources to SSA. At the same time, it has been made clear that existing bond resources cannot be used to fund non-capital project staff needs of the SSA, including the staffing plan approved by the SSA as part of the 2020FY SSA budget.

ACTION:

- *Work with member agencies to request that the Natural Resources Department, pursuant to the restrictions on existing bond funding and the need for dedicated staff to monitor the day to day implementation of Salton Sea restoration activities, advance the SSA \$425,000 to build out the capacity of the SSA pursuant to the staffing plan approved by the SSA on June 27, 2019, including project management, engineering, environmental, fiscal, community & outreach, technical support (general) and technical support (consultant).*

Renewable Energy Development

- The SSA supports development of all renewable energy resources at the Salton Sea in order to provide potential revenue streams to help fund revitalization projects and activities.

- SSA supports efforts to promote geothermal energy development in the Salton Sea Known Geothermal Resource Area (estimated to potentially generate 2,000 MW of carbon-free baseload power).
- SSA supports policies that encourage recovery of valuable minerals in geothermal brine.
- SSA supports efforts to develop new revenue streams from creation of carbon negative biofuels with resources at the Sea that have previously been considered waste (green waste, biosolids, algae) but which, if properly harnessed, provide a cleaner environment and new revenue streams for projects at the Salton Sea.

ACTION:

- *Monitor and support bills that can drive progress in developing these resources for beneficial impact at the Salton Sea.*

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: December 19, 2019
Re: Amendments to Update the Salton Sea Authority Procurement Policies
CM No. VLB – 12-19-2019

BACKGROUND:

On May 3, 2000, the Board of Directors adopted the Salton Sea Authority Procurement Policies (the “Policy”). The Policy provides the practices and policies governing the procurement of services, supplies, and construction for the Salton Sea Authority and is the written rules and regulations required by Government Code section 54202. Pursuant to the Salton Sea Authority’s JPA, its authority for procurement of services, supplies, and construction falls under the Coachella Valley Water District’s (“CVWD”) rules and regulations for procurement. A copy of the Policy is attached hereto as Exhibit “A”.

Recently, Salton Sea Authority staff looked into the feasibility of contracting with previously pre-qualified firms to save both time and money for upcoming Salton Sea Authority projects. This is known as “piggybacking”. “Piggybacking” allows public agencies to “piggyback” on contracts that have already been competitively bid and awarded by other public agencies. In effect, the public agencies that competitively bid the services perform procurement services and then all other public agencies can utilize those services without having to go through the same procurement process. These types of services are allowed by CVWD and other local public agencies.

“Piggybacking” is not expressly authorized in the Policy and as a best practice, the Policy should be updated so that the Salton Sea Authority is given the express authorization to engage in “piggybacking”. At the same time, there is language in the Policy that should be updated including matching CVWD’s sealed bid limits for construction and exceptions to competitive procurement.

RECOMMENDATIONS:

The Salton Sea Authority Staff recommends that the Salton Sea Authority Board of Directors approve the amendments to the Policy attached in Exhibit “B”.

Respectfully,

Phil Rosentrater
GM/Executive Director

EXHIBIT “A”



PROCUREMENT POLICIES

Latest Adoption Date: May 3, 2000

1. **Avoid purchases of unnecessary or duplicative items.**
2. **Consolidate or break out procurements to obtain more economical purchases (consolidation or breaking out will be considered in light of competition in the market, administrative procurement costs, and other germane factors)**
3. **Consider Federal, State, Tribal and Local intergovernmental agreements for procurement or use of common goods and services when appropriate and when economy and efficiency can be fostered through such relationships.**
4. **Provide full and open competition whenever practicable.**
5. **Refrain from establishing unreasonable and excessive requirements and arbitrary action in the procurement process.**
6. **Document selection procedures.**
7. **The methods of procurement shall include procurement by small purchase procedures, by sealed bids, by competitive proposals or by noncompetitive proposals.**

The Board of Directors authorizes the Executive Director to develop and implement procurement procedures based on the procurement policies.



PROCUREMENT PROCEDURES

Latest Version: May 3, 2000

A. Applicability

The procedures are designed to effectuate the Authority's procurement policy. The procurement procedures specifically apply to awards greater than \$100,000. The procedure's spirit applies to all Authority procurements but is balanced with the need for flexibility and minimal administrative costs to procure less expensive goods and services. Grant funding sources may establish additional procurement requirements as a condition of acceptance.

B. Conflict of Interest

1. No employee, officer or agent of the Authority shall participate in the selection or in the award of a contract if a conflict of interest is involved. Such a conflict of interest could arise if:
 - i. the employee, officer or agent;
 - ii. his or her immediate family or partner or
 - iii. an organization which employees or is about to employ any of the above has a financial or other interest in the contractor selected for award.

Employees, officers or agents must comply with the Authority's Conflict of Interest Code. The Conflict of Interest code designates those employees, members, officers, and consultants who make or participate in the making of decisions which may affect financial interests, who must disclose those interest in financial disclosure statements, and who must disqualify themselves from making or participating in the making of the Authority's decisions affecting those interests. The Conflict of Interest Code further defines Conflicts of Interest.

C. Economical Purchases

1. Avoid purchase of unnecessary or duplicative items.
2. Consolidate or break out procurements to obtain more economical purchases (consolidation or breaking out will be considered in light of competition in the market, administrative procurement costs, and other germane factors)
3. Consider Federal, State, Tribal and Local intergovernmental agreements for procurement or use of common goods and services when appropriate and when economy and efficiency can be fostered through such relationships.

D. Competition

1. Procure in a manner providing full and open competition whenever possible and practicable.



2. Refrain from establishing unreasonable and excessive requirements and arbitrary action in the procurement process.
3. Document selection procedures, when applicable

E. Methods of Procurement

1. Procurement by small purchase procedures.

Applies to procurement methods for securing services, supplies or other property that do not cost more than \$100,000. Small purchase procedures are relatively simple and informal procurement methods. Where appropriate, price or rate quotations will be obtained from an adequate number of qualified sources.

2. Procurement by sealed bids.

Bids are publicly solicited and a firm-fixed-price contract is awarded to the responsible bidder who is the lowest in price and meets other selection criteria. The sealed bid method will be the preferred method for procuring construction. Bids will:

- i. be publicly advertised;
- ii. include any specifications and pertinent information and define the terms and/or services; and
- iii. be publicly opened.

3. Procurement by competitive proposals.

This method is generally used when seeking non-construction goods and services over \$100,000 in value but can be used in other conditions. Competitive procurement requirements include:

- i. request for proposals will be publicized and identify evaluation factors;
- ii. proposals will be solicited from an adequate number of qualified sources;
- iii. a method will be developed for evaluating the proposals and selecting the awardee;
- iv. awards will be made to the responsible entity whose proposal is most advantageous to the program, with price and other factors considered; and
- v. price will not be used as a selection factor in the procurement of architectural/engineering (A/E) professional services. A/E competitors are selected based on the most qualified and award is subject to negotiation of fair and reasonable compensation.

4. Procurement by noncompetitive proposals.



This method is the least desirable but may be used when the award is infeasible or impracticable under the above methods. This method may be used if one or more of the following circumstances apply:

- i. the item is available only from a single source;
 - ii. an emergency exists that will not permit a delay resulting from competitive solicitation;
 - iii. the agency awarding grant funds authorizes non-competitive proposals; or
 - iv. after solicitation of a number of sources, competitive is determined inadequate.
5. Contracting with small and minority firms, women's business enterprise and labor surplus area firms.

When required by grant sources, affirmative steps will be taken to assure that small and minority firms and women business enterprises have the opportunity to compete for and receive awards. Affirmative steps include:

- i. Placing qualified small and minority businesses, and women's business enterprises on solicitation lists;
- ii. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
- iv. Establishing delivery schedules, where the requirement permits, which will encourage participation by small and minority business, and women's business enterprises;
- v. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and
- vi. Requiring the prime contractor, if sub-contracts are to be let, to take the affirmative steps in paragraphs (E)(5)(i) through (v) of this section.

6. Approval Authority

Consistent with adopted Board of Directors' policy, approval authority rests with:

- i. the Executive Director for procurement of less than \$50,000, provided procurement is within budgeted amounts approved by the Board of Directors; and
- ii. the Board of Directors for procurement of \$50,000 or greater.



7. Documentation

Records will be kept consistent with the Authority's record retention schedules. Such records will include the method of procurement and contractor selection or rejection process.

8. Contract Provisions

For contracts more than \$100,000., contracts will include:

- i. termination clause;
- ii. reporting requirements;
- iii. patent and copy rights requirements, if applicable;
- iv. access requirements to any records that are pertinent to the contract for auditing, including access requirements required by applicable funding agencies);
- v. retention of records requirements for at least three years after final payment.
- vi. for construction contracts funded by Federal funds:
 - a. compliance with Executive Order 11246 entitled "Equal Employment Opportunity as subsequently amended and supplemented.
 - b. compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3); and
 - c. sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330 as supplemented by Department of Labor regulations (29 CFR Part 5).

EXHIBIT "B"

1. **Amendment No. 1.** Section E(2) of the Policy is hereby amended in its entirety to read as follows:

2. Procurement by sealed bids.

Bids are publicly solicited and a firm-fixed-price contract is awarded to the responsible bidder who is the lowest in price and meets other selection criteria. The sealed bid method will be the preferred method for procuring construction **over \$25,000. Construction of less than or equal to \$25,000 may be procured by the small purchase procedures. Bids will be procured in accordance with applicable state law and the current policies and procedures of the Coachella Valley Water District.:**

- ~~i. be publicly advertised;~~
- ~~ii. include any specifications and pertinent information and define the terms and/or services; and~~
- ~~iii. be publicly opened.~~

2. **Amendment No. 2.** Section E(4) of the Policy is hereby amended in its entirety to read as follows:

4. Procurement by competitive proposals (**Exceptions**).

Exceptions to the competitive requirements include: ~~This method is the least desirable but may be used when the award is infeasible or impracticable under the above methods. This method may be used if one or more of the following circumstances apply:~~

- i. the item is available only from a **sole or single source. "Sole source" shall mean procurement where only one viable source exists. This is usually due to legal restrictions of patent rights, a proprietary process, warranty issues, original equipment, copyrights, etc. "Single source" shall mean procurement where there is a compelling reason for using only one source, a preferred brand, like material, etc., to be procured;**
- ii. an emergency exists that will not permit a delay resulting from competitive solicitation. **"Emergency" shall mean a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services;**
- iii. the agency awarding grant funds authorizes non-competitive proposals; ~~or~~
- iv. after solicitation of a number of sources, competitive **procurement** is determined inadequate.;

- v. time constraint or other circumstances where the Executive Director has determined it is in the best interest of the Salton Sea Authority to forego competitive bidding;
- vi. piggyback purchases or leases when the Executive Director determines it is in the Salton Sea Authority's best interest. "Piggyback" shall mean to utilize another public agency's contract or agreement where they have previously conducted a competitive bid procedure for that contract or agreement.
- vii. when the Executive Director has determined that negotiation with a vendor or supplier is in the best interest of the Salton Sea Authority.

2. **Amendment No. 3.** Section E(8) of the Policy is hereby amended in its entirety to read as follows:

8. Contract Provisions

All contracts will include provisions as required by state and federal law and recommended by the Salton Sea Authority's General Counsel. ~~For contracts more than \$100,000., contracts will include:~~

- ~~i. termination clause;~~
- ~~ii. reporting requirements;~~
- ~~iii. patent and copy rights requirements, if applicable;~~
- ~~iv. access requirements to any records that are pertinent to the contract for auditing, including access requirements required by applicable funding agencies;~~
- ~~v. retention of records requirements for at least three years after final payment.~~
- ~~vi. for construction contracts funded by Federal funds:
 - ~~a. compliance with Executive Order 11246 entitled "Equal Employment Opportunity as subsequently amended and supplemented.~~
 - ~~b. compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3); and~~
 - ~~c. sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330 as supplemented by Department of Labor regulations (29 CFR Part 5).~~~~

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: December 19, 2019
Re: **SSA Consideration of support for Imperial County's Emergency Declaration**
CM No. **VLC- 12-19-2019**

GENERAL:

The Salton Sea Authority board of directors was petitioned by member agency Imperial County to consider support for the county's declaration of an emergency at the Salton Sea due to worsening conditions from Air Quality that are beyond the capacity of Imperial County to adequately address.

On October 22, 2019, the County of Imperial, a political subdivision of the State of California adopted a Proclamation of Local Emergency for Air Pollution at the Salton Sea, noting that it is the responsibility of the County of Imperial to proclaim the existence or threatened existence of a local emergency when the County is affected or likely to be affected by a public calamity.

The County of Imperial has determined that conditions of extreme peril to the safety of persons and property have arisen within Imperial County, caused by the receding shoreline of the Salton Sea which exposes harmful dust and air pollution into the air, including PM10 and PM2.5, has not been reduced and is now an extreme peril to the safety of persons in the surrounding areas of the Salton Sea.

Imperial County further finds these conditions are beyond the control of the services, personnel, equipment, and facilities of the County of Imperial and the conditions are resulting in part because of decreased flow of water to the Salton Sea pursuant to the Quantification Settlement Agreement which as brokered by the state of California with the promise of mitigating these air quality impacts.

Imperial County recognizes the state has developed the 10-year Salton Sea Management Program plan to address air quality and habitat issues as well as economic deterioration caused by these conditions, the state is far behind schedule of project delivery.

As a result of this situation, Imperial County declared a state of emergency and has requested support for this position from the Salton Sea Authority, a joint powers authority empowered to work in cooperation and consultation with the state of California on restoration of the Sea.

RECOMMENDATION:

The Salton Sea Authority Staff recommends that the Salton Sea Authority Board adopts a Resolution to support the Declaration of Local Emergency at the Salton Sea by the County of Imperial and forward a copy of this support resolution to the Governor of California with the request that he satisfy the County of Imperial's request to proclaim a State of Emergency exists.

Respectfully submitted,

Phil Rosentrater
GM/Executive Director



**SALTON SEA AUTHORITY
RESOLUTION NO. 19-13**

**RESOLUTION OF THE SALTON SEA AUTHORITY IN SUPPORT OF
THE DECLARATION OF LOCAL EMERGENCY AT THE SALTON SEA
BY THE COUNTY OF IMPERIAL**

WHEREAS, the Salton Sea is facing a multitude of challenges to environmental and ecosystem health that threaten the health of communities around the Sea -- routinely areas downwind but also on occasion affecting tens of millions of California citizens in airsheds as far away as Los Angeles, Orange, San Bernardino and Ventura Counties; and

WHEREAS, California law requires the California Natural Resources Agency to develop a Salton Sea plan in cooperation and consultation with the Salton Sea Authority; and

WHEREAS, the Salton Sea Authority supports the common goal of a locally managed and more efficient process to expedite projects at the Salton Sea to avert a further decline at the Salton Sea.

WHEREAS, the Salton Sea Authority, and all of its member agencies, as well as every tribe and city council in both Imperial and Riverside Counties has expressed support for a Perimeter Lake vision which would complement the state's SSMP plan and protect public health by providing an in-sea levee along the contours of the otherwise exposed shoreline; and

WHEREAS, it is the intent of the Salton Sea Authority to improve the public health, economic opportunity and overall quality of life of the disadvantaged communities around the Salton Sea; and

WHEREAS, it is the intent of the Salton Sea Authority to support actions that reasonably accelerate progress toward a healthier and more prosperous Salton Sea for all parties around the Salton Sea; and

WHEREAS, the inflow of water to the Salton Sea has decreased and pursuant to the Quantification Settlement Agreement, mitigation water inflows ended on December 31, 2017, and without restoration or stabilization measures, the Salton Sea will continue to decline, exposing the surrounding communities to dust blown from the dry lakebed, and on occasion as far as the airsheds of Los Angeles and Ventura Counties, potentially endangering the health of tens of millions of Californians; and

WHEREAS, although the state has developed the 10-year Salton Sea Management Program plan and identified a phased series of projects, the state is far behind schedule of project

delivery causing immense concern among SSA member agencies that lack resources to unilaterally solve this growing health threat, and among citizens in local communities alarmed by the state's lack of progress and the federal government's lack of investment to help resolve or mitigate the substantial risk of irreversible damage to public health, economic well-being and survival of wildlife.

NOW, THEREFORE BE IT RESOLVED, that the Salton Sea Authority hereby adopts this Resolution to support the Declaration of Local Emergency at the Salton Sea by the County of Imperial; and

IT IS FURTHER RESOLVED AND ORDERED that a copy of this support resolution be forwarded to the Governor of California with the request that he satisfy the County of Imperial's request to proclaim that a State of Emergency exists.

PASSED AND ADOPTED at a regular meeting of the Salton Sea Authority California held on the 19th day of December 2019.

Cástulo Estrada
President

Salton Sea Authority

General Manager/Executive Director Progress Report to the Board of Directors

December 19, 2019

PURPOSE:

- 1) Provide Salton Sea Authority (SSA) Board of Directors with an executive summary of progress toward essential objectives; and,
- 2) Provide accountability and perspective for staff performance.

MISSION-CRITICAL OBJECTIVES FOR SSA (NEXT 6 MONTHS TO 1 YEAR):

Time is extremely short, funding limited, and staff focus is finite. While the SSA GM/Executive Director is committed to seizing every opportunity, and maximizing Return on Investment (ROI) on every dollar and all time invested, we recognize we cannot do everything in this complex assignment. Accordingly, the following top priority imperatives must be accomplished within this fiscal year:

- **ASSERT LOCAL LEADERSHIP: MAINTAIN LOCAL PRIORITIES IN STATE/FEDERAL PARTNERSHIPS**
- **INTEGRITY/PERFORMANCE: DEVELOP & DELIVER PROJECTS ON TIME, UNDER BUDGET**
- **SECURE SIGNIFICANT FUNDING TO IMPROVE CONDITIONS IN/AROUND THE SEA**
- **LAUNCH SELF-HELP REVENUE STRATEGIES: Develop projects and partnerships (local/state/federal & public/private) that will generate new investments/revenues from Enhanced Infrastructure Financing District (EIFD) and Renewable Energy**

LEADERSHIP

Administration

The Salton Sea Authority Board of Directors and staff continue to work with stakeholders and staff from partner agencies and counterparts at state and federal levels to ensure technical coordination is happening as the SSMP plans take shape.

SSA staff are developing internal capacity for swift, transparent and efficient procurement procedures to streamline bidding for contracts associated with project development as part of the \$30 Million to be allocated to the SSA from the Prop 68 state bond.

The SSA purchasing policy is modeled after the broad authorities and policies of the Coachella Valley Water District, one of the member agencies of the joint powers authority. In review of SSA policy, staff explored the feasibility of contracting with previously pre-qualified firms to save both time and money for upcoming SSA projects. This common practice, known as

“piggybacking”, allows public agencies to “piggyback” on contracts that have already been competitively bid and awarded by other public agencies. In effect, the public agencies that competitively bid the services perform procurement services and then all other public agencies can utilize those services without having to go through the same procurement process. These types of services are allowed by CVWD and other local public agencies.

Piggybacking is not expressly authorized in the SSA purchasing policy. In accord with best practices, staff worked with legal counsel to update the policy for SSA board consideration. At the same time, staff is recommending updates in the policy to align with CVWD’s sealed bid limits for construction and exceptions to competitive procurement.

SSA continues to coordinate interagency meetings for staff at local, state, and federal levels to ensure a unified local voice is maintained in efficient and effective advocacy for funding as well as project implementation.

DEVELOP REALISTIC REVITALIZATION STRATEGY

Salton Sea Management Plan (SSMP) / 10-Year Plan / Stipulated Order

In keeping with state law (AB 71), SSA is pursuing cooperation and consultation with the California Natural Resources Agency (CNRA), to implement the SSMP Revitalization Plan for the Salton Sea as defined in the 10-Year Plan.

SSA staff are now consulting and coordinating SSMP issues with Arturo Delgado, installed as the new Salton Sea Program Director for the CA Natural Resources Agency. Delgado replaces Bruce Wilcox who retired from the state position on October 31. Delgado, formerly of California Fish and Wildlife and also California Department of Forestry, has worked on Salton Sea programs for CDFW at several times during his career. He is moving quickly to establish productive working relationships with SSA and other stakeholders.

In addition to the placement of Delgado as head of the Salton Sea program, CNRA has assigned nearly a dozen state staff to work on SSMP. The SSA Board has requested an exact accounting of the new positions to be filled and the budget for build-out of the state roster, as well as the state funds expended from Props 1 and 68 thus far.

SSA Directors have also requested state consideration for more staff to be recruited and placed in the Coachella and Imperial Valley areas to enhance efficiency and coordination. Resources Secretary Wade Crowfoot has acknowledged the value of partnerships and the need for local interface. Secretary Crowfoot has expressed support for providing resources to the SSA in accord with SSA board action to authorize additional contract position for SSA staff. In its adoption of the annual SSA budget in June, SSA Board authorized recruitment of additional contract support staff and consultants in order to build capacity needed to accept the \$30 M authorized for SSA oversight in Prop 68. In accord with those SSA board directives, SSA management is recruiting additional support to help the state define the path and projects for deployment of those monies.

State efforts are concentrated on launching Species Conservation Habitat (SCH), a 3,770-acre wetlands project located at the New River. This project is the most nearly shovel-ready of all the projects identified in the state's priority list. State budget documents reveal there is a \$110 million budget request by CNRA for this project in the coming year. As this southern portion of the Perimeter Lake approaches its RFP launch into design-build, the state is preparing to develop feasible designs for a northern, recreational deep-water habitat lake in the northern part of the Sea.

SSA staff continue to meet with numerous community organizations and stakeholder groups to provide updates consistent with SSA board policy. SSA staff report strong consensus on the shared conceptual project of the Perimeter Lake. The SSA and all its member agencies, as well as cities and tribes across the Salton basin, have also adopted Resolutions of Support for this collaborative approach.

This support is reinforced by advancement of the local commitments for investment in infrastructure around the Sea that can accelerate and sustain progress. Specifically, the counties are moving forward with EIFD proposals that can reinforce and accelerate public-private partnership investment at the Sea, leveraging the public infrastructure investments anticipated with the SSMP.

The EIFD rules call for investment in a specific defined infrastructure that establishes a clear nexus of benefit to the community or district that funds the infrastructure. The infrastructure associated with the Perimeter Lake, to be built in a manner that complements the state priorities and investment in SSMP, is identified as the primary project to be supported by the SSA, and all counties, cities and tribes throughout the Imperial and Coachella Valleys. This is fully consistent with the letter and spirit of state law as expressed in AB 71 (Perez). The Perimeter Lake is also internally consistent with the SSMP 10-Year Plan which includes the SCH on the New River and North Lake on Whitewater, respectively as the first and second major projects that can anchor a series of additional SSMP projects. The objective is to establish a stable shoreline covering dusty playa and restoring aquatic habitat in a manner that enhances economic opportunity in recreation and renewable energy development -- keys to yielding a healthier and more prosperous Salton Sea in the long term.

These SSMP 10-Year Plan first-phase projects have been proposed by the state with the expectation that they can be constructed quickly, delivering multiple benefits of air quality improvement through playa coverage and habitat restoration, while also enhancing economic development potential that builds long-term financial sustainability into the projects across the watershed. The CNRA is preparing to work with SSA in the drawdown of funds from Prop 68 (\$10 M for New River and \$20 M for North Lake) to advance these projects in the next year.

SSMP inclusion of the stable shoreline anticipated in a Perimeter Lake represents a significant step toward establishing viable EIFD's in the respective county jurisdictions. Properly configured, the state funding deployed in Sea projects designed to create a stable shoreline would enhance economic benefits on shore, thus stimulating an otherwise nonexistent revenue stream that can be harnessed locally in partnership with the state and federal governments to address shared concerns at the Sea.

At the federal level, SSA and its member agencies are beginning to see signs of progress in seeking federal agency investments commensurate with property ownership and public trust and tribal trust responsibilities at the Sea. The US Bureau of Reclamation and SSA have executed a project funding agreement to work cooperatively with the SSA in order to help re-establish research vessel access needed for that agency to fulfill its mandated responsibilities. This effort has provided a feasible approach for other mandated state and federal activities to proceed as well as research institutions needing access to the Sea for monitoring and reporting activities. A similar funding agreement with Coachella Valley Mountains Conservancy has been executed with the SSA. The state CNRA, faced with similar mandated duties to monitor and report on Sea conditions, is continuing to review the scope and budget that SSA provided to all partner agencies earlier in the summer. State staff report that support for their portion of the project is forthcoming for consideration by the SSA Board of Directors.

SSA is committed to do its utmost to facilitate local, state and federal success in performance of the Stipulate Order SSMP 10-Year Plan as the first steps prerequisite to maintaining water security in California, in the southwestern US, and in Mexico.

PERFORMANCE

Making good on grants for projects at the Sea

North Shore Yacht Club Harbor Rehabilitation: Research Vessel Access for mandated activity

SSA is working successfully with local, state and federal agencies to address a lack of launch access at the Salton Sea. Harbors that once provided access to the Sea are now unable to continue that function due to lowered Sea elevations and silt drift that has blocked ingress/egress from the harbors.

With the assistance of the Salton Sea Authority, federal, state and local agencies have identified specific investments in maintenance and rehabilitation of infrastructure at the North Shore Yacht Club and marina facility that will restore critical access to the Sea for these mandated environmental activities.

In follow-up discussions with these parties, SSA staff identified a highly desirable option at the marina located at the North Shore Yacht Club. The North Shore Yacht Club offers optimal access and a combination of amenities for this purpose found nowhere else around the Sea: safe and swift public access via state highway; an attractive, historically significant landmark facility offering clean restrooms, running water, air-conditioned meeting areas and ample parking. In addition to the existing launch ramp and marina with a short fetch to the open Sea, the yacht club grounds feature an architectural attraction with picnic areas offering unparalleled views of the vast Salton Sea.

While the Yacht Club functions as an active community center today, launch ramp access is compromised from accumulation of mud and silt blocking the ramp and marina area. The first phase of the proposed North Shore Yacht Club rehabilitation project will consist of cleaning debris from the ramp and clearing silt from the marina channel leading to the Salton Sea.

The North Shore Yacht Club is only two blocks from Highway 111, south of the community of Mecca in the former bustling recreational area of North Shore. This project will contribute to a restoration of mandated environmental functions of state and federal agencies while also encouraging a general revitalization of the sea and land area around the North Shore Yacht Club owned by Riverside County.

The immediate goal of the project is to restore accessible boat launching to the Salton Sea for public agencies that must work on the sea. There is potential, with other added investments, to improve public access to the Sea for local communities and tourists who wish to experience the Salton Sea by either boat or safe, accessible picnic viewing areas on public land and facilities located at the historic North Shore Yacht Club.

Staff from US Bureau of Reclamation are working diligently with SSA and the Project Management Office at the Economic Development Agency of Riverside County (property owner) to complete the environmental permitting for dredging necessary to meet the critical need for federal and state research vessels that are mandated to sample, monitor and report environmental conditions in the water and wildlife at the Sea. Both agencies have executed cooperative agreements for their share of the project that were ratified by the SSA board at the September board meeting. Coachella Valley Mountains Conservancy has also contributed funding to restore research vessel access needed to monitor the habitat health that is central to their mission. Although the state has verbally committed to support this project which helps the state fulfill its mandated responsibilities for monitoring and reporting on Sea conditions, formal documentation remains a work in progress.

DWR-Funded Grant -- Torres Martinez Wetlands Project (Phase 2)

New interim administrators at the Torres Martinez tribe are working with SSA and the state to re-energize this project that has been on hiatus for the past year after an impressive completion of Phase 1, which was built according to spec and delivered on time and under budget. Progress to move forward on implementing the Phase 2 proposal for expansion of the TM Wetlands is pending trial project manager action to demonstrate continuous functionality of the project by flooding cells that are part of Phase 1. At that point, installation of a seepage barrier requested by the TM project managers for both Phase 1 (retrofit) and Phase 2 can commence.

Staff discussion between state, SSA and Torres Martinez partners remains focused upon resolution of operational delay in the completed Phase 1 project due to seepage concerns by tribal staff. Tribal project operators have noted that a viable seepage barrier can pay for itself over time by reducing operational costs for electricity (to run pumps) while also reducing maintenance costs by inhibiting growth of invasive plants and trees in the ponds.

SSA has confirmed available surplus seepage barrier material at Owens Lake that can be made available at very low cost for the tribe. The seepage barrier, while costly up front, should reduce potential pumping burden required to offset seepage and evaporation losses.

Meanwhile, with the exception of the additional seepage barrier installation, the project at Phase 1 level has been found to be fully functional as designed and built.

FUNDING

State:

- In accord with SSA Board direction, SSA has engaged contract consultants to work with CNRA to develop guidance regarding the process for defining projects eligible for state funding (\$30 Million) designated to the SSA for direct oversight role in implementing SSMP projects, including \$10 million designated to improvements on the New River.

Federal:

- In response to SSA Board direction to staff to raise the profile of Salton Sea issues in the context of federal roles, responsibilities and partnership opportunities, the SSA is working with its federal consultant to confirm commitments for additional hearings in Washington, DC, likely in the spring of 2020.

- US Department of Agriculture – Through the unified efforts among the SSA, its partner agencies and key stakeholders, existing programs in USDA are now successfully aligned to allow partnership with tribes, irrigation districts and the state to deploy and expand federal match funds in projects at the Salton Sea that would help the agricultural community weather Sea changes in a manner that protects the environment. This enormous progress was achieved in part because every SSA director, along with leaders from stakeholder groups and the CNRA, signed a series of joint letters to help reinforce successful passage of the Farm Bill last year. Now that funding has been secured, SSA and partner agencies are focused upon development and promotion of projects in the SSMP that will meet the eligibility requirements for this funding.
- Army Corps of Engineers (ACOE) – In accord with SSA board direction, the SSA has requested ACOE cooperation in expediting permit processing for the larger series of SSMP projects based upon the existing federal permits approved as part of the state’s SCH project (the first major project moving ahead in the SSMP 10-Year Plan list). SSA is pursuing placement and funding for the ACOE Work Plan for upcoming budgets, and eventual access to WRDA authorization (\$30 million). The SSA is working with the Torres Martinez Tribe in support of the Tribal Partnership Program that may provide Army Corps engagement in projects in the Salton Sea watershed on Torres Martinez tribal lands.
- Environmental Protection Agency (EPA) – SSA is supporting policies that empower local partner agencies to maximize state and federal investments at the Salton Sea in a WIFIA strategy. WIFIA provides a federal loan and guarantee program that aims to accelerate investment in the nation’s water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects, including many county water infrastructure projects. Prospective borrowers seeking WIFIA credit assistance must submit a letter of interest (LOI) to EPA to initiate the process. Discussions are on-going among potential local partners in EIFD strategies for application in subsequent rounds of WIFIA.

SELF HELP STRATEGIES

IFD/EIFD

Riverside County and Imperial County are both advancing strategies to generate local capital through EIFD scenarios that may jump-start infrastructure investments consistent with the SSMP. The counties, who are member agencies of the SSA, recognize the value of coordinating projects within the shared watershed that may be funded in part with locally leveraged finances.

Riverside County Board of Supervisors authorized creation of an EIFD for the Salton Sea Area in October 2018, and its newly appointed Finance Authority Board recently held a workshop at

North Shore Yacht Club (Oct 15, 2019). The District is a Riverside County portion surrounding a northern section of a Perimeter Lake extending into Imperial County. A follow-up workshop to explain EIFD projects in the Riverside County portion of the Sea will be held in the spring of 2020.

Imperial County has commissioned a feasibility analysis with the Southern California Association of Governments (SCAG). This preliminary report was unveiled for public review at a workshop held prior to the SSA Board meeting in April, in conjunction with the Energy Summit sponsored by the Imperial Valley Economic Development Corporation. A more robust follow-up analysis by SCAG on renewable energy opportunities and land value improvement in Imperial County is anticipated.

SSA initiated preliminary action on IFD strategies by completing its contract – on time, and under budget – with the California Natural Resources Agency (as a result of AB 71) to identify potential revenue generated by improved property values and economic activity around the Sea due to stable shoreline allowing recreation and renewable energy development. This data has been shared with the two counties as partner agencies of the SSA in order to expedite progress within their respective taxing jurisdictions.

The IFD concept in the SSA Financial Feasibility Action Plan assumes the primary benefits to the property values would be derived from infrastructure built in the sea that would create a stable shoreline with water distribution for dust control and deep-water habitat in addition to restored recreational value for marina communities and renewable energy development. A subsequent report by Tourism Economics, based on far more conservative assumptions, still supports the findings that significant revenues may be generated from a project that creates deep water habitat on the north end of the Sea.

The report assumes the in-sea infrastructure would: 1) protect existing and future communities from an emissive lakebed exposed by a shrinking sea and an otherwise receding shoreline; and 2) provide a shoreline with aquatic recreation on a scale that would draw tourists, recreationists, and additional residential or commercial investment that could meet a growing demand for services and amenities related to a recreational lake.

The SSA Board approved a resolution to recognize this historic level of local unity on the Perimeter Lake concept at the May 2019 board of directors meeting. The Perimeter Lake concept – which includes SCH and North Lake projects as the first and second steps (respectively) toward a series of additional projects providing the benefits of a stable shoreline – is universally supported by local governments around the Salton Sea. Both counties, all SSA member agencies, all cities in both Imperial and Coachella Valleys plus all major Tribal nations have approved letters or resolutions of support for the Perimeter Lake. As noted, the CNRA has officially included Perimeter Lake concepts of the SCH and North Lake in the SSMP 10-Year Plan. This unified action provides a major boost toward establishing viable EIFD's around the Salton Sea.

A Perimeter Lake designed to create a stable shoreline would deliver the essential state mitigations for environmental protection and habitat while enhancing economic development

that can provide a more financially sustainable Sea in the future. Over time, EIFD's are expected to harness local revenues that would otherwise dissipate to the general fund of each county. A Salton Sea EIFD would instead direct a portion of these improved revenues to productive projects at the Salton Sea in potential partnership with private sector, as well as state and federal governments.

The SSA will continue to cooperate and consult with county officials for the purpose of outlining a coordinated strategy and timeline for next steps that can accelerate local priorities in a manner consistent with state obligations and resources under the SSMP.