



Salton Sea Authority Board of Directors Meeting

Thursday, January 27, 2022
10:00 a.m.

via Zoom Webinar



AGENDA: BOARD OF DIRECTORS MEETING
DATE: Thursday, January 27, 2022
10:00 a.m.
LOCATION: Via Zoom Webinar

VIRTUAL ATTENDANCE

Pursuant to Assembly Bill 361, due to the significant increase in COVID cases now affecting our local communities, this meeting will be conducted via Zoom webinar.

The meeting can be viewed live at 10:00 a.m. January 27. Please see the meeting login information at <http://SaltonSea.com/meetings>, or access www.zoom.us, click “Join Meeting,” and enter Webinar ID 815 1822 1191 and Passcode 352268.

- I. **CALL TO ORDER**
PLEDGE OF ALLEGIANCE
ROLL CALL

*A copy of the agenda and supplemental materials will be available for viewing or download at:
<https://saltonsea.com/meetings>*

- II. **PUBLIC COMMENTS**

This Public Comments time is reserved for comments on any agenda item that is not included under “Action Items” and for comments on matters not already on the agenda.

*Any member of the public may address the Board relating to any matter within the Authority’s jurisdiction and are invited to speak to any specific **Action Item** listed in the agenda **at the time it is called**; all other agenda items should be addressed during this **general public comment period**. California law prohibits members of the Board from taking action on matters not on the agenda.*

Remarks shall be limited to a maximum of three (3) minutes.

Public comment may be delivered verbally during the meeting.

*Via Zoom: use Zoom’s “raised hand” feature, or by phone press *9 to be acknowledged.*

When you speak, state your name for the record prior to providing your comments. Please address the board as a whole, through the Chairman.

You may also email your comments in advance to info@saltonsea.com (include in your subject line “Public Comment, 1/27/22 SSA board meeting.”) Hand-delivered comments should be placed in an envelope addressed to “Board Secretary, Salton Sea Authority,” delivered to 82995 Highway 111, Suite 200, Indio, California, and left with the attending security officer by noon Wednesday 1/26/22 at the latest.

All written comments should include your name, address (addresses will be redacted), and whether it is for general public comment or a specific agenda item (number and topic).

*Comments received in writing, either by email or written, will be distributed to the Board, posted on the Salton Sea Authority website for public review and, if received **before noon on Wednesday January 26**, will be acknowledged during public comments. Written comments will not be read aloud into the public record.*

III. BOARD MEMBER COMMENTS

This is a time set aside for members of the Board to share their thoughts and concerns regarding general Authority matters not on the agenda, ask questions of staff, and request that items be added to an agenda at a later date.

The Brown Act expressly prohibits lengthy Board Member discussion of matters not on the agenda. The Board may at its discretion (by 4/5 vote) add items deemed to be an emergency to the agenda in order to engage in public discourse.

IV. ACTION ITEMS

A. CONSENT CALENDAR – Approve, Receive, and File

1. AB 361 Remote Meeting Authorization for January 27, 2021
2. Minutes of Salton Sea Authority Board Meeting December 9, 2021
3. Warrant Register Ratification for November 2021
4. Warrant Register Ratification for December 2021
5. Internal Financial Report for: 7/01/2021 – 11/30/2021
6. Update LAIF Authorizations

V. SPECIAL PRESENTATIONS AND RECOGNITIONS

- A. New River Improvement Project, Calexico Reach – Project Update (Miguel Figueroa, City Manager, City of Calexico)
- B. North Lake Pilot Demonstration Project – Schedule Update (Douglas Ordonez, Jr., MPA, Management Analyst, Executive Office, County of Riverside)
- C. Desert Shores Update

VI. DISCUSSION ITEMS

- A. Discuss Salton Sea Authority’s Proposition 68 funding for New River Water Quality, Public Health, and River Parkway Development Program, and at Board direction take appropriate action regarding proposed New River Improvement Project.
- B. US Army Corps of Engineers “Investigations Work Plan” / Feasibility Study: Update and Next Steps

VII. REPORTS

- A. Federal
 1. Federal Activities – (Lisa Moore Lehman, Partner, Cultivating Conservation)
 2. US Bureau of Reclamation – (none)
- B. State
 1. State Advocacy Report – Oracio Gonzalez, Principal, Ollin Strategies

2. State of California – Mr. Miguel Hernandez, Public Affairs Officer, California Natural Resources Agency
3. Salton Sea State Recreation Area Update on Activities – Steve Quartieri, District Superintendent, California State Parks

C. Local

1. Salton Sea Action Committee (SSAC) – Alan Pace, SSAC President

D. General Manager’s Report and Comments

1. GM Report – (G. Patrick O’Dowd, Executive Director/GM, Salton Sea Authority)

VIII. ADJOURNMENT

NEXT MEETING TIME & LOCATION:

The Salton Sea Authority board meeting will be held:

Thursday, February 24, 2022

10:00 a.m.

Location to be determined

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.

Memorandum

To: Salton Sea Authority Board of Directors
From: G. Patrick O’Dowd, Executive Director/GM
Date: January 27, 2022
Re: **AB 361 Remote Meeting Authorization for January 27, 2022**
CM No. IV.A.1 - 1-27-2022

GENERAL:

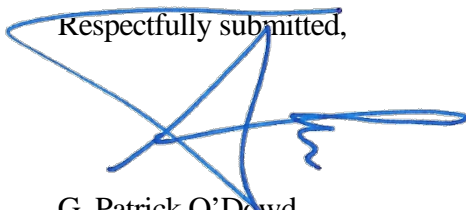
AB 361 (Government Code Section 54953(e)) provides that a local agency may employ remote teleconferencing upon a monthly finding by the governing board that certain circumstances exist, among those that there is a Governor-declared emergency and state or local officials are recommending social distancing. Both of those circumstances currently exist.

RECOMMENDATION:

The Salton Sea Authority Staff recommends that the Salton Sea Authority Board authorize this meeting to be held remotely via Zoom webinar by adopting the following finding:

The Board of Directors of the Salton Sea Authority hereby finds that the State of California continues in a Governor-declared state of emergency to combat the Covid epidemic and state and local health officials are recommending social distancing, and consequently the Authority Board and its other Brown-Act bodies will continue to employ remote teleconferencing under Government Code Section 54953(e).

Respectfully submitted,



G. Patrick O’Dowd
Executive Director/GM



OFFICIAL PROCEEDINGS

SALTON SEA AUTHORITY

BOARD OF DIRECTORS MEETING

December 9, 2021

I. CALL TO ORDER

The regularly scheduled meeting of the Salton Sea Authority (“Authority”) Board of Directors (“Board”) was called to order by V. Manuel Perez, President, at 10:03 a.m., Thursday, December 9, 2021, at the Imperial County Board of Supervisors Chamber, 940 W. Main Street, El Centro, California, and via Zoom Webinar.

PLEDGE OF ALLEGIANCE

Luis A. Plancarte, Vice President, led the Pledge of Allegiance

ROLL CALL:

DIRECTORS PRESENT ON SITE

V. Manuel Perez, President
Luis A. Plancarte, Vice-President
Ryan E. Kelley, Director

AGENCY

Riverside County
Imperial County
Imperial County

** Director Kelley came in at 10:07 a.m. during public comment introduction*

DIRECTORS PRESENT VIA ZOOM

Altrena Santillanes*, Secretary
Cástulo R. Estrada*, Director
Jeff Hewitt, Director
Arturo Delgado, Ex-Officio Member

AGENCY

Torres Martinez Desert Cahuilla Indians
Coachella Valley Water District
Riverside County
California Natural Resources Agency

** Director Hewitt joined via Zoom at 10:37 a.m. during V. Special Presentations*

DIRECTORS ABSENT

Anthony Bianco*, Treasurer
Thomas Tortez*, Director
Alex Cárdenas, Director
Norma S. Galindo, Director

AGENCY

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

*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.*

SALTON SEA AUTHORITY STAFF PRESENT

G. Patrick O’Dowd, Executive Director/GM
Carlos Campos, Best Best & Krieger, Legal Counsel

MEMBERS OF THE PUBLIC PRESENT

There were no members of the public present on site; 20 members of the public attended and 8 participated via Zoom

II. PUBLIC COMMENTS

Written comments (none)

Verbal comments (none)

III. BOARD MEMBER COMMENTS

Vice-president Plancarte welcomed the Salton Sea Authority to Imperial County and to the Authority’s first in-person meeting since February of 2020.

President Perez gave an update that CNRA Secretary Wade Crowfoot is in the area and was expected to join this meeting; Assistant Secretary Arturo Delgado and staff are working on tomorrow’s Species Conservation Habitat tour, and on UC Santa Cruz’s November 7 meet-and-greet in Coachella and Brawley.

IV. ACTION ITEMS

A. CONSENT CALENDAR – Approve, Receive, and File

1. AB 361 Remote Meeting Authorization for December 9, 2021
2. Minutes of Salton Sea Authority Board Meeting October 28, 2021
3. Warrant Register Ratification for October 2021
4. Internal Financial Report for: 7/01/2021 – 9/30/2021

On motion by Plancarte and second by Kelley, the Board approved the Consent Calendar to be received, and filed.

Public comment was invited prior to the vote. No comment received.

Approved by the following vote:

AYES: Directors Perez*, Plancarte, Kelley, Santillanes*, and Estrada*

NOES: None

ABSENT: Director Hewitt*, Tortez*, Bianco*, Cardenas and Galindo

ABSTAINED: None

MOTION PASSED: 8 – 0*

**In keeping with the Salton Sea Authority bylaws, a single director carries the vote of both directors of the agency when the second director of the same agency is absent.*

V. SPECIAL PRESENTATIONS AND RECOGNITIONS

- A. Resolution of Leadership Recognition: Director James C. Hanks of Imperial Irrigation District.

Director Hanks was not able to be present due to scheduling conflict with Imperial Irrigation District's Species Conservation Habitat groundbreaking event, so this item is postponed until the January meeting.

Executive Director O'Dowd took this first in-person opportunity to present to Authority Director/Imperial County Supervisor Ryan E. Kelley the resolution approved by the Authority Board on Feb. 25, 2021, posthumously honoring the life and work of Imperial County Supervisor Kevin E. Kelley. Authority President Perez shared memories of Supervisor Kevin Kelley.

- B. North Shore Pilot Demonstration Project Status Report

Juan Perez, Chief Operating Officer, County of Riverside, gave an introduction and Douglas Ordoñez Jr, MPA, Management Analyst, Executive Office, County of Riverside gave a presentation on the North Lake Pilot Demonstration Project, the roles of the various agencies involved, possible locations and their proposed sources of water, etc., and Mr. Perez covered remaining issues to resolve, which he recapped for Secretary Wade Crowfoot who joined the meeting at this point via Zoom.

Secretary Wade Crowfoot to give an update on the SSMP at Chairman Perez' invitation: he shared that, announced yesterday, this region is getting \$45 million for creation of new parks in underserved communities, told of the various activities he and staff are attending while in this area, and of the additional staff who have been hired to focus on the Salton Sea to be able to move on multiple projects concurrently. He expressed his appreciation to the various agencies who are partnering with the state to benefit the Salton Sea. Secretary Crowfoot is focused on the current 10-year commitment, but by the end of 2022 also has to lay out what the long-term plan is.

** Director Hewitt joined the meeting via Zoom at 10:37 a.m. during this report*

VI. DISCUSSION ITEMS

- A. Public Relations Scope of Work – Coordination and Collaboration with CNRA, Discussion and possible Board action.

Executive Director O'Dowd shared that the Salton Sea Authority has been in conversations with the state about developing a scope of work between us so we can coordinate – instead of duplicate – the efforts needed to make sure the community is informed and that we are informed by the community. He was hoping to share that at this meeting, hopes it will be finalized to share at next meeting.

VII. REPORTS

- A. Federal

1. Federal Activities

Ms. Lisa Moore Lehman, Partner, Cultivating Conservation, reported that an infrastructure piece of legislation was enacted and signed by the president recently that included increase in Corps of Engineers and USDA funding which go into accounts from which Ms. Moore has been positioning the Authority to receive monies. Discussion followed. Ms. Moore provided a detailed report that was made part of the board packet and posted on this meeting's web page¹.

2. US Bureau of Reclamation (none)

B. State

1. State Advocacy Report

Mr. Oracio Gonzalez, Principal at Ollin Strategies, reported on a tour that the Authority sponsored November 30 at the request of Assemblymember Garcia to familiarize the legislators with the Salton Sea and its challenges and opportunities to help them better understand why we keep showing up asking for money and hopefully share our concerns and vision. Mr. Gonzalez also submitted a written report with more detail which was posted on this meeting's web page¹.

2. State of California

Mr. Miguel Hernandez, Public Affairs Officer, California Natural Resources Agency, reported that he was on the previous day's tour, as part of the state's SSMP team, and that the long-range planning committee would be reconvening on December 14 and 21.

3. Salton Sea State Recreation Area (none)

C. Local

1. Salton Sea Action Committee (SSAC)

Mr. Alan Pace, SSAC President, reported that the SSAC met this morning and are re-engaged with their committees, education, and outreach.

D. General Manager's Report and Comments

1. G. Patrick O'Dowd, Executive Director/GM, Salton Sea Authority, referred the chairman and attendees to his report in the board packet which focuses on three areas of alignment: unified vision, unified message, and unified effort.

VIII. ADJOURNMENT

In closing, President Perez invited comments from his colleagues. Director Hewitt wasn't able to attend today's meeting in person as intended, looks forward to attending the next meeting in person. Possible locations for next meeting and subsequent meetings in Coachella Valley were discussed. The January meeting will be held at the County of Imperial Board of Supervisors Chambers again, with the February meeting at a location to be confirmed in the Coachella Valley.

The meeting was adjourned at 11:54 a.m.

NEXT MEETING TIME & LOCATION:

Thursday, January 27, 2022, at 10:00 a.m.

County of Imperial Board of Supervisors Chambers

County Administration Center
940 West Main Street, Suite 209
El Centro, CA. 92243

¹This meeting's web page: [SSA Board of Directors Meeting 12/09/2021 – Salton Sea Authority](#)

DRAFT

Checking Account Activity

November 1, 2021 through November 30, 2021



Warrant Date	Warrant Number	Vendor Name	Amount
Beginning Cash			\$ 302,310.23
11/05/2021	Deposit	DWR - Prop 68	9,550.89
11/12/2021	EFT	Pacific Western Payment	(461.35)
11/19/2021	1268	Best, Best & Krieger	(2,490.00)
11/19/2021	1269	Cultivating Conservation	(7,000.00)
11/19/2021	1270	Davis Farr LLP	(3,375.00)
11/19/2021	1271	Eide Bailly LLP	(5,015.10)
11/19/2021	1272	O'Dowd, G.Patrick	(32.48)
11/19/2021	1273	OfficeTeam	(6,675.84)
11/19/2021	1274	Ollin Strategies	(5,000.00)
11/19/2021	1275	SystemGo IT LLC	(691.00)
11/24/2021	EFT	Verizon Wireless	(580.26)
11/30/2021	1276	Premier Rentals	(2,615.00)
Net Activity			(24,385.14)
Ending Cash			\$ 277,925.09

Checking Account Activity

December 1, 2021 through December 31, 2021



Warrant Date	Warrant Number	Vendor Name	Amount
Beginning Cash \$			277,925.09
12/16/2021	EFT	Pitney Bowes	(67.46)
12/13/2022	EFT	Pacific Western Payment	(774.86)
12/17/2021	1277	Best, Best & Krieger	(600.00)
12/17/2021	1278	CSDA	(1,556.00)
12/17/2021	1279	Cultivating Conservation	(7,000.00)
12/17/2021	1280	Davis Farr LLP	(7,500.00)
12/17/2021	1281	O'Dowd, G.Patrick	(735.84)
12/17/2021	1282	OfficeTeam	(6,675.84)
12/17/2021	1283	Ollin Strategies	(5,000.00)
12/17/2021	1284	Premier Rentals	(185.50)
12/17/2021	1285	Riverside County – Payroll Acct Replenishment	(50,000.00)
12/17/2021	1286	SystemGo IT LLC	(691.00)
12/23/2021	EFT	Verizon Wireless	(190.26)
Net Activity			(80,976.76)
Ending Cash \$			196,948.33



Salton Sea Authority

Profit & Loss Budget to Actual

(Unaudited)

Year to Date through November 30, 2021

	General Fund	DWR - Prop 68 Grant	TOTAL	FY 21-22 Budget	% of Budget	\$ Variance
1 INCOME						
2 Local Government/Member Assessments	\$ 610,000	\$ -	\$ 610,000	\$ 610,000	100%	\$ -
3 Ex Officio State Dues	-	-	-	150,000	0%	(150,000)
4 Sponsorships	-	-	-	50,000	0%	(50,000)
5 Other Grants	-	-	-	80,000	0%	(80,000)
6 State of California Grants (Prop 68)	-	225,243	225,243	250,000	90%	(24,757)
7 Pooled Cash Allocated Interest	9	-	9	1,000	1%	(991)
8 TOTAL INCOME	\$ 610,009	\$ 225,243	\$ 835,252	\$ 1,141,000	73%	\$ (305,748)
9 EXPENSE						
10 SSA Administration						
11 Salaries & Benefits						
12 Total Salaries	\$ 83,891	\$ 8,515	\$ 92,406	\$ 371,800	25%	\$ (279,394)
13 Total Employee Benefits	50,157	-	50,157	166,200	30%	(116,043)
14 Total Salaries & Benefits	134,048	8,515	142,563	538,000	26%	(395,437)
15 Contract Service / Professional						
16 DC Advocates	35,000	-	35,000	84,000	42%	(49,000)
17 Sacramento Advocate	25,000	-	25,000	60,000	42%	(35,000)
18 Grant Administration	33,750	-	33,750	100,000	34%	(66,250)
19 Contract Attorney	12,180	-	12,180	75,000	16%	(62,820)
20 Audit & Accounting	20,174	781	20,955	75,000	28%	(54,045)
21 Contract Service / Professional	126,104	781	126,885	394,000	32%	(267,115)
22 Equipment Maintenance	3,455	-	3,455	12,000	29%	(8,545)
23 Capital Equipment	-	-	-	2,400	0%	(2,400)
24 Insurance	4,201	-	4,201	9,300	45%	(5,099)
25 Office Expense/Operating Supplies	4,213	-	4,213	6,000	70%	(1,787)
26 Office Expense/Online Services	1,082	-	1,082	3,000	36%	(1,918)
27 Dues, Subscriptions	7,330	-	7,330	10,000	73%	(2,670)
28 Public Relations	2,615	-	2,615	36,000	7%	(33,385)
29 Travel/Mileage	4,569	-	4,569	48,000	10%	(43,431)
30 Technical Support - Consultant	-	-	-	24,000	0%	(24,000)
31 Utilities	-	-	-	3,000	0%	(3,000)
32 Total SSA Administration	287,617	9,296	296,913	1,085,700	27%	(788,787)
33 Grant Expenses						
34 Rivco Salaries	-	-	-	-	0%	-
35 Contractors	-	215,947	215,947	-	0%	215,947
36 Total Grant Expenses	-	215,947	215,947	-	0%	215,947
37 TOTAL EXPENSE	287,617	225,243	512,860	1,085,700	47%	(572,840)
38 NET INCOME	\$ 322,392	\$ -	\$ 322,392	\$ 55,300		\$ 267,092

IV.A - SSA Financial Report, p. 1 of 2

* 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 November 30, 2021

	General Fund	Fish Clean Up	DWR - Prop 68 Grant	TOTAL
1 ASSETS				
2 Checking/Savings	245,483	20,991	-	266,474
3 Other Current Assets				
4 Due from Grant Funds	10,453	-	-	10,453
5 Prepaid Items	13,416	-	-	13,416
6 Grant Receivable	-	-	226,400	226,400
7 Total Other Current Assets	23,869	-	226,400	250,269
8 TOTAL ASSETS	\$ 269,351	\$ 20,991	\$ 226,400	\$ 516,742
9 LIABILITIES & FUND BALANCE				
Liabilities				
10 Accounts Payable	\$ -	\$ -	\$ -	\$ -
11 Credit Cards				
12 Credit Card Payable (Pac West)	775	-	-	775
13 Total Credit Cards	775	-	-	775
14 Other Current Liabilities				
15 Accrued Expenditures	9,897	-	-	9,897
16 Due to Other Funds	-	-	10,453	10,453
17 Due to Rivco	-	-	215,947	215,947
18 Accrued Vacation	21,610	-	-	21,610
19 Total Other Current Liabilities	31,507	-	226,400	257,907
20 Total Liabilities	32,282	-	226,400	258,682
21 Fund Balance	237,069	20,991	-	258,060
22 TOTAL LIABILITIES & FUND BALANCE	\$ 269,351	\$ 20,991	226,400	\$ 516,742

Memorandum

To: Salton Sea Authority Board of Directors
From: G. Patrick O'Dowd, Executive Director/GM
Date: January 27, 2022
Re: Update LAIF Authorizations
CM No. IV.A.6 – 01-27-2022

BACKGROUND:

A resolution using the Salton Sea Authority's standard bank resolution template to update signatories was passed by the Salton Sea Authority Board and forwarded to the California State Treasurer's Office.

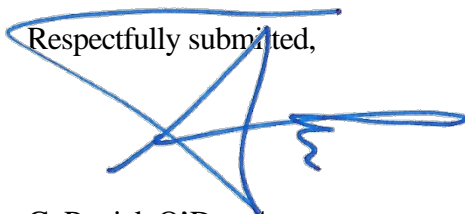
The Treasurer's Office representative with whom Salton Sea Authority staff was working contacted Salton Sea Authority staff Friday with LAIF wording to use on the Salton Sea Authority resolution to update LAIF authorizations.

Attached please find proposed Salton Sea Authority resolution number 22-01 entitled, "Resolution of the Board of Directors of the Salton Sea Authority authorizing investment of monies in the Local Agency Investment Fund."

RECOMMENDATION:

The Salton Sea Authority Staff recommends that the Salton Sea Authority Board approve SSA Resolution No. 22-01 entitled, "Resolution of the Board of Directors of the Salton Sea Authority authorizing investment of monies in the Local Agency Investment Fund."

Respectfully submitted,



G. Patrick O'Dowd
Executive Director/GM



**SALTON SEA AUTHORITY
RESOLUTION NO. 22-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SALTON SEA AUTHORITY AUTHORIZING INVESTMENT
OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND**

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 *et. seq.* for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Salton Sea Authority (“SSA” or “Authority”) Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 *et. seq.* for the purpose of investment as provided therein is in the best interests of the Authority;

NOW THEREFORE, BE IT RESOLVED, that the Salton Sea Authority Board of Directors hereby authorizes the deposit and withdrawal of SSA monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 *et. seq.* for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:

Section 1. The following Salton Sea Authority officers holding the title(s) specified hereinbelow or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

V. Manuel Perez, President
Luis A. Plancarte, Vice-President
Anthony Bianco, Treasurer
G. Patrick O’Dowd, Executive Director/General Manager

Section 2. This resolution shall remain in full force and effect until rescinded by the Salton Sea Authority Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer’s Office.

PASSED AND ADOPTED by the Salton Sea Authority Board of Directors on _____.



Cultivating Conservation

MEMO

TO: Salton Sea Authority Board of Directors and G. Patrick O'Dowd
FROM: Lisa Moore
RE: Federal Report
DATE: January 24, 2021

This federal report provides an update on our efforts to mobilize Salton Sea funding via Department of Agriculture (USDA) and the Army Corps of Engineers (Corps). Of highest interest, and described below, the Corps recently included the needed \$1.5 million Salton Sea feasibility study funding in its agency work plan for the Infrastructure Investment and Jobs Act (IIJA). This is the full amount needed for the federal portion of this study. Inclusion in the work plan is a major achievement in our efforts to secure federal investment at the Salton Sea.

Corps Feasibility Study

Working with our congressional delegation, the Authority secured a congressional authorization for a Salton Sea feasibility study in the Water Resources Development Act (WRDA) of 2020, and then worked with our delegation to secure a federal earmark in the House and Senate versions of the Corps' annual FY22 Energy and Water appropriations bills in order to enable the study to begin this year. That earmark, requested by each member of our delegation, demonstrates strong, unified support for securing major Corps' financial engagement at the sea. The House and Senate appropriators are still working on moving these bills forward.

Given the uncertainties in the federal appropriations process, we have also advocated for the Corps to include funding for the feasibility study in the work plan Congress required the Corps to prepare as part of the IIJA. That law was enacted last year, and provided major additional funding to the Corps. Senator Padilla serves on the Senate Committee on Environment and Public Works (EPW), the Corps' oversight committee in the Senate. In the context of a recent hearing on the Corps' implementation of the IIJA and other programs, the Authority briefed Senator Padilla's staff and asked the Senator to encourage the Corps to include Salton Sea feasibility study funding in its IIJA work plan. The Corps has included that funding in the work plan, which will enable the study to move forward this year,* with the Authority and State in the role of joint local sponsor for the study. (*Note, local sponsor funding of at least \$200,000 for year-one costs is required to match federal funding, and the Authority has been in discussions with the State and State legislature concerning this funding.)

It is important to note that the Corps feasibility study process does not predetermine a long-range management option for the sea. Like the State's long-term planning process, the Corps' feasibility study is a public process designed to evaluate different options for such management.

The Authority has conducted several teleconferences with the State and the Corps, and has demonstrated how the two processes align quite well. The benefit of moving these two processes forward in such alignment is that the long-term solution that emerges from this public process may receive federal Corps funding at 65% federal share.

USDA

We understand that the State is near completion of the Watershed Plan required to be prepared in order to access USDA funding for components of that plan. The Authority secured the State the legal authority and funding to develop the Watershed Plan in order to deliver USDA funding to support the State's nearer-term Salton Sea management projects or other projects.

The Authority will be meeting with the State to discuss the plan and implementation funding, and also anticipates meeting with member agencies to identify projects that could be funded via this USDA Watershed Act funding mechanism. USDA has received substantial additional funding into its Watershed Act program via the IJA (\$500 million).

In brief, the Watershed Act provides 100% funding for design of eligible projects (fairly broad, but must deliver at least 20% of project benefits to agriculture and rural communities), and a variable cost-share on construction depending on the nature of the project. Fish and wildlife habitat and air quality measures would typically be funded at 50% federal cost share. Recreational improvements may also be funded at that rate, with an overall cap of 20% of total project costs.

TO: Salton Sea Authority Board of Directors
FROM: Oracio Gonzalez, Ollin Strategies
DATE: January 2022
SUBJECT: California State Advocacy

This memorandum provides a summary of state fiscal and legislative developments related to the Authority's state advocacy.

State Fiscal Developments

On January 10, 2022, Governor Gavin Newsom released his 2022-2023 state budget proposal. As expected, and in line with projections by the state's Legislative Analyst Office, the proposed budget included a projected \$31 billion surplus.

The proposed budget includes two proposals of significant relevance to the Authority.

Drought Package

The Governor's budget proposes an infusion of \$750 million in General Fund spending to support immediate drought response and long-term water resilience. This investment is in addition to the \$5.2 billion over three years included in the 2021-2022 state budget proposal.

Last year, as part of his updated state budget proposal in May 2021 (the "May Revise") the Governor announced that he would invest \$220 million in the Salton Sea, with the first \$50 million as part of the 2021-2022 state budget. The Governor made this pledge in response to his opposition to placing a new water bond before voters. At the time, the two water bonds that were being considered, one by Assemblymember Eduardo Garcia and a second by Senator Ben Allen, included substantial funding for the Salton Sea. In September, the Governor signed legislation investing the first \$40 million from his pledge in the Salton Sea, leaving a balance of \$180 million outstanding.

While the Governor's 2022-2023 budget proposal did not include a specific dollar investment for the Salton Sea, the Authority should press forward to demand the Governor stay true to his commitment and invest the full or a significant portion of the remaining \$180 million balance as part of the 2022-23 state budget.

Lithium Valley

Referring to it as the "Saudi Arabia of Lithium," the Governor budget outlined his administration's commitment to enabling Imperial's Lithium Valley, including \$350 million in new tax credits allocated as follows:

- Innovation Headquarter Credit: This credit will target California headquarter companies investing in activities and technologies that mitigate climate change. It's a \$250 million a year credit for 3 years that will be on top of the R&D tax credit.
- Green Energy Technologies Credit: This credit will target companies developing green energy. The credit will be in the amount of \$100 million for 3 years, and will fund predevelopment cost for technologies such as electric vehicle manufacturing infrastructure, geothermal development, lithium extraction and battery manufacturing, long duration storage and processes to address methane emissions and hydrogen technologies to reduce use of natural gas.

In addition, the proposal outlined the Governor's commitment to adopt an expedited permitting regime to provide lithium developers with certainty on the timing of permits. As part of this expedited permitting effort, the administration will engage with stakeholders, including county and community partners, to develop a model for revenue sharing or "royalties" that companies benefiting from these regulatory changes would pay to fund community benefits.

It's important to note that the Governor's proposal is at best a high-level road map for what the final budget will include. Details on most of the initiatives included in the budget are not yet available and will slowly emerge as the legislature begins its review of the proposal. Budget subcommittees will start holding hearings on the Governor's proposed budget almost immediately, a forum the Authority will leverage to advocate for inclusion of additional funding for the Salton Sea as well as any refinements the Board wants to see reflected in the final lithium valley package of incentives and regulatory proposals.

In May 2022, after extensive hearings by the legislature, the Governor will release an updated budget known as the "May Revise." The legislature will then have until June 15, 2022, to pass a balanced budget to the Governor for his approval.



Executive Director's Report To the Board of the Directors January 27, 2022

In spite of the headwinds of the holiday season and the recent outbreak of COVID/Omicron, the past month was very productive for the Authority. Significant advocacy advances are being made at the federal and state levels, and local projects are taking shape. In addition, the Authority has been engaged with local sponsors in educating and informing elected officials and others regarding the challenges and opportunities at the sea through public outreach. Finally, working together with California Natural Resources Agency, we are refining our efforts and improving our efficiencies that will guide the effort to develop a long range plan for the Sea and region.

Advocacy and Funding

US Army Corps of Engineers recently published its Investigations Work Plan, to be funded under the Infrastructure Investment and Jobs Act, 2022 (see attached). We were pleased to learn that the feasibility study the Authority had sought and secured under the WRDA 2020 law was fully funded in the USACE work plan, one of a scant few approved nationwide and to our knowledge the only new start approved in the State. With this plan in place, we are guaranteed that, subject to securing the \$1.5 million match from the local sponsor, this study is ready to go. This is truly great news! As was previously mentioned, once completed the study will qualify the project deemed feasible thereby for up to 65% federal match.

We are working with the State to finalize the arrangement for a "local match" as required by the program. Our expectation is that the CNRA and the Authority would work together as joint local sponsors of this effort to ensure that the plan developed is fully informed by local leadership.

In Sacramento, we continue to advocate that the State fulfill its \$220 million commitment made last year by including the remaining \$180 million in the upcoming budget. The Governor's budget was released earlier this month which did not include a specific investment in the Salton Sea, but included \$750 million in the General Fund for "*drought response and long term water resilience.*" We will continue to press that the State fully fund its commitment to the Sea and region.

For additional detail your attention is directed to the monthly updates from Lisa Moore (Cultivating Conservation) and Oracio Gonzalez (Ollin Strategies) included in the board packet.

Local Projects

We continue to make progress on projects within the local communities. This month an [RFP for Salton Sea North Lake Pilot Demonstration Project in the Community of North Shore](#) was published, “seeking technical proposals from qualified professional engineering firms to perform engineering services necessary to complete relevant preliminary design and technical studies, prepare bid ready design plans, engineering estimates and specifications (PS&E Docs), and provide the bid and construction support needed to construct the Salton Sea North Lake Pilot Demonstration Project”. This is a major milestone towards the groundbreaking of a pivotal project at the Sea. Once finished, this 156-acre lake will provide habitat, reduce impacts from emissive playa, and reintroduce aesthetic and recreational components to a community greatly impacted by the changes at the Sea. Early next month a robust public outreach effort will begin, spearheaded by the County of Riverside with strong support from the Authority.

The Desert Shores project is also making progress. Plans are being made to secure design services, acquire land for project purposes, and the development of project water. In addition, the Authority, working closely with the County of Imperial and CNRA, has successfully identified project funding of approximately \$1.25 million from the Bureau of Reclamation. We expect to finalize that commitment in February, allowing this important first step on the West Shore to move forward.

COVID Lingers

As we are all painfully aware, this month saw a rapid resurgence of COVID cases in the region, and the Authority’s staff was touched as well. One team member tested positive and another experienced lingering flu-like symptoms (likely COVID), which significantly impaired our efficiency and productivity. Nonetheless, the work of the Authority continues apace, and the work – as evidenced by that discussed herein and that which will be discussed at our board meeting on Thursday, January 27th – continues. However, in the interest of public safety and given the air of uncertainty that still lingers, it will be recommended that the next meeting of the Salton Sea Authority Board of Directors be held virtual only, with the plan and hope that we will resume in person meetings again in May.

Stay safe.