



Executive Director's Report To the Board of the Directors May 26, 2022

This report contains a summary of Salton Sea Authority activities at the local, state, and federal levels. More detailed information can be found in the separate reports submitted by our advocates in Sacramento and Washington.

Community Outreach, Engagement, and Education has always been a high priority for the Authority. Working together with the state a scope of work has been developed that will more fully accommodate the Authority and its member agencies to partner with the state in efforts to reach out to the community, while also educating and informing regional stakeholders of challenges and opportunities at the Sea.

North Lake Pilot Demonstration Project continues to advance. A design team has been selected and negotiations on a contract for services are near final, expected to be approved and executed by Riverside County in June. A meeting was held this month with Secretary Crowfoot and the CNRA team to discuss the project status. The Secretary was informed that the project is running significantly over the initial project estimate, and that securing water for the project may require an interim investment in water from an imported supply in order to firm up a longer-term strategy for the project. The state has agreed to take the lead on the water supply assessment, with a goal to be completed in June. Land acquisition was also discussed, and it was agreed that there should be one agency responsible therefore – to be determined by August. The state was also presented with an outline for the equitable payment of operations and maintenance expenditures, prepared by Riverside County, to which the state is expected to respond early June.

Work on the **Desert Shores Channel Restoration Project**, with Imperial County in the midst of conducting a water supply assessment, and CNRA is working to finalize environmental approvals. The Authority is striving to work closely with the County to develop a reliable project plan and schedule, including a determination of designer/builder and oversight responsibilities.

In **Sacramento**, the “May Revise” to the 2022-2023 state budget was released, and the \$100 million originally committed for “local assistance, state operations, or capital outlay” remains intact. In addition, considerable attention is being given to lithium development and how it might be taxed for the betterment of the Sea and region. Negotiations continue on this issue, but current discussions contemplate that Imperial County would receive 80% of the revenue stream, while the state would receive the remaining 20%. The states revenues would then be used for operations and maintenance of Salton Sea projects, restoration projects under the 10-year plan, and grants for community engagement, public amenities, capital improvements or other community benefits at or around the Sea. It is also being explored whether a portion (5% in current discussions) of the states 20% can be specifically designated to the Salton Sea Authority. A variety of incentives, permit streamlining opportunities, and investments in education are being explored for the industry in exchange for the levy.

Our efforts in **Washington** are focused on implementing previously secured authorizations, including increasing the cap on the Reclamation’s 1992 authority from \$10 million – which is nearly exhausted – to \$250 million to develop public health, habitat and recreational opportunities at the Sea in partnership with others including the Authority. In addition, our work with CNRA/DWR on implementing the Corps of Engineers feasibility study continues to be productive. We are flushing out roles and responsibilities, and working with the state to harmonize their efforts under the long range plan and the feasibility study. A draft of a cost sharing agreement was provided to CNRA/DWR, and we are expecting feedback in early June.