



TO: Salton Sea Authority Board of Directors
FROM: Oracio Gonzalez, Ollin Strategies
DATE: July 2023
SUBJECT: California State Advocacy

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

Fiscal

On July 10th, 2023, the Governor signed legislation enacting the budget agreement he reached with the legislature on the 2023-24 State Budget. As reflected in AB 102, the final budget agreement contained \$24.6 million for Salton Sea restoration projects. This figure was roughly half the amount the legislature had included in SB 101, legislation passed in June that reflected the budget agreement reached between the State Assembly and the State Senate.

As it relates to the balance of the Governor's \$220 million commitment to the Salton Sea, the final budget "shifted" \$139 million in Salton Sea restoration dollars to a general obligation bond. Specifically, the final budget clawed back and "shifted" \$89 million in Salton Sea restoration dollars passed as part of last year's budget, along with \$50 million the Governor proposed in January.

As noted in a previous report, there are two primary bond vehicles moving through the legislature:

- AB 1567 (Garcia), a measure that would place a \$15.9 billion general bond before voters on March 5, 2024. On May 26, the measure was amended to increase funding for Salton Sea restoration from \$240 million to \$400 million. Of these funds, the bond continues to set aside \$30 million for the Salton Sea Authority. In addition, the bond would set aside \$15 million for a Salton Sea conservancy. Measure is awaiting a hearing before the Senate Natural Resources Committee.
- SB 867(Allen), a measure that would place a \$15.5 billion general obligation bond before voters during a yet to be specified date. As proposed, the measure includes \$100 million for Salton Sea restoration activities. Measure was heard by the Assembly Water Parks and Wildlife Committee on June 20, 2023, and is now awaiting a hearing before the Assembly Natural Resources Committee.

Conservancy (SB 583)

On July 5, 2023, the Assembly Natural Resources Committee held a hearing on SB 583, Senator Padilla's legislation to create a Salton Sea Conservancy. Pursuant to the direction of the Board, the Authority had submitted an "Oppose Unless Amended" position letter and accompanying amendments to Senator Padilla and the members of the Assembly Natural Resources Committee. The committee integrated almost all of the Authority's proposed amendments into a larger set of amendments the committee Chair proposed to the bill. Mr. Padilla agreed to the amendments and the measure was passed to the Assembly Appropriations Committee.

A summary of the amendments taken in committee are below:

1. Conservancy's role was expanded to:
 - a) Support implementation of restoration projects in consultation with the Salton Sea Authority and oversee all Operations and Maintenance of completed restoration projects;
 - b) Support and promote projects that benefit the surrounding communities and complement restoration projects; and,
 - c) Coordinate with all levels of government responsible for mitigation under the QSA and planed Salton Sea mitigation efforts.
2. Restructure the board with 13 voting member, including membership for each of the Authority's member agencies, and 7 ex-officio members.
3. Require the Natural Resources Secretary and President of the Salton Sea Authority to serve as the permanent Chair and Vice Chair of the governing board, respectively.
4. Require Conservancy to develop a strategic plan to avoid duplication.
5. Provide that nothing in the bill will alter or limit commitments under the Salton Sea Management Plan, the Long-Range Plan, or State Water Board orders.