



AGENDA:
DATE:
LOCATION:

BOARD OF DIRECTORS MEETING
Thursday, January 18, 2024, at 10:00 a.m.
County of Imperial
Board of Supervisors Chamber
County Administration Center
940 West Main Street, Suite 211
El Centro, CA 92243

The Following Salton Sea Authority Directors will be attending via video/teleconference from:

Director John Aguilar
Coachella Valley Water District
189 Orontes Way
Cathedral City, CA 92234

Director Yxstian Gutierrez
Riverside County
Edward Dean Museum/Admin
Office
9401 Oak Glen Road
Cherry Valley, CA 92223

Remote participation for this meeting is accessible at:

<http://www.SaltonSea.com/meetings>

I. CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

A copy of the agenda and supplemental materials will be available for viewing or download from [SaltonSea.com/meetings](http://www.SaltonSea.com/meetings)

II. PUBLIC COMMENTS

This Public Comments time is reserved for comments on any non-action agenda item and for matters not on the agenda. California law prohibits members of the Board from taking action on matters not on the agenda.

Members of the public may address the Board regarding any matter within the Authority’s jurisdiction and are invited to speak to any specific action item in the agenda at the time it is called. All non-action agenda items should be addressed during this general public comment period.

Speakers should state their name for the record and address all comments to the Chair, limiting remarks to three (3) minutes.

In person attendees should complete a “request to speak” form and provide it to the Clerk of the Board. Remote speakers must use Zoom’s “raised hand” feature (or if by phone, press *9) to be recognized.

Written comments may be emailed to **info@saltonsea.com**, or delivered by hand or mail to 82995 Highway 111, Suite 200, Indio, California, “Attn: Clerk of the Board, Salton Sea Authority”. Please include “Public Comment, 01/18/2024 Board meeting” in the subject line, and also include your name, address (addresses will be redacted), referencing the specific agenda item if appropriate.

All written comments will be distributed to the Board, posted on **SaltonSea.com** for public viewing and, **if received before noon on Wednesday, January 17th**, publicly acknowledged during the Board meeting. (Written comments will be included in the public record but not be read aloud.)

III. BOARD MEMBER COMMENTS

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

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 to allow for public discourse.

IV. ITEMS FOR DISCUSSION AND POSSIBLE BOARD ACTION

- A. CONSENT CALENDAR – Approve, Receive, and File
 - 1. Minutes of Salton Sea Authority Board Meeting November 16, 2023
 - 2. Salton Sea Authority Warrant Register Ratification for November 2023
 - 3. Salton Sea Authority Warrant Register Ratification for December 2023
 - 4. Salton Sea Authority Internal Financial Report for October 2023
 - 5. Salton Sea Authority Internal Financial Report for November 2023
- B. Review and accept fiscal year 2023 Audited Financial Report - Shannon Ayala, CPA / Partner, Davis Farr, LLP
- C. Update on IID’s Salton Sea mitigation efforts - Jessica Humes, Senior Environmental Project Manager, Imperial Irrigation District
- D. Review of Governor’s Proposed 2024/2025 Budget - Oracio Gonzalez, Ollin Strategies
- E. US Army Corps of Engineers “Imperial Streams and Salton Sea Ecosystem Restoration Feasibility Study” Status Report - Staff
- F. CNRA Agreement # OCA21020 - “Public Outreach and Engagement Services” - Status Report and Update – Staff
- G. Project Updates
 - a. North Lake Demonstration Pilot Project
 - b. Desert Shores

V. REPORTS

A. Federal

1. Federal Activities – Lisa Moore Lehman, Partner, Cultivating Conservation
2. US Bureau of Reclamation – Jeremy Brooks

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 – Enrique Arroyo, District Superintendent, California State Parks

C. Local

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

D. Executive Director’s Report and Comments - G. Patrick O’Dowd, Executive Director/GM, Salton Sea Authority

VI. ADJOURNMENT

NEXT MEETING TIME & LOCATION:

The Salton Sea Authority board is scheduled to meet on:

Thursday, February 15, 2024, at 10:00a.m.
Coachella Valley Water District
Steve Robbins Administrative Building
75515 Hovley Lane East
Palm Desert, CA 92260
760-398-2651

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

November 16, 2023

I. CALL TO ORDER

The regularly scheduled meeting of the Salton Sea Authority (“Authority”) Board of Directors (“Board”) was called to order by Altrena Santillanes, President, at 10:00 a.m., November 16, 2023, at the Torres Martinez Desert Cahuilla Indians Tameka Gymnasium, and via Zoom Webinar.

PLEDGE OF ALLEGIANCE Led by President Santillanes. President Santillanes also read a Tribal Land Acknowledgement in English and in their Traditional Cahuilla language.

ROLL CALL:

DIRECTORS PRESENT ON SITE

Altrena Santillanes, President
Gina Dockstader, Secretary
Cástulo R. Estrada, Vice-President
John Aguilar, Director

AGENCY

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

DIRECTORS PRESENT VIA ZOOM

Alex Cárdenas, Director

AGENCY

Imperial Irrigation District

DIRECTORS ABSENT

Ryan E. Kelley, Director
Luis A. Plancarte, Director
Thomas Torte, Director
V. Manuel Perez, Director
Yxstian Gutierrez, Treasurer
Ex-Officio Samantha Arthur

AGENCY

Imperial County
Imperial County
Torres Martinez Desert Cahuilla Indians
Riverside County
Riverside County
CNRA

SALTON SEA AUTHORITY STAFF PRESENT

G. Patrick O’Dowd, Executive Director/GM (in person)
Bob Hargreaves, Best Best & Krieger, Legal Counsel (in person)

MEMBERS OF THE PUBLIC PRESENT

On Site: Jasmyn Phillips, Desert Shores Oversight Committee/Eco Media, Phil Rosentrater, SSA Retired Executive Director, Rick Daniels, Former SSA Executive Director, Darren Simon, SDCWA, Belen Lopez and Thomas Brinkerhoff, Imperial County Air Pollution Control District, Stella Jimenez, District Director of Congressman Ruiz's Office, Miguel Hernandez, CNRA, Pat Cooper, Deputy Chief of Staff for Supervisor Perez, Riverside County, Juan DeLara, Federated Insurance and SSAC, Bob Wright, EDA, Riverside County, Joselyn Ramirez, Senator Padilla's office, Paul Najjar and Bryan Benso, Gafcon.

Via Zoom: Susie Ming, Army Corp of Engineers, Nathan White, Agess, Inc. and Michael Cohen, Pacific Institute and 17 others.

II. PUBLIC COMMENTS

Nathan White expressed appreciation to the Torres Martinez Community for hosting the meeting, and anticipates more engagement opportunities within the communities around the Sea. He also requested future agendas include implementable solutions and projects focused on water quality.

Pat Cooper spoke on behalf of Former Senator Ducheny who sends her regrets that she could not attend. She thanked everyone for their efforts on behalf of the Salton Sea. Ducheny was one of the Senators of the ratifying documents for the QSA.

Dr. Timothy Kratz has been engaged with the Salton Sea for 27 years and is very pleased that the Authority is still pursuing its important work.

III. BOARD MEMBER COMMENTS

President Santillanes has been on the Authority's Board for 7 years and it has added to her experience, wisdom, and the knowledge of my tribe and the history of it. She considered it an honor to sit on this board, to be able to have the opportunity to speak on behalf of her tribe and community. The Salton Sea Authority has created a platform to be that voice for our communities in the Coachella Valley.

Director Estrada has been with the Authority for 10 years; it's been an honor to serve. There's a lot of positive going, we have funding, and projects and we're more engaged now with the state and federal partners more so than 10 years ago. Congrats to everyone that has been a part of the Authority.

Director Dockstader, it's been an honor and a privilege to be on this board.

Director Aguilar, looking forward to representing the water district.

Director Cardenas thanked the Torres Martinez Tribe for their hospitality in hosting this meeting. He thanked the community for being engaged in public comment, they have made our agency strong, and also recognized staff for some significant milestones achieved by the Authority, including WRDA and the Feasibility Study.

IV. ITEMS FOR BOARD DISCUSSION AND POSSIBLE ACTION

A. CONSENT CALENDAR – Approve, Receive, and File

1. Minutes of Salton Sea Authority Board Meeting October 19, 2023
2. Salton Sea Authority Warrant Register Ratification for October 31, 2023
3. Salton Sea Authority Internal Financial Report for: 7/01/2022 – 09/30/2023

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

Approved by the following vote:

AYES: President Santillanes, Vice-President Estrada, Director Aguilar and Secretary Dockstader.

NOES: None

ABSENT: Directors Kelley, Torte, Gutierrez, Perez and Plancarte

ABSTAINED: None

MOTION PASSED: 6 – 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.*

- ##### **B. Desert Shores Project Update – Introduction of Gafcon, Inc. and ratification of Consulting agreement dated October 24, 2023.**
- Paul Najar and Bryan Benso gave a brief overview. Gafcon is a family-owned business, they specialize in waterfront projects. In the next couple of weeks, they will be putting together a work plan and project charter of how to move this project from where it is today into an execution stage.

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

Approved by the following vote:

AYES: President Santillanes, Vice-President Estrada, Director Aguilar and Secretary Dockstader.

NOES: None

ABSENT: Directors Kelley, Torte, Gutierrez, Perez and Plancarte

ABSTAINED: None

MOTION PASSED: 6 – 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.*

- C. Imperial Streams and Salton Sea Ecosystem Restoration Feasibility Study update
Susie Ming, representing USACE gave a presentation on the Imperial Streams and Salton Sea ecosystem restoration feasibility study. The project was recently approved as a “Mega Study” which will require enhanced resources and additional oversight. They are in the process of forming a workshop to include a technical and policy team with a range of experts and stakeholders and develop improved inflow scenarios to evaluate and compare alternatives and provide an accurate assessment of the project performance.

Michael Cohen inquired of the next hydrology workshop. Ms. Ming indicated no dates have been set. Michael also suggested having workshops south of the border, and inquired if only CNRA’s long range plan options were being evaluated, since their project was not included in that.

Director Estrada thanked Ms. Ming for being open to the Mega Study. He asked if the budget was secured, and per Ms. Ming, it’s a 50/50 share, and the federal cost share for the \$3 million has been secured. The balance will need to be appropriated.

- D. Outreach, Engagement and Education progress report, Israel Cruz, Authority’s Director of Outreach, Engagement & Education gave a brief update. The Authority has attended many events, one in particular, the 12th Annual Environmental Health Leadership Summit. We will be seeing a stronger presence of the Authority within the community, future opportunities including ways to collaborate together with CNRA and to better inform and better serve our community.
- E. Monitoring, Mitigation, and Accountability – ED O’Dowd gave a brief update on efforts to provide assurance of health and safety. He acknowledged the important work being done by the Imperial County Air Pollution Control Board, South Coast Air Quality District, CARB and the work that the QSA- JPA and IID is doing on monitoring work along with the Tribe and Comite Civico del Valle, Inc. We are advocating with Senator Padilla and Assemblymember Garcia’s office to create a framework that will allow the data that is being collected (including the community-based monitoring efforts) to create a consolidating framework that people can know at least with respect to the changes occurring from the historic shoreline inward are not causing harm. There was a Monitoring Assessment Plan (MAP) that was prepared in 2013 which was a precursor document to the Monitoring Implementation Plan (MIP) approved in 2022, which contemplates an annual plan for monitoring which has not yet been implemented. We are informed that the state recently initiated the process for next year’s monitoring. But it’s only a monitoring program and doesn’t really track human health and safety. What we are striving for at least as it relates to human health and safety, is to build a Health Assurance Plan, which we believe can be accomplished in many ways. One would be to have the Authority work with the different agencies, universities, and others to make sure that information that is taking place is being properly consolidated and assessed. ED O’Dowd suggested it could be called a “Health Assessment Plan”, but really wants to call it the “Health Assessment Plan for People like You” and then call it the “Happy Plan” because people haven’t been happy in a long time.

V. REPORTS

(Due to the Special Program, no oral reports will be provided)

A. Federal

1. Federal Activities – Lisa Moore Lehman, Partner, Cultivating Conservation
2. US Bureau of Reclamation – No Report

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 – Andrew Ahlberg, Interim District Superintendent, California State Parks

C. Local

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

D. Executive Director’s Report and Comments - G. Patrick O’Dowd, Executive Director/GM, Salton Sea Authority

VI. SPECIAL PROGRAM

A. Salton Sea Authority – 30th Anniversary Commemoration.

Former Executive Directors, Tom Kirk, Rick Daniels and Phil Rosentrater spoke of their tenure at the Salton Sea Authority.

Bob Hargreaves of Best Best and Krieger spoke about when SSA was initially formed and how the Authority brought on the Torres Martinez Desert Cahuilla Indian Tribe to the Board.

Tom Kirk was the 1st Executive Director of the Authority in 1993. He started out at CVAG. The Authority didn’t have a staff, they had a technical crew advisory committee that was made up of the 4 agencies at the time, so CVAG was hired to take minutes and address Brown Act related issues and administrator the meetings. The Authority was interested in working with the Bureau of Reclamation identifying and prioritizing key objectives at the Salton Sea, so they asked CVAG and Kirk to manage this effort. One of the biggest challenges he had was that we have people in Washington D.C. that are representing a place far far away. EPA came out to visit the Salton Sea on a typical gorgeous day, when they got there, they said to Tom, “what is the problem here”? Tom said it’s not a bad place, water, mountains, it certainly can be a place for more people in the future to put more communities.

Rick Daniels, when he came on board there were no plans, Imperial and Riverside Counties had never worked on anything together. He met with former Congresswoman, Mary Bono, she told him that she would work to get him money but no more studies, just money for projects and actions. We had success but the State ended up keeping all the money. Rick said his tenure at the Authority represents one of his most rewarding work experiences in his 50-year career.

Phil Rosentrater, it was a privilege to have worked with the Salton Sea Authority and genuinely uplifting to hear the progress has been continuingly made or what his signature line has been and will remain for a Healthier and more Prosperous Salton Sea. That is the encapsulation of what the Salton Sea Authority has embraced in their policies, plans and procurement activities. It's what drives progress, it is what brings the members of the Authority the perfect entity.

VII. ADJOURNMENT

NEXT MEETING TIME & LOCATION:

The Salton Sea Authority Board is scheduled to meet on:

Thursday, January 18, 2024, at 10:00 a.m.
Imperial County BOS Chamber
940 W. Main Street
El Centro, CA 92243
442-265-1020

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.



Salton Sea Authority
Checking Account Activity
November 1, 2023 through November 30, 2023

Date	Number	Vendor Name	Description	Amount
11/08/2023	ACH	Eide Bailly LLP	Accounting services 08/23	(4,758.10)
11/13/2023	EFT	Pacific Western Bank	Visa billing cycle ended 10/23	(1,795.17)
11/29/2023	ACH	Eide Bailly LLP	Accounting services 09/23	(6,077.90)
11/29/2023	ACH	Davis Farr LLP	Progress Billing FYE 06/23	(5,000.00)
11/29/2023	ACH	Best, Best & Krieger	Services related to general matters 10/23	(1,932.00)
11/29/2023	ACH	Best, Best & Krieger	Services related to federal matters 10/23	(759.00)
11/29/2023	ACH	Bravata, Lisa	Mileage 10/19/23-11/16/23	(149.44)
11/29/2023	ACH	CSDA	Membership Renewal 2024	(1,715.00)
11/29/2023	ACH	Cruz, Israel	Mileage 10/24/23-11/16/23	(305.56)
11/29/2023	ACH	G. Patrick O'Dowd	Mileage 11/1/23-11/21/23	(210.91)
11/29/2023	ACH	Ollin Strategies	Consulting services 11/23	(7,000.00)
11/29/2023	ACH	Cultivating Conservation	Consulting fees 10/23	(7,350.00)
11/29/2023	ACH	Davis Farr LLP	Progress Billing FYE 06/23	(2,500.00)
Beginning Cash Balance				\$ 208,807.66
Monthly Activity				(39,553.08)
Ending Cash Balance				\$ 169,254.58



Salton Sea Authority
Checking Account Activity
 December 1, 2023 through December 31, 2023

Date	Number	Vendor Name	Description	Amount
12/01/2023	Deposit	County of Imperial	Member contribution FY 23/24	200,000.00
12/01/2023	Deposit	IID	Member contribution FY 23/24 - Installment 1 of 3	66,600.00
12/01/2023	EFT	Melio Bill Payer	Check processing fees 12/23	(9.00)
12/11/2023	Deposit	Bureau of Reclamation	Grant reimbursement for period ended 06/23	1,661.38
12/11/2023	EFT	Pacific Western Bank	Visa billing cycle ended 11/23	(1,885.49)
12/11/2023	Deposit	Bureau of Reclamation	Grant reimbursement for period ended 09/23	9,003.42
12/22/2023	7310563	ACWA	Membership renewal 2024	(6,395.00)
12/22/2023	7308714	Riverside County	Replenish payroll account	(200,000.00)
12/22/2023	ACH	SystemGO IT LLC	SystemGo IT Website 11/23	(382.00)
12/22/2023	ACH	Cultivating Conservation	Consulting services 11/23 and SSA 30th Anniversary board meeting travel	(8,739.91)
12/22/2023	ACH	Best, Best & Krieger	Services 11/23	(552.00)
12/22/2023	ACH	Eide Bailly LLP	Accounting services 10/23	(3,956.05)
12/26/2023	ACH	Ollin Strategies	Consulting services 12/23	(7,000.00)
12/27/2023	ACH	Conveyor Group	IT services 12/23	(2,388.17)
Beginning Cash Balance				\$ 169,254.58
Monthly Activity				45,957.18
Ending Cash Balance				\$ 215,211.76



Salton Sea Authority

Budget to Actual

General Fund (Unaudited)

For the Period July 1, 2023 through October 31, 2023

	A	B	C	D	C/D	C - D
	September 2023	October 2023	YTD FY 24	Budget FY 24	YTD Target 33%	\$ Variance
1 REVENUE						
2 Local Government / Member Assessments	\$ -	\$ -	\$ 400,000	\$ 800,000	50%	\$ (400,000)
3 Other Federal / State / Local Reimbursements	-	-	-	25,000	0%	(25,000)
4 Sponsorships	-	-	-	25,000	0%	(25,000)
5 Grant and Other Reimbursements to General Fund	1,026	-	1,027	194,400	1%	(193,373)
6 TOTAL REVENUE	1,026	-	401,027	1,044,400	38%	(643,373)
7 EXPENSES						
8 SSA Administration						
9 Salaries & Benefits						
10 Total Salaries	15,934	27,101	73,309	309,300	24%	(235,991)
11 Total Employee Benefits	8,466	14,438	38,729	171,600	23%	(132,871)
12 Total Salaries & Benefits	24,400	41,539	112,038	480,900	23%	(368,862)
13 Contract / Professional Services						
14 DC Advocates	7,350	7,350	29,400	94,200	31%	(64,800)
15 Sacramento Advocates	7,000	7,000	28,000	88,200	32%	(60,200)
16 Attorney Fees	4,209	2,691	11,159	54,000	21%	(42,841)
17 Audit & Accounting	4,691	5,284	17,167	76,200	23%	(59,033)
18 Total Contract / Professional Services	23,250	22,325	85,726	312,600	27%	(226,874)
19 Travel/Mileage	2,881	1,876	10,726	40,000	27%	(29,274)
20 Equipment / IT Maintenance	382	382	1,528	8,300	18%	(6,772)
21 Non-capitalized Office Equipment	-	-	-	8,000	0%	(8,000)
22 Insurance	944	944	3,777	11,600	33%	(7,823)
23 Office Expense/Operating Supplies	62	60	282	8,700	3%	(8,418)
24 Office Expense/Online Services	368	189	1,295	4,000	32%	(2,705)
25 Dues, Subscriptions	669	669	3,076	10,000	31%	(6,924)
26 Operating Expenses / County Charges	1,146	1,215	2,943	7,400	40%	(4,457)
27 Coachella Water District Board Room Usage Fees	-	-	-	2,400	0%	(2,400)
28 Interest Expense	1,024	(2)	1,110	-	N/A	1,110
29 TOTAL EXPENSES	55,125	69,196	222,502	893,900	25%	(671,398)
30 NET INCOME / (LOSS)	\$ (54,099)	\$ (69,196)	\$ 178,526	\$ 150,500	119%	\$ 28,026

*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
Budget to Actual
DWR - Proposition 68 Grant (Unaudited)
 For the Period July 1, 2023 through October 31, 2023

	A	B	C	D	C/D	C - D
	September 2023	October 2023	YTD FY 24	Budget FY 24	YTD Target 33%	\$ Variance
1 REVENUE						
2 State of California Grant (Prop 68)	\$ -	\$ (88)	\$ (88)	\$ 2,000,000	0%	\$ (2,000,088)
3 TOTAL REVENUE	-	(88)	(88)	2,000,000	0%	\$ (2,000,088)
4 EXPENSES						
5 Salton Sea Authority Salaries	-	-	-	79,700	0%	(79,700)
6 Department of Water Resources-North Lake Demo	-	(88)	(88)	1,920,300	0%	(1,920,388)
7 TOTAL EXPENSES	-	(88)	(88)	2,000,000	0%	(2,000,088)
8 NET INCOME / (LOSS)	\$ -	\$ -	\$ -	\$ -		\$ -

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Salton Sea Authority Budget to Actual BOR -DSR (Unaudited)

For the Period July 1, 2023 through October 31, 2023

	A	B	C	D	C / D	C - D
	September 2023	October 2023	YTD FY 24	Budget FY 24	YTD Target 33%	\$ Variance
1 REVENUE						
2 Bureau of Reclamation Grant	\$ 9,003	\$ 573	\$ 9,576	\$ 750,000	1%	\$ (740,424)
3 TOTAL REVENUE	9,003	573	9,576	750,000	1%	\$ (740,424)
4 EXPENSES						
5 Riverside County Salaries	1,026	-	1,026	25,000	4%	(23,974)
6 Bureau of Reclamation-Desert Shores Revitalization	7,977	573	8,550	725,000	1%	(716,450)
7 TOTAL EXPENSES	9,003	573	9,576	750,000	1%	(740,424)
8 NET INCOME / (LOSS)	\$ -	\$ -	\$ -	\$ -		\$ -

*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 Sheet
(Unaudited)
As of October 31, 2023

1	ASSETS		
2	Checking/Savings	\$	125,123
3	Accounts Receivable		114
4	Prepaid Items		6,059
5	Grants Receivable		89,369
6	TOTAL ASSETS		220,665
7	LIABILITIES & FUND BALANCE		
8	LIABILITIES		
9	Accounts Payable		24,833
10	Credit Card Payable		1,811
11	Accrued Payroll		16,868
12	Due to Imperial County		8,395
13	Due to Riverside County		68,981
14	Accrued Vacation		51,800
15	TOTAL LIABILITIES		172,688
16	FUND BALANCE		47,978
17	TOTAL LIABILITIES & FUND BALANCE	\$	220,665

*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 Budget to Actual General Fund (Unaudited)

For the Period July 1, 2023 through November 30, 2023

	A	B	C	D	C/D	C - D
	October 2023	November 2023	YTD FY 24	Budget FY 24	YTD Target 42%	\$ Variance
1 REVENUE						
2 Local Government / Member Assessments	\$ -	\$ -	\$ 400,000	\$ 800,000	50%	\$ (400,000)
3 Other Federal / State / Local Reimbursements	-	-	-	25,000	0%	(25,000)
4 Sponsorships	-	-	-	25,000	0%	(25,000)
5 Grant and Other Reimbursements to General Fund	-	-	1,027	194,400	1%	(193,373)
6 TOTAL REVENUE	-	-	401,027	1,044,400	38%	(643,373)
7 EXPENSES						
8 SSA Administration						
9 Salaries & Benefits						
10 Total Salaries	27,101	19,206	92,515	309,300	30%	(216,785)
11 Total Employee Benefits	14,438	9,076	47,805	171,600	28%	(123,795)
12 Total Salaries & Benefits	41,539	28,281	140,320	480,900	29%	(340,580)
13 Contract / Professional Services						
14 DC Advocates	7,350	8,740	38,140	94,200	40%	(56,060)
15 Sacramento Advocates	7,000	7,000	35,000	88,200	40%	(53,200)
16 Attorney Fees	2,691	552	11,711	54,000	22%	(42,289)
17 Audit & Accounting	5,284	11,456	28,623	76,200	38%	(47,577)
18 Total Contract / Professional Services	22,325	27,748	113,474	312,600	36%	(199,126)
19 Travel/Mileage	1,876	971	11,697	40,000	29%	(28,303)
20 Equipment / IT Maintenance	382	382	1,910	8,300	23%	(6,390)
21 Non-capitalized Office Equipment	-	-	-	8,000	0%	(8,000)
22 Insurance	944	944	4,721	11,600	41%	(6,879)
23 Office Expense/Operating Supplies	60	1,210	1,492	8,700	17%	(7,208)
24 Office Expense/Online Services	189	489	1,784	4,000	45%	(2,216)
25 Dues, Subscriptions	669	669	3,745	10,000	37%	(6,255)
26 Operating Expenses / County Charges	1,215	178	3,121	7,400	42%	(4,279)
27 Coachella Water District Board Room Usage Fees	-	-	-	2,400	0%	(2,400)
28 Interest Expense	(2)	-	1,110	-	N/A	1,110
29 TOTAL EXPENSES	69,196	60,872	283,374	893,900	32%	(610,526)
30 NET INCOME / (LOSS)	\$ (69,196)	\$ (60,872)	\$ 117,654	\$ 150,500	78%	\$ (32,847)

*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
Budget to Actual
DWR - Proposition 68 Grant (Unaudited)
 For the Period July 1, 2023 through November 30, 2023

	A	B	C	D	C/D	C - D
	October 2023	November 2023	YTD FY 24	Budget FY 24	YTD Target 42%	\$ Variance
1 REVENUE						
2 State of California Grant (Prop 68)	\$ (88)	\$ -	\$ (88)	\$ 2,000,000	0%	\$ (2,000,088)
3 TOTAL REVENUE	(88)	-	(88)	2,000,000	0%	\$ (2,000,088)
4 EXPENSES						
5 Salton Sea Authority Salaries	-	-	-	79,700	0%	(79,700)
6 Department of Water Resources-North Lake Demo	(88)	-	(88)	1,920,300	0%	(1,920,388)
7 TOTAL EXPENSES	(88)	-	(88)	2,000,000	0%	(2,000,088)
8 NET INCOME / (LOSS)	\$ -	\$ -	\$ -	\$ -		\$ -

*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 Budget to Actual BOR -DSR (Unaudited)

For the Period July 1, 2023 through November 30, 2023

	A	B	C	D	C / D	C - D
	October 2023	November 2023	YTD FY 24	Budget FY 24	YTD Target 42%	\$ Variance
1 REVENUE						
2 Bureau of Reclamation Grant	\$ 573	\$ -	\$ 9,576	\$ 750,000	1%	\$ (740,424)
3 TOTAL REVENUE	573	-	9,576	750,000	1%	\$ (740,424)
4 EXPENSES						
5 Riverside County Salaries	-	-	1,026	25,000	4%	(23,974)
6 Bureau of Reclamation-Desert Shores Revitalization	573	-	8,550	725,000	1%	(716,450)
7 TOTAL EXPENSES	573	-	9,576	750,000	1%	(740,424)
8 NET INCOME / (LOSS)	\$ -	\$ -	\$ -	\$ -		\$ -

*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 Sheet
(Unaudited)
As of November 30, 2023

1	ASSETS		
2	Checking/Savings	\$	52,449
3	Prepaid Items		6,161
4	Grants Receivable		89,369
5	TOTAL ASSETS		147,979
6	LIABILITIES & FUND BALANCE		
7	LIABILITIES		
8	Accounts Payable		17,586
9	Credit Card Payable		1,906
10	Accrued Payroll		12,206
11	Due to Imperial County		8,395
12	Due to Riverside County		68,981
13	Accrued Vacation		51,800
14	TOTAL LIABILITIES		160,873
15	FUND BALANCE		(12,894)
16	TOTAL LIABILITIES & FUND BALANCE	\$	147,979

*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
BASIC FINANCIAL STATEMENTS

Year ended June 30, 2023

SALTON SEA AUTHORITY
BASIC FINANCIAL STATEMENTS

Year ended June 30, 2023

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Independent Auditor's Report

Board of Directors
Salton Sea Authority
Indio, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and aggregate remaining fund information of Salton Sea Authority, as of and for the year June 30, 2023, and the related notes to the financial statements, which collectively comprise Salton Sea Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and aggregate remaining fund information of Salton Sea Authority as of June 30, 2023, and the respective changes in financial position and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Salton Sea Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Salton Sea Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Salton Sea Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Salton Sea Authority’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Salton Sea Authority’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management’s discussion and analysis* and *budget to actual schedules and notes to required supplementary information* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the Salton Sea Authority's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of Salton Sea Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Salton Sea Authority's internal control over financial reporting and compliance.

DavisFarrLLP

Irvine, California
December 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the Salton Sea Authority (the Authority) provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the Authority as a whole and present a longer-term view of the Authority's finances. Also included in the accompanying report are the *fund financial statements*. The fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's most significant funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts — *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The *basic financial statements* include two kinds of statements that present different views of the Authority:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Authority's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Authority government, reporting the Authority's operations in *more detail* than the government-wide statements.

The financial statements also include *Notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provide additional financial and budgetary information.

Reporting the Authority as a Whole

The accompanying **government-wide financial statements** include two statements that present financial data for the Authority as a whole. One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Authority as a whole and about its activities in a way that helps answer this question. The Statement of Net Position includes *all* assets and liabilities using the *modified-accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Salton Sea Authority
Management's Discussion and Analysis (Continued)

These two statements report the Authority's net position and changes in them. You can think of the Authority's net position - the difference between assets and liabilities - as one way to measure the Authority's financial health, or *financial position*. Over time, *increases and decreases* in the Authority's net position are one indicator of whether its *financial health* is improving or deteriorating.

Reporting the Authority's Major Funds

The fund financial statements provide detailed *information* about the Authority's most significant funds - not the Authority as a whole. Some funds are required to be established by grant or legal requirements. However, management establishes other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain resources.

Governmental funds — The Authority's basic services are reported in governmental funds, which focus on how money flows into *and* out of those *funds and* the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Authority's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Assets:			
Cash	\$ 125,042	75,125	49,917
Accounts receivable	11,331	-	11,331
Grants receivable	457,878	54,152	403,726
Prepaid items	4,015	11,922	(7,907)
Total assets	<u>\$ 598,266</u>	<u>141,199</u>	<u>457,067</u>
Liabilities:			
Accounts payable	\$ 20,530	21,345	(815)
Grants payable	439,151	34,370	404,781
Unearned revenue	200,000	200,000	-
Accrued expenditures	69,133	56,901	12,232
Total liabilities	<u>728,814</u>	<u>312,616</u>	<u>416,198</u>
Net position:			
Restricted for:			
Specific grants	-	20,991	(20,991)
Unrestricted	(130,548)	(192,408)	61,860
Total net position	<u>\$ (130,548)</u>	<u>(171,417)</u>	<u>40,869</u>

Salton Sea Authority
Management's Discussion and Analysis (Continued)

Statement of Activities

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Revenues			
Member contributions	\$ 810,000	610,000	200,000
Intergovernmental	570,790	314,398	256,392
Interest	-	9	(9)
Other revenue	<u>502</u>	<u>10,250</u>	<u>(9,748)</u>
Total revenues	<u>1,381,292</u>	<u>934,657</u>	<u>446,635</u>
Expenditures			
Administration	897,879	742,833	155,046
Technical and project support	<u>442,544</u>	<u>298,910</u>	<u>143,634</u>
Total expenditures	<u>1,340,423</u>	<u>1,041,743</u>	<u>298,680</u>
Changes in net position	40,869	(107,086)	147,955
Beginning net position	<u>(171,417)</u>	<u>(64,331)</u>	<u>(107,086)</u>
Ending net position	<u>\$ (130,548)</u>	<u>(171,417)</u>	<u>40,869</u>

The increase in intergovernmental revenue and technical and project support is due to increased expenditures related to the Prop 68 Grant as the project activity has increased.

MAJOR FUNDS

General Fund

This fund accounts for all administrative activity and expense related to salaries, public outreach, community relations, services and supplies to maintain and support all Salton Sea Authority restoration projects. The General Fund costs increased in administration due to an increase in advocacy, grant consulting and salary expenses.

North Lake Demonstration Project for Proposition 68 from the Department of Water Resources (Prop 68 DWR Grant Fund)

The project will construct an approximately 156-acre lake at the northern end of the Salton Sea. The project provides for habitat enhancement and expansion located at the North end of the Salton Sea. The Project will have shallow habitat running along over one mile of shoreline and approximately 30 acres will be developed as deep-water habitat for fish.

GENERAL FUND BUDGET

Actual revenues were under budget by \$260,475 primarily due to budgeted revenue from other sponsorships not being received. Actual expenses were under budgeted by \$41,928 due to the elimination of a contract grant position during the fiscal year.

Salton Sea Authority
Management's Discussion and Analysis (Continued)

CAPITAL ASSETS

The Salton Sea Authority has no significant capital assets (property, plant, and equipment).

LONG-TERM DEBT

The Salton Sea Authority has no outstanding long-term debt.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens, members, and resource providers with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Office located at 82995 Highway 111, Suite 200, Indio, CA 92201.

BASIC FINANCIAL STATEMENTS

SALTON SEA AUTHORITY
STATEMENT OF NET POSITION

June 30, 2023
(with comparative information for prior year)

	2023	2022
ASSETS:		
Cash and cash equivalents	\$ 125,042	75,125
Accounts Receivable	11,331	354
Grants receivable	457,878	53,798
Prepaid items	4,015	11,922
TOTAL ASSETS	598,266	141,199
LIABILITIES:		
Accounts payable	20,530	21,345
Grants payable	439,151	34,370
Unearned revenue	200,000	200,000
Accrued expenses	69,133	56,901
TOTAL LIABILITIES	728,814	312,616
NET POSITION (DEFICIT):		
Restricted for:		
Clean up activities	-	20,991
Unrestricted	(130,548)	(192,408)
TOTAL NET POSITION	\$ (130,548)	(171,417)

See accompanying notes to the basic financial statements.

SALTON SEA AUTHORITY

STATEMENT OF ACTIVITIES

Year ended June 30, 2023
(with comparative information for prior year)

Function	Expenses	Operating Grants	Net Revenue (Expense)	
			2023	2022
Administration	\$ 897,879	-	(897,879)	(717,098)
Technical and project support	<u>442,544</u>	<u>570,790</u>	<u>128,246</u>	<u>(10,247)</u>
Total	<u>\$ 1,340,423</u>	<u>570,790</u>	<u>(769,633)</u>	<u>(727,345)</u>
General revenues:				
Member contributions			810,000	610,000
Interest			-	9
Other revenue			<u>502</u>	<u>10,250</u>
Total general revenues			<u>810,502</u>	<u>620,259</u>
Change in net position			40,869	(107,086)
Net position (deficit), beginning			<u>(171,417)</u>	<u>(64,331)</u>
Net position (deficit), ending			<u>\$ (130,548)</u>	<u>(171,417)</u>

See accompanying notes to the basic financial statements.

SALTON SEA AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023
(with comparative information for prior year)

	Special Revenue				Totals	
	General	Prop 68	Fish Clean	Nonmajor		
	Fund	DWR Grant Fund	Up Trust Fund	Grants Fund	2023	2022
ASSETS:						
Cash and cash equivalents	\$ 125,042	-	-	-	125,042	75,125
Accounts receivable	11,331	-	-	-	11,331	354
Grants receivable	-	456,790	-	1,088	457,878	53,798
Due from other funds	18,456	-	-	-	18,456	19,426
Prepaid items	4,015	-	-	-	4,015	11,923
TOTAL ASSETS	158,844	456,790	-	1,088	616,722	160,626
LIABILITIES:						
Accounts payable	20,259	-	-	271	20,530	21,345
Grants payable	-	439,151	-	-	439,151	34,371
Unearned revenue	200,000	-	-	-	200,000	200,000
Accrued expenses	17,333	-	-	-	17,333	17,585
Due to other funds	-	17,639	-	817	18,456	19,426
TOTAL LIABILITIES	237,592	456,790	-	1,088	695,470	292,727
FUND BALANCES:						
Restricted for clean up activities	-	-	-	-	-	20,991
Unassigned	(78,748)	-	-	-	(78,748)	(153,092)
TOTAL FUND BALANCES (DEFICIT)	(78,748)	-	-	-	(78,748)	(132,101)
TOTAL LIABILITIES AND FUND BALANCES	\$ 158,844	456,790	-	1,088	616,722	160,626

See accompanying notes to the basic financial statements.

SALTON SEA AUTHORITY

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position**

June 30, 2023

Fund balances of governmental funds \$ (78,748)

Amounts reported for governmental activities in the statement of
net position are different because:

Long-term liabilities applicable to the Authority's governmental activities are not
due and payable in the current period and, accordingly, are not reported as fund
liabilities. However, they are reported in the Statement of Net Position. The long-
term liability of the Authority is related to compensated absences.

(51,800)

Net position of governmental activities

\$ (130,548)

See accompanying notes to the basic financial statements.

SALTON SEA AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS

Year ended June 30, 2023
(with comparative information for prior year)

	General Fund	Special Revenue			Totals	
		Prop 68 DWR Grant Fund	Fish Clean Up Trust Fund	Nonmajor Grants Fund	2023	2022
REVENUES:						
Member contributions	\$ 810,000	-	-	-	810,000	610,000
Intergovernmental	89,023	458,011	-	23,756	570,790	314,398
Interest	-	-	-	-	-	9
Other revenue	502	-	-	-	502	10,250
TOTAL REVENUES	899,525	458,011	-	23,756	1,381,292	934,657
EXPENDITURES:						
Administration	846,172	26,350	-	12,873	885,395	725,127
Technical and project support	-	431,661	-	10,883	442,544	298,910
TOTAL EXPENDITURES	846,172	458,011	-	23,756	1,327,939	1,024,037
Excess (deficiency) of Revenues over (under) Expenditures	53,353	-	-	-	53,353	(89,380)
OTHER FINANCING SOURCES (USES)						
Transfers in	20,991	-	-	-	20,991	-
Transfers out	-	-	(20,991)	-	(20,991)	-
TOTAL OTHER FINANCING SOURCES (USES)	20,991	-	(20,991)	-	-	-
Net changes in fund balance	74,344	-	(20,991)	-	53,353	(89,380)
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	(153,092)	-	20,991	-	(132,101)	(42,721)
FUND BALANCES (DEFICIT) AT END OF YEAR	\$ (78,748)	-	-	-	(78,748)	(132,101)

See accompanying notes to the basic financial statements.

SALTON SEA AUTHORITY

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities**

Year ended June 30, 2023

Net changes in fund balances - total governmental funds	\$	53,353
Amounts reported for governmental activities in the statement of activities are different because:		
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources. Therefore, these expenses are not reported as expenditures in governmental funds.		<u>(12,484)</u>
Change in net position of governmental activities	\$	<u>40,869</u>

See accompanying notes to the basic financial statements.

SALTON SEA AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2023

(1) Summary of Significant Accounting Policies

The basic financial statements of the Salton Sea Authority (Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

(a) Reporting Entity

The Authority was created on June 2, 1993, as a result of a joint powers agreement entered into by the County of Riverside, County of Imperial, Coachella Valley Water District and the Imperial Irrigation District. The joint powers agreement was amended in 2002 to add member agency Torres Martinez Desert Cahuilla Indians. Each of the parties to the joint powers agreement appoints two representatives to the Board of Directors. The Authority is a single function entity whose purpose is to direct and coordinate efforts to improve the quality of the water in the Salton Sea, and to enhance its recreational and economic development potential.

(b) Basis of Accounting and Measurement Focus

The *basic financial statements* of the Authority are composed of the following:

- (a) Government-wide financial statements
- (b) Fund financial statements
- (c) Notes to the basic financial statements

Financial reporting is based upon all GASB pronouncements.

Government-wide Financial Statements – Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resource's measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transaction are recognized in accordance with the requirements of GASB Statement No. 33.

Fund Financial Statements – The underlying accounting system of the Authority is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity.

SALTON SEA AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2023

(1) Summary of Significant Accounting Policies (Continued)

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are presented after the government-wide financial statements. These statements display information about the major funds individually and nonmajor funds in the aggregate.

Governmental funds – In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The Authority's availability period is 180 days.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided).

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate; however, that they should not be considered "available spendable resources," since they do not represent net current assets.

Revenues, expenditures, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 which requires that local governments defer grant revenue that is not received within the "availability period" established by that local government. The Authority's availability period is 180 days.

SALTON SEA AUTHORITY
Notes to the Basic Financial Statements
Year ended June 30, 2023

(1) Summary of Significant Accounting Policies (Continued)

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, and then from unrestricted resources.

(c) Fund Classifications

The Authority reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

Prop 68 DWR Grant Fund – This fund accounts for the Department of Water Resources Proposition 68 grant activity related to providing habitat enhancement and expansion at the North end of the Salton Sea.

Additionally, the Authority reports the following nonmajor governmental fund:

Nonmajor Grant Fund – This fund accounts for the United States Department of the Interior Bureau of Reclamation and the Coachella Valley Mountains Conservancy grant activity related to restoring access to the Marina at North Shore Beach and Yacht Club.

(d) Cash

The Authority pools cash of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as *cash*.

(e) Capital Assets

The capitalization threshold is \$5,000. Currently, there are no capital assets that individually exceed this capitalization threshold.

SALTON SEA AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2023

(1) Summary of Significant Accounting Policies (Continued)

(f) Interfund Transfers

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as revenues in the fund that is reimbursed.

(g) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government does not report any deferred outflows of resources.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government does not report any deferred inflows of resources.

(h) Fund Balance

Fund balances are reported in the fund statements in the following classifications:

Non-spendable Fund Balance – this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

Restricted Fund Balance – this includes amounts that can be spent only for specific purposes stipulated by legal requirements imposed by other governments, external resource providers, or creditors. The Board of Directors imposed restrictions do not create restricted fund balance unless the legal document that initially authorized the revenue (associated with that portion of fund balance) also included language that specified the limited use for which the authorized revenues were to be expended.

Committed Fund Balance – this includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (for example, resolution, ordinance, minutes action, etc.) that it employed to previously commit those amounts.

SALTON SEA AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2023

(1) **Summary of Significant Accounting Policies (Continued)**

If the Board action that limits the use of the funds was separate from the action that initially created the revenues that form the basis for the fund balance, then the resulting fund balance is considered to be committed, not restricted. The Authority considers a resolution to constitute a formal action of the Board of Directors for the purposes of establishing committed fund balance.

Assigned Fund Balance – this includes amounts that are intended to be used for specific purposes as indicated either by the Board of Directors or by persons to whom the Board has delegated the authority to assign amounts for specific purposes.

Unassigned Fund Balance – this includes the remaining spendable amounts which are not included in one of the other classifications.

It is the Authority's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Board of Directors.

(i) **Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

(j) **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(k) **Comparative Data**

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

SALTON SEA AUTHORITY
Notes to the Basic Financial Statements
Year ended June 30, 2023

(2) Cash and Cash Equivalents

Cash as of June 30, 2023 is classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and cash equivalents	<u>\$125,042</u>
Total cash	<u>\$125,042</u>

Cash and cash equivalents as of June 30, 2022 consisted of the following:

Demand deposits	\$95,001
County investment pool	<u>30,041</u>
Total cash	<u>\$125,042</u>

Custodial credit risk – Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

(3) Commitments and Contingencies

The Authority has been a recipient of State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the Authority had not complied with the rules and regulations governing the grants, the Authority’s rights to grant money received may be impaired. In the opinion of the Authority, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

SALTON SEA AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2023

(4) Interfund

The composition of inter-fund balances as of June 30, 2023, was as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
General Fund	Prop 68 Grant Fund	\$ 17,639
General Fund	Nonmajor Grant Fund	817
	Total	<u>\$ 18,456</u>

(5) Employee Benefits

The Authority's staff includes three employees of the County of Riverside. While these employees receive pension and post-retirement benefits from their respective government agencies, management believes the Authority is not responsible for funding those benefits should the individuals leave the Authority. As such, no pension or other post-employment benefit liabilities have been included in the accompanying financial statements.

(6) Fund Balance Deficit

The General Fund reports an ending fund balance deficit of \$78,748 due to prior year non-reimbursable grant activities. The Authority eliminated one full-time position and discontinued an outsourced contract grant position to reduce expenses resulting in a reduction of the deficit balance for the fiscal year ended June 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

SALTON SEA AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

Year ended June 30, 2023

	Budgeted Amounts		Actual	Variance- Positive (Negative)
	Original	Final		
REVENUES:				
Member contributions	\$ 800,000	800,000	810,000	10,000
Intergovernmental	110,000	110,000	89,023	(20,977)
Other sponsorship	250,000	250,000	-	(250,000)
Other revenue	-	-	502	502
TOTAL REVENUES	1,160,000	1,160,000	899,525	(260,475)
EXPENDITURES:				
Administration	888,100	888,100	846,172	41,928
TOTAL EXPENDITURES	888,100	888,100	846,172	41,928
Excess (deficiency) of Revenues over (under) Expenditures	271,900	271,900	53,353	(218,547)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	20,991	20,991
TOTAL OTHER FINANCING SOURCES (USES)	-	-	20,991	20,991
Net changes in fund balance	271,900	271,900	74,344	(197,556)
FUND BALANCE AT BEGINNING OF YEAR	(153,092)	(153,092)	(153,092)	-
FUND BALANCE AT END OF YEAR	\$ 118,808	118,808	(78,748)	(197,556)

See accompanying notes to required supplementary information.

SALTON SEA AUTHORITY

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PROP 68 DWR GRANT FUNDS**

Year ended June 30, 2023

	Budgeted Amounts		Actual	Variance- Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,200,000	2,200,000	458,011	(1,741,989)
TOTAL REVENUES	<u>2,200,000</u>	<u>2,200,000</u>	<u>458,011</u>	<u>(1,741,989)</u>
EXPENDITURES:				
Administration	110,000	110,000	26,350	83,650
Technical and project support	<u>2,090,000</u>	<u>2,090,000</u>	<u>431,661</u>	<u>1,658,339</u>
TOTAL EXPENDITURES	<u>2,200,000</u>	<u>2,200,000</u>	<u>458,011</u>	<u>1,741,989</u>
Excess (deficiency) of Revenues over (under) Expenditures	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to required supplementary information.

SALTON SEA AUTHORITY

Notes to Required Supplementary Information

Year ended June 30, 2023

(1) **Budgets and Budgetary Data**

The Authority is only required to adopt an annual budget for the General Fund and the Prop 68 DWR Grant Fund. These budgets are presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles (GAAP). For the other funds of the Authority, project length budgets, rather than annual budgets, are employed.

Once the budget is approved, it can be amended by approval of a majority of the Board of Directors.

The appropriated budget is prepared by fund and function. The Authority's Executive Director/General Manager may make transfers of appropriations between functions. Transfers of appropriations between funds requires the approval of a majority of the Board of Directors. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations is at the fund level.

A comparison of budget and actual has been presented for the General Fund and Prop 68 DWR Grant Fund used by the Authority. With respect to revenues, a favorable variance indicates actual revenues received exceeded the legally adopted budget and an unfavorable variance indicates that actual revenues received were less than the amount budgeted. With respect to expenditures, a favorable variance indicates actual costs were less than the amount budgeted, and an unfavorable variance indicates actual expenditures exceeded the legally adopted budget.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

Board of Directors
Salton Sea Authority
Indio, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Salton Sea Authority (the "Authority"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

In addition, as a service to you we identified other matters during our audit that provide you an opportunity to enhance your existing internal controls. The matter below is provided as recommendations for your consideration and is not considered to be a material weakness or significant deficiency in internal control.

1. Documentation of Accrued Vacation Policy

During our review of compensated absences, we noted a significant accrual of paid time off for the Executive Director, however the Authority's policy does not specifically address the Executive Director's paid time off and if there is a maximum limit to the accrued vacation hours. Based on our understanding, the Executive Director is an employee of the County and his salary is reimbursed from the Authority and there is no formal agreement between the Authority and the County. A lack of a formal policy can result in benefits being provided/paid that are not authorized or approved.

Recommendation

We recommend the Authority incorporate the Executive Director's accrued vacation hours into the policy of the Authority and work with the County to obtain a reimbursement agreement related to the Executive Director's salary and benefits.

Management's Response

The Authority is working with the County to secure a formal agreement which includes paid time off accruals, maximum limits, and payout terms. The agreement will also include the requirement to reimburse the County for salaries and benefits of certain employees.

2. Contract Documents

During our review of cash disbursements, we noted the Authority has expired contracts with Ollin Strategies and Cultivating Conservation. Allowing contracts to expire without timely renewal can expose the Authority to various risks, including legal exposure, financial loss, disruption in service, etc.

Recommendation

We recommend the Authority review all contracts to ensure they are current and approved in accordance with the purchasing policy of the Authority. Additionally, controls should be implemented to ensure contracts do not expire in the future and timely renewals are approved.

Management's Response

The Authority is implementing an annual review of all contracts to ensure they are current and approved in accordance with the purchasing policy.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Salton Sea Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our engagement and described above. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DavisFarr LLP

Irvine, California

December 13, 2023

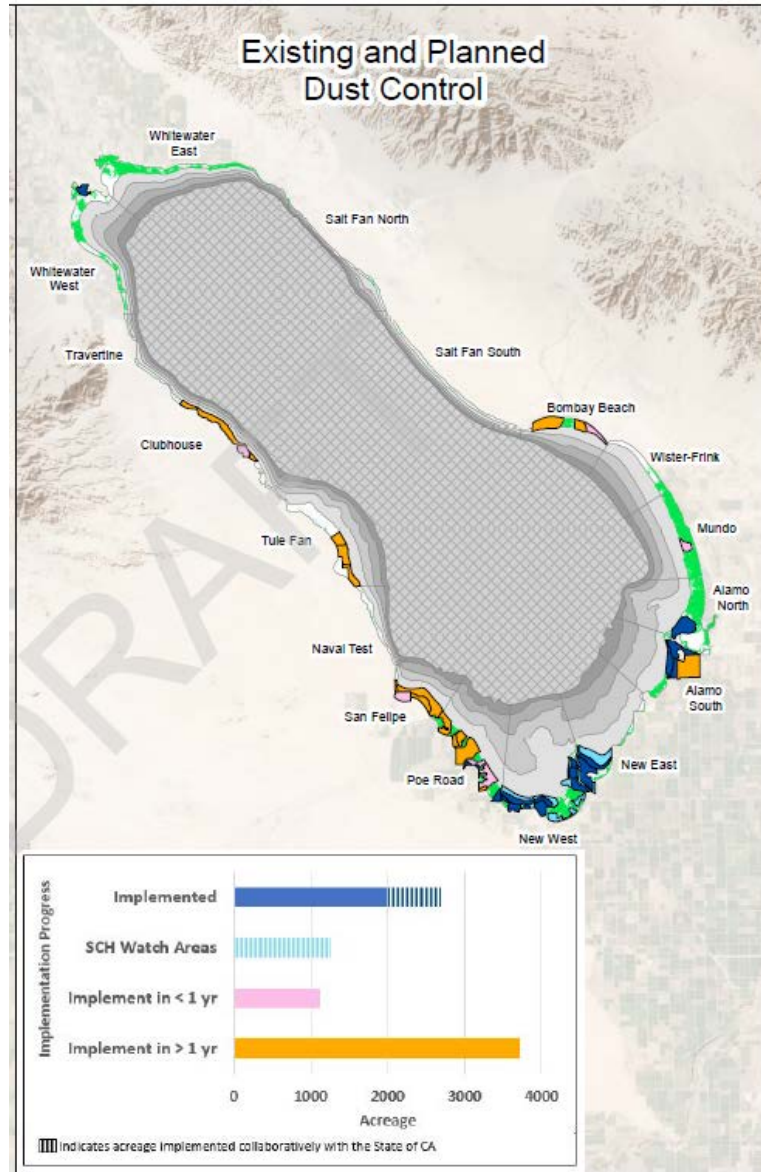
Salton Sea Air Quality Mitigation Program

Jessica Humes
Environmental Project Manager, Sr.





Existing and Planned Dust Control





www.iid.com





www.iid.com

Red Hill



Clubhouse





Websites

IID Website

www.iid.com

IID Salton Sea Air Quality
Mitigation Program

www.iid.com/airquality



www.iid.com

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 07/23)

Fiscal Year 2024-25	Business Unit Number 0540, 3600, 3860	Department California Natural Resources Agency, Department of Water Resources, Department of Fish & Wildlife
Hyperion Budget Request Name 0540-018-BCP-2024-GB, 3600-019-BCP-2024-GB, 3860-031-BCP-2024-GB; 3860-032-COBCP-2024-GB		Relevant Program or Subprogram Various

Budget Request Title

Salton Sea Management Program Project Delivery and Operational Needs

Budget Request Summary

The multi-agency Salton Sea Management Program (SSMP) requests \$65.2 million General Fund and 19 permanent positions starting in 2024-25 (plus ongoing state operations and capital outlay funding detailed below), \$3.3 million General Fund in 2025-26, and \$3.3 million Salton Sea Lithium Fund in 2026-27 and ongoing to meet State Water Resources Control Board Order 2017-0134 by constructing 29,800 acres of habitat and dust suppression projects on exposed lakebed at the Salton Sea by 2028.

The California Natural Resources Agency (CNRA) requests one permanent position and \$185,000 General Fund in 2024-25 and 2025-26, and \$185,000 Salton Sea Lithium Fund in 2026-27 and ongoing. CNRA-specific activities include carrying out public engagement, fostering partnerships with stakeholders, and data collection to track outcomes and progress for restoration projects and long-term planning.

The Department of Water Resources (DWR) requests \$60 million General Fund for capital costs in 2024-25 for new vegetation enhancement projects and aquatic projects planning not included in the 2023-24 funding. DWR also requests \$4.3 million General Fund in 2024-25, \$1.3 million General Fund in 2025-26 and nine permanent positions to be phased in over 2024-25 and 2025-26. Five positions are requested in 2024-25, which includes four positions to operate, maintain, and monitor the Species Conservation Habitat Project after it is partially commissioned and one administrative support position. In 2025-26, four positions are requested for data collection, right of way acquisitions, and administrative support. Position costs will shift to the Salton Sea Lithium Fund in 2026-27. DWR's specific activities include planning, design, construction, contractor management, monitoring for permit compliance and maintenance of completed projects.

The California Department of Fish and Wildlife (CDFW) requests three permanent positions and \$718,000 General Fund in 2024-25, an additional five permanent positions and \$1.7 million total in 2025-26, and \$1.7 million Salton Sea Lithium Fund in 2026-27 and ongoing to support the expediting of projects at the Salton Sea. Positions will be used to provide adequate technical and project management expertise and administrative support as the amount of work at the Salton Sea increases, including the permitting of Salton Sea restoration projects to meet the Water Board Order requirements.

Requires Legislation (submit required legislation with the BCP) <input type="checkbox"/> Trailer Bill Language <input type="checkbox"/> Budget Bill Language <input checked="" type="checkbox"/> N/A	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
--	-----------------------	-------------

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. Project Approval Document:

Approval Date: Total Project Cost:

If proposal affects another department, does other department concur with proposal? Yes No

Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Samantha Arthur	Date 1/10/2024	Reviewed By Becca Moore	Date 1/10/2024
Department Director	Date	Agency Secretary Bryan Cash	Date 1/10/2024

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

Principal Program Budget Analyst Lizzie Urie, Andrew Hull	Date submitted to the Legislature 1/10/2024
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A. Problem Statement

State Water Resources Control Board (State Water Board) Order WR 2017-0134 (Order) requires the state to construct 29,800 acres of habitat and dust suppression projects on exposed lakebed at the Salton Sea by 2028. The Salton Sea, California's largest lake, is receding due in part to existing water conservation actions in the Imperial Valley that have reduced inflows to the Salton Sea. In turn, areas of exposed lakebed contribute to harmful dust emissions and reduce important environmental habitat. The SSMP, a joint program of CNRA, DWR, and CDFW, is legally required to implement restoration at the Salton Sea to suppress dust and create wildlife habitat under the Order and the Salton Sea Restoration Act.

As of the beginning of 2023, the SSMP has completed over 2,000 acres of interim dust suppression and 290 acres of vegetation enhancement, and 5,800 acres are currently under construction and nearing completion. To meet the state's legal requirements, the SSMP needs to simultaneously continue to scale up planning, permitting, and implementation of restoration projects, while also adding new capacity to maintain and monitor completed projects and the Salton Sea ecosystem. The SSMP requests 19 positions, eight of which will take on operations, maintenance, and monitoring of the state's first completed aquatic and vegetation enhancement projects. Other positions will provide administrative, legal, outreach, technical, and permitting functions for the SSMP to complete project planning and implement the outstanding required acres. The SSMP also requests \$60 million General Fund in 2024-25 to carry out planning, permitting, or restoration implementation of upcoming capital outlay restoration projects, including the Species Conservation Habitat Project Expansion, North Lake Project, Wister Unit Marsh Bird Habitat, San Felipe Fan, SCH Vegetation, and Imperial Irrigation District Clubhouse Vegetation Enhancement project.

The SSMP has exhausted or obligated all non-General Fund appropriations available to the program for current staff and project implementation efforts, including designating expected federal funds for the expansion of the Species Conservation Habitat Project. Positions in the SSMP's most recent staffing proposal (in 2023-24) rely on support from one-time federal funding and a planned spend out of the reserves in the Salton Sea Restoration Fund over five years. State General Funds are needed beyond these past non-state funding sources to meet legal and legislative requirements at the Salton Sea. DWR received \$70 million in federal funds in early December 2023 that are required to be used for the expansion of the Species Conservation Habitat Project.

CNRA Resource History
(Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY-1	PY	CY
Authorized Expenditures	\$30,005	\$202	\$234	\$330	\$316	\$24,909
Actual Expenditures	\$23,365	\$161	\$203	\$330	\$214	TBD
Revenues	N/A	N/A	N/A	N/A	N/A	N/A
Authorized Positions	1	1	3	3	3	3
Filled Positions	1	1	1	3	3	3
Vacancies	0	0	2	0	0	0

DWR Resource History

(Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY-1	PY	CY
Authorized Expenditures	\$20,000	\$60,000	\$29,250	\$40,000	\$43,175	\$83,300
Actual Expenditures	\$8,878	\$3,549	\$61,222*	\$43,582*	\$34,397	\$6,078
Revenues	0	0	0	0	0	0
Authorized Positions	14	14	14	14	14	17
Filled Positions	6	7	8	10	13	13
Vacancies	8	7	6	4	1	4

*Actual Expenditures are higher than Authorized Expenditures due to funds with extended encumbrance periods.

CDFW Resource History

(Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY-1	**PY	**CY
Authorized Expenditures	\$1,736	\$22,282	\$1,873	\$1,932	\$1,949	\$3,612
Actual Expenditures	\$1,566	\$21,620	\$576	\$556	\$1,133	TBD
Revenues	\$600	\$761	\$931	\$1,009	\$1,039	\$1,071
Authorized Positions	7	7	10	10	10	16
Filled Positions	7	7	10	6	10	10*
Vacancies	0	0	0	4	0	6

*Positions as of August 2023. Current year authorized positions are in the process of being filled.

**Estimates as the year is not yet closed.

SSMP Combined Workload History

Workload Measure	PY - 4	PY - 3	PY - 2	PY-1	PY	CY
Acres in Planning and Permitting	4,100	4,100	1,705	3,842	8,942	8,942 EA for 30k, and Long-range Plan
Acres in Construction	0	755	4,100	5,805	5,805	5,424
Acres in Operations and Monitoring	0	0	0	290	290	1,110

*Operation and monitoring prior to current year 2023-24 have been conducted by paid contractors.

**Note that acres may not directly match annual reporting to SWRCB because that is conducted on a calendar year basis.

B. Justification

To meet the legal requirements of the Order, the SSMP must continue to scale up planning, permitting, and construction of aquatic and vegetation enhancement projects, while simultaneously initiating the operations and monitoring of the State's first projects to be completed in 2024. In addition to the 29,800 acres required under the 10-year Plan, the SSMP must continue to carry out required long-term planning for the Salton Sea and ecosystem monitoring.

Requested state funding will help enable the SSMP to meet its legally required milestones by: 1) providing adequate technical and project management expertise, as well as administration support, to a program whose workload continues to expand beyond the capabilities of the positions initially assigned to the SSMP; 2) protecting the state's investment in SSMP projects by supporting operations and maintenance needs; 3) continuing implementation of the SSMP to improve public health and ecological health in the region and meet the requirements of the Order; 4) supporting environmental compliance and documenting project outcomes; 5) conducting monitoring and research to inform future planning and management of the Salton Sea ecosystem; and 6) improving public outreach and communication.

General Fund monies are requested for new staff to carry out planning, permitting, restoration implementation, and operation and monitoring of newly completed projects, the continuation of technical service contracts for long-term planning, and capital outlay funding for planning, permitting, or restoration implementation of upcoming restoration projects, including the Species Conservation Habitat Project Expansion, North Lake Project, Wister Unit Marsh Bird Habitat, San Felipe Fan, SCH Vegetation, and Imperial Irrigation District Clubhouse Vegetation Enhancement project. All other General Funds will be exhausted by 2024-25.

The SSMP expects to receive \$225 million from the Bureau of Reclamation for the SCH Expansion project (contingent upon Imperial Irrigation District water conservation), driving the need to add legal, administrative, and science capacity. In November 2022, CNRA announced an agreement with the Bureau of Reclamation, Imperial Irrigation District, and Coachella Valley Water District to address Salton Sea impacts associated with Colorado River supply issues. The agreement will support implementation of dust suppression and aquatic restoration efforts by the SSMP at the Salton Sea using \$245 million in federal funding from the Inflation Reduction Act over the next four years. The agreement establishes actions to expedite implementation of projects as part of the state's Salton Sea Management Program 10-year Plan. In the agreement, CNRA commits to "pursuing staffing capacity of the SSMP." It is imperative that the SSMP increase capacity to meet these recent commitments and put this new funding to work.

The SSMP helps address historic inequities in the region by reducing the contributions of exposed lakebed to poor air quality. The Salton Sea region is burdened with air pollution exceeding levels in many other parts of the state, and emergency room visits for asthma-related issues are nearly double the state average. The goal of the SSMP is to suppress dust around the Salton Sea by installing aquatic habitat, vegetation, or interim surface roughening. Restoration projects have the potential to provide co-benefits like recreational access and workforce development in the Eastern Coachella and Imperial Valleys, where underinvestment has limited economic opportunities and access to nature. The SSMP conducts community engagement and public outreach and is seeking to expand its capacity for community engagement with additional staff.

California Natural Resources Agency

CNRA requests one permanent position and \$185,000 General Fund in 2024-25 and 2025-26, and \$185,000 Salton Sea Lithium Fund in 2026-27 and ongoing.

The Staff Services Manager I will conduct outreach and engagement as the program resumes in-person meetings in Riverside and Imperial Counties. This position will assist in preparing meeting materials, site preparation for meetings, and tracking program progress for reporting purposes. Additionally, this position will aid in a collaborative effort with the Salton Sea Authority and the U.S. Army Corps of Engineers for outreach and engagement for long-term planning at the Salton Sea in the Feasibility Study, contributing to a state cost-share match with our partners.

Department of Water Resources

DWR requests five positions and \$719,000 General Fund in 2024-25, an additional four positions (for a total of nine) and a total of \$1.4 million General Fund in 2025-26, which will shift to Salton Sea Lithium Fund in 2026-27 and ongoing. Four positions are to operate, maintain, and monitor the SCH project after it is partially commissioned and three vegetation enhancement projects nearing completion. Five positions are for data collection, administrative, and real estate support that are needed to implement new restoration projects, including the 5,000+ acre expansion of the Species Conservation Habitat Project that will be paid for with federal funding.

In addition, DWR requests \$3.6 million one-time General Fund for contracts. This includes \$600,000 to Tetra Tech to provide technical support for project planning, environmental and regulatory compliance, and initial project design. Services also include hydrological modeling, reporting, and public outreach and engagement. The remaining \$3 million represents the state portion of a state-federal cost-share agreement and will go to the U.S. Army Corps of Engineers to fund the development of the Imperial Streams Salton Sea Feasibility Study to analyze and identify a feasible long-term restoration project, beyond 2028, for the Salton Sea.

Finally, DWR requests \$60 million one-time General Fund for capital costs for new vegetation enhancement projects and aquatic projects planning not included in the 2023-24 funding. All previous capital funds in the SSMP will be encumbered to carry out existing projects in 2023-24. Additional capital funds will be needed in future years for aquatic and dust suppression projects and the outstanding acres needed to fulfill the state's legal responsibilities by 2028.

DWR's specific activities include planning, design, construction, contractor management, monitoring for permit compliance and maintenance of completed projects.

To date, DWR's workload has been focused on planning and implementing large-scale habitat restoration projects. As construction is completed on these projects, DWR will need to add work activities related to monitoring, reporting, operations, and maintenance. Concurrent with these new work activities, DWR will continue to lead the planning and implementation of the next set of Salton Sea habitat restoration projects, which is why existing positions cannot pivot to maintenance activities.

By January 2025, at least 1,705 acres of vegetated habitat and 2,210 acres of aquatic habitat will be completed and require someone to operate and maintain the projects. One Utility Craftworker Supervisor, two Utility Craftworkers, and one Utility Craftworker Apprentice are needed to complete repair, operation, modification, inspection, replacement, and maintenance of water infrastructure including gate installations, drainages, water conveyance, and pumping installations associated with the Species Conservation Habitat Projects and Vegetated Habitat Projects. They will perform skilled tasks such as carpentry, electrical, welding, plumbing, painting, masonry, and concrete placements, to support ongoing maintenance of and improvements to habitat restoration projects.

As DWR plans and constructs the next set of Salton Sea habitat restoration projects, two Staff Services Analysts are needed to provide administrative support. A Senior Right of Way Agent is also needed to negotiate land access agreements, as the state does not own significant land acreage at the Salton Sea.

California Department of Fish and Wildlife

CDFW requests three permanent positions and \$718,000 General Fund in 2024-25, five permanent positions and \$1.7 million General Fund in 2025-26, and \$1.7 million Salton Sea Lithium Fund in 2026-27 and ongoing to support projects at the Salton Sea. Positions will provide adequate technical and project management expertise and administration support, as the amount of work at the Salton Sea increases. Adequate CDFW staff is further needed to timely permit Salton Sea restoration projects to meet the requirements of the Order.

CDFW is an essential part of the planning and compliance (permitting) phase of the SSMP. As construction commenced on the state's first Salton Sea restoration projects, CDFW staff were pulled to engage in species and habitat aspects of construction, reducing time available for planning and challenging the skill sets of planning staff. Not being fully staffed to participate in the construction activities can lead to safety issues, schedule delays and species-related errors that may have been avoided with ample staff. In the push to plan, permit, and construct the 29,800 acres, CDFW needs program administration, science, operations and maintenance, and legal staff.

Within the SSMP, CDFW is responsible for species-specific habitat monitoring and annual permitting requirements on both SSMP restoration projects and water district actions under past and current Colorado River water conservation/transfers. As restoration projects are completed CDFW is responsible to achieve the following: (1) managing habitats as they are being commissioned, (2) planning for management of the entire program once completed, (3) maintaining the habitat for the species and (4) performing all the compliance and monitoring to verify that habitats are functioning as required by regulatory permits.

Thus, CDFW needs personnel to implement and perform the work. The three (3) Wildlife Habitat Assistants and a Wildlife Habitat Supervisor II will perform the minor manual labor and day to day activities needed to maintain the restoration areas. This will include, but is not limited to, invasive species control (both flora and fauna), cleaning of drainages with debris, and maintaining equipment and vehicles required to perform duties for the program. Additional duties include assisting the environmental scientists with survey needs, captaining boats, and operating All-Terrain Vehicles to help placement of monitoring equipment. Since habitat restoration is occurring around the entire Salton Sea, which is 35 miles long, three Wildlife Habitat Assistants are unable to fulfill all required duties. Contracting to fill the gaps is also necessary.

The Wildlife Habitat Supervisor II is needed to manage the everyday decisions and activities of the Operations and Maintenance Team in the field. This team has yet to be developed, however, it is evident that the job duties needed to manage this team, require a Wildlife Supervisor II. It would be ineffective and inappropriate to take away the Senior Environmental Scientists (Supervisory) that supervise other teams from their existing, necessary duties.

An Environmental Scientist, as part of the Integrated Science Team, is required to fully staff the team as projects are being constructed. This Environmental Scientist will be part of the team that performs the species and habitat specific monitoring and permitting requirements. They have the biological expertise to support habitat restoration and will support the Senior Environmental Scientist (Specialist). It is anticipated that they will assist the newly formed team with the needs of the Monitoring Implementation Plan and permitting for both project and ecosystem requirements.

In support of the added staffing, contract oversight, and other complicated budgeting needs, an Associate Governmental Program Analyst is needed to process invoices, establish accounts, process claims, support budgeting needs and verify contracts are in place and processed accurately. Currently, there is no one within the CDFW branch of the SSMP assigned to these duties.

For several years the SSMP has only had a Planning and Environmental Compliance Team. As project implementation and development has increased and with projects nearing completion, we must now add new divisions for Integrated Science and Operations and Maintenance. These additional divisions have increased the management and staffing needs of the program. There are required tasks that the current CEA must fulfill for highly political and public needs such as representing the Department on the QSA JPA, determining new legislation needs, program needs, and working with other high-level representatives on Colorado Issues effecting the Salton Sea. Thus, it is important that an Environmental Program Manager assist with managing the day-to-day duties of the three teams through the supervisors of each team and administration needs that need daily decisions.

Finally, CDFW requests an Attorney III. Currently a half time Attorney I is assigned to CDFW and is insufficient for the increased workload. This position will serve as legal counsel to the SSMP and will lead and facilitate coordination and collaboration among DWR and CNRA attorneys assigned to the SSMP. This position will need to lead legal and program teams through the environmental review process for various restoration projects. This position will negotiate and interpret rapidly evolving water law doctrines as law regarding usage of the Colorado River is reformed. This position requires expertise and specialization in environmental law. This position will aid in securing land access by negotiating easements with local landowners such as the Imperial Irrigation District and the Bureau of Reclamation.

It is anticipated that this level of staff is needed to fulfill the duties that CDFW will be required to do as the SSMP projects are constructed and transition into maintenance and operation. Current planning staff will still be required for planning associated with the rest of the ten-year plan projects and any future restoration work envisioned with the Long-Range Plan for the SSMP Phase II projects.

C. Departmentwide and Statewide Considerations

The SSMP's work falls under Goal 2) Protect and Enhance Natural Ecosystems of the California Water Resilience Portfolio. Additionally, this work is called out in action 17 of the portfolio:

17. Minimize air pollution and restore habitat at the Salton Sea.

17.1 Support achievement of milestones within the 10-year Salton Sea Management Plan to minimize air pollution and preserve fish and wildlife habitat.

17.2 Develop criteria and a monitoring plan to evaluate Salton Sea improvements to local air quality and environmental habitat.

17.3 Building upon previous work, complete an independent feasibility analysis of water importation options for the Salton Sea.

Additionally, these positions would be supported by signatories of the recently signed "Commitment to Support Salton Sea Management Related to Water Conservation in the Lower Colorado River Basin" (Commitments Agreement) found here:

https://www.usbr.gov/lc/region/saltsea/pdf_files/Salton_Sea_Agreement_signed_12.9.22.pdf.

Under this Commitments Agreement, the California Natural Resources Agency commits to accelerating project delivery through permit streamlining and use of its full contracting authority. It also commits to continue pursuing additional funding for projects to build on State funding already committed to Salton Sea Management Program implementation.

In 2019, Governor Newsom formally apologized to California Native American Tribes for the state's legacy of violence and neglect and recommitted to the Tribal consultation requirements set forth in Governor Jerry Brown's [Executive Order B-10-11](#).

The SSMP strives to support [Statement of Administration Policy on Native American Ancestral Lands](#) and [Executive Order N-15-19](#) by conducting early, often, and meaningful tribal consultation with the tribes with current lands and ancestral ties to the Salton Sea.

The SSMP advances the Executive Order on Equity ([Executive Order N-16-22](#)) by incorporating equity and community engagement into planning and program implementation, particularly as the SSMP works with disadvantaged communities in the Eastern Coachella and Imperial Valleys.

Finally, the SSMP advances the State's goal to protect 30 percent of lands and waters by 2030 (30x30 [Executive Order N-82-20](#)) by restoring nearly 30,000 acres of habitat around the Salton Sea.

D. Outcomes and Accountability

State funding will continue implementation of dust suppression, vegetation enhancement, and aquatic restoration efforts at the Salton Sea to meet the state's legal liabilities and requirements under the Order while leveraging federal funding. At the end of the 2022 calendar year, the SSMP was supposed to have 8,750 acres completed, as laid out by the Order. The SSMP has approximately 5,800 acres in active construction. Interim dust suppression has been implemented on over 2,000 acres and 290 acres are in operations and monitoring, falling short of the benchmark in the Order. These positions will provide increased capacity to complete more work and create greater efficiency by allowing staff persons to be more specialized on a given task. DWR and CDFW anticipate these positions will provide a higher likelihood of keeping pace with the schedule laid out by the Order to meet the state's requirement of implementing 29,800 acres by 2028. Beyond 2028, these positions will transition into implementing Phase 2 projects, as well as providing necessary monitoring, adaptive management, operations, and maintenance of Phase 1 restored areas.

In addition, these positions will support compliance with the California Environmental Quality Act (CEQA) on the required Long-Range Plan Feasibility Study led by the U.S. Army Corps of Engineers. It's important for the state to guide and support this feasibility study because the study could result in up to 65% in federal funds to build the Long-Range Plan Project(s). Therefore, having positions to support the feasibility study now would contribute to reducing state costs in the future.

Should this proposal be approved, the Projected Outcomes table shows how the program intends to catch up to our mandated acreage targets. The program's success is mostly measured by completed dust suppression and aquatic habitat acres; however, showing project acreage "in construction" shows the state's progress and that we are on the correct path to catching up to departures from mandated acreage. This provides immediate dust suppression benefits to surrounding communities around the Salton Sea in both Riverside and Imperial Counties; conversely, if this proposal is not approved, those same communities will be burdened greatly. Additionally, this will benefit lost habitat for flora and fauna, including endangered species.

The SSMP is required to publish an Annual Report describing the previous year's actions and accomplishments at the Salton Sea. Outcomes are measured within this detailed report, which reports on items such as: progress of restoration projects, associated completed acres of said projects, departures from the Order's acreage targets and plans to catch up to targets, organizational capacity building, budget, and outreach and engagement. Additionally, the State Water Board holds a Salton Sea hearing or workshop every Spring to detail progress and issues at the Salton Sea, where the program is held accountable for progress, or lack thereof. In fall of 2023, the SSMP intends to unveil a live project tracker developed to measure acreage and impacts to surrounding populations by way of dust suppression and habitat creation. Additional capacity is needed to maintain accuracy of this project tracker and have regularly updated data of the Program's restoration efforts.

Finally, outcomes are communicated regularly by the SSMP. The program convenes meetings in impacted communities as well as virtually to communicate the program's progress. In addition, SSMP staff participate in partner-led board and community meetings where regular updates are reported to interested parties and the public. Lastly, the SSMP produces a

monthly newsletter communicating progress at our restoration sites and seeking information from the public to inform restoration.

Projected Outcomes

Workload Measure	CY	BY	BY+1	BY+2	BY+3	BY+4
Acres in Planning and Permitting	8,942 EA for 30k, and Long-range Plan	6,500	6,500	6,800	Long-range planning	Long-range planning
Acres in Construction	5,424	9,232	~6,500	~6,500	~6,800	TBD
Acres in Operations and Monitoring	1,110	3,915	~10,000	~16,500	~23,000	29,800

1. Implementation Plan

CNRA

Hiring of the Staff Services Manager I will commence upon approval of the 2024-25 budget.

DWR

Hiring of the five 2024-2025 positions would occur beginning in July 2024. The first position hired would be the Supervising Utility Craftworker position, so that they could begin the recruitment and hiring process for the remaining three Craftworker positions and a Staff Services Analyst. These five positions would be filled by December 2024.

Beginning in July 2025, the remaining four positions (Senior Right of Way Agent, Two Senior Environmental Scientists, and a Staff Services Analysts) would be advertised with the expectation that positions would be filled by December 2025.

CDFW

Implementation of this proposal will commence upon approval of the 2024-25 budget.

The hiring of three positions, one Wildlife Habitat Assistant, one Environmental Scientist, and one Environmental Program Manager, would occur beginning in 2024-25. The hiring of five positions, two Wildlife Habitat Assistants, one Wildlife Habitat Supervisor II, one Associate Governmental Program Analyst, and one Attorney III would occur beginning in 2025-26.

E. Supplemental Information (If Applicable)

The following tables are attached:

- BCP Fiscal Detail Sheet – CNRA
- BCP Fiscal Detail Sheet – CDFW
- BCP Fiscal Detail Sheet – DWR

The following supplemental information is available upon request:

- Table: Additional Budget Details
- Table: Additional Position Details
- Current and proposed organizational charts for CNRA, DWR, and CDFW

- Workload Measures for all requested positions

BCP Fiscal Detail Sheet – CNRA

BCP Title: Salton Sea Management Program Project Delivery and Operational Needs

BR Name: 0540-018-BCP-2024-GB

Budget Request Summary

Personal Services

Personal Services	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
Positions - Permanent	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages Earnings - Permanent	0	98	98	98	98	98
Total Salaries and Wages	\$0	\$98	\$98	\$98	\$98	\$98
Total Staff Benefits	0	67	67	67	67	67
Total Personal Services	\$0	\$165	\$165	\$165	\$165	\$165

Operating Expenses and Equipment

Operating Expenses and Equipment	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
5301 - General Expense	0	20	20	20	20	20
539X - Other	0	0	0	0	0	650
Total Operating Expenses and Equipment	\$0	\$20	\$20	\$20	\$20	\$670

Total Budget Request

Total Budget Request	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
Total Budget Request	\$0	\$185	\$185	\$185	\$185	\$835

Fund Summary

Fund Source

Fund Source	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
State Operations - 0001 - General Fund	0	185	185	0	0	0
State Operations - 3412 - Salton Sea Lithium Fund	0	0	0	185	185	835
Total State Operations Expenditures	\$0	\$185	\$185	\$185	\$185	\$835

Fund Source	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
Total All Funds	\$0	\$185	\$185	\$185	\$185	\$835

Program Summary

Program Funding

Program Funding	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
0320 - Administration of Natural Resources Agency	0	185	185	185	185	835
Total All Programs	\$0	\$185	\$185	\$185	\$185	\$835

Personal Services Details

Positions

Positions	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
4800 - Staff Svcs Mgr I	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	1.0	1.0	1.0	1.0	1.0

Salaries and Wages

Salaries and Wages	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
4800 - Staff Svcs Mgr I	0	98	98	98	98	98
Total Salaries and Wages	\$0	\$98	\$98	\$98	\$98	\$98

Staff Benefits

Staff Benefits	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
5150900 - Staff Benefits - Other	0	67	67	67	67	67
Total Staff Benefits	\$0	\$67	\$67	\$67	\$67	\$67

Total Personal Services

Total Personal Services	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
Total Personal Services	\$0	\$165	\$165	\$165	\$165	\$165

BCP Fiscal Detail Sheet – CDFW

BCP Title: Salton Sea Management Program

BR Name: 3600-019-BCP-2024-GB

Budget Request Summary

Personal Services

Personal Services	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
Positions - Permanent	0.0	3.0	8.0	8.0	8.0	8.0
Total Positions	0.0	3.0	8.0	8.0	8.0	8.0
Salaries and Wages Earnings - Permanent	0	299	707	707	707	707
Total Salaries and Wages	\$0	\$299	\$707	\$707	\$707	\$707
Total Staff Benefits	0	184	436	436	436	436
Total Personal Services	\$0	\$483	\$1,143	\$1,143	\$1,143	\$1,143

Operating Expenses and Equipment

Operating Expenses and Equipment	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
5301 - General Expense	0	15	40	40	40	40
5302 - Printing	0	3	8	8	8	8
5304 - Communications	0	3	8	8	8	8
5306 - Postage	0	3	8	8	8	8
5320 - Travel: In-State	0	15	40	40	40	40
5322 - Training	0	15	40	40	40	40
5324 - Facilities Operation	0	33	88	88	88	88
5326 - Utilities	0	6	16	16	16	16
5342 - Departmental Services	0	112	268	267	267	267
5346 - Information Technology	0	12	26	16	16	16
5368 - Non-Capital Asset Purchases - Equipment	0	18	30	0	0	0
Total Operating Expenses and Equipment	\$0	\$235	\$572	\$531	\$531	\$531

Total Budget Request

Total Budget Request	FY23-24	FY24-25	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4

	Current Year	Budget Year				
Total Budget Request	\$0	\$718	\$1,715	\$1,674	\$1,674	\$1,674

Fund Summary

Fund Source

Fund Source	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
State Operations - 0001 - General Fund	0	718	1,715	0	0	0
State Operations - 3412 - Salton Sea Lithium Fund	0	0	0	1,674	1,674	1,674
Total State Operations Expenditures	\$0	\$718	\$1,715	\$1,674	\$1,674	\$1,674
Total All Funds	\$0	\$718	\$1,715	\$1,674	\$1,674	\$1,674

Program Summary

Program Funding

Program Funding	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
2590 - Biodiversity Conservation Program	0	718	1,715	1,674	1,674	1,674
Total All Programs	\$0	\$718	\$1,715	\$1,674	\$1,674	\$1,674

Personal Services Details

Positions

Positions	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
0756 - Environmental Program Mgr I (Supvry) (Eff. 07-01-2024)	0.0	1.0	1.0	1.0	1.0	1.0
0762 - Environmental Scientist (Eff. 07-01-2024)	0.0	1.0	1.0	1.0	1.0	1.0
0902 - Wildlife Habitat Supvr II (Eff. 07-01-2024)	0.0	0.0	1.0	1.0	1.0	1.0
0904 - Wildlife Habitat Asst (Eff. 07-01-2024)	0.0	1.0	3.0	3.0	3.0	3.0
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2024)	0.0	0.0	1.0	1.0	1.0	1.0
5795 - Atty III (Eff. 07-01-2024)	0.0	0.0	1.0	1.0	1.0	1.0
Total Positions	0.0	3.0	8.0	8.0	8.0	8.0

Salaries and Wages

Salaries and Wages	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
0756 - Environmental Program Mgr I (Supvry) (Eff. 07-01-2024)	0	157	157	157	157	157
0762 - Environmental Scientist (Eff. 07-01-2024)	0	86	86	86	86	86
0902 - Wildlife Habitat Supvr II (Eff. 07-01-2024)	0	0	80	80	80	80
0904 - Wildlife Habitat Asst (Eff. 07-01-2024)	0	56	168	168	168	168
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2024)	0	0	75	75	75	75
5795 - Atty III (Eff. 07-01-2024)	0	0	141	141	141	141
Total Salaries and Wages	\$0	\$299	\$707	\$707	\$707	\$707

Staff Benefits

Staff Benefits	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
5150450 - Medicare Taxation	0	6	15	15	15	15
5150500 - OASDI	0	20	47	47	47	47
5150600 - Retirement - General	0	97	229	229	229	229
5150800 - Workers' Compensation	0	9	21	21	21	21
5150900 - Staff Benefits - Other	0	52	124	124	124	124
Total Staff Benefits	\$0	\$184	\$436	\$436	\$436	\$436

Total Personal Services

Total Personal Services	FY23-24 Current Year	FY24-25 Budget Year	FY25-26 BY+1	FY26-27 BY+2	FY27-28 BY+3	FY28-29 BY+4
Total Personal Services	\$0	\$483	\$1,143	\$1,143	\$1,143	\$1,143

BCP Fiscal Detail Sheet

BCP Title: Salton Sea Management Program Project Delivery and Operational Needs

BR Name: 3860-031-BCP-2024-GB

Budget Request Summary

Personal Services

Personal Services	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
Positions - Permanent	0.0	5.0	9.0	9.0	9.0	9.0
Total Positions	0.0	5.0	9.0	9.0	9.0	9.0
Salaries and Wages Earnings - Permanent	0	378	734	734	734	734
Total Salaries and Wages	\$0	\$378	\$734	\$734	\$734	\$734
Total Staff Benefits	0	341	661	661	661	661
Total Personal Services	\$0	\$719	\$1,395	\$1,395	\$1,395	\$1,395

Operating Expenses and Equipment

Operating Expenses and Equipment	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
5340 - Consulting and Professional Services - External	0	3,600	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$3,600	\$0	\$0	\$0	\$0

Total Budget Request

Total Budget Request	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
Total Budget Request	\$0	\$4,319	\$1,395	\$1,395	\$1,395	\$1,395

Fund Summary

Fund Source

Fund Source	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
State Operations - 0001 - General Fund	0	4,319	1,395	0	0	0
State Operations - 3412 - Salton Sea Lithium Fund	0	0	0	1,395	1,395	1,395

Total State Operations Expenditures	\$0	\$4,319	\$1,395	\$1,395	\$1,395	\$1,395
Total All Funds	\$0	\$4,319	\$1,395	\$1,395	\$1,395	\$1,395

Program Summary

Program Funding

Program Funding	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
3230 - Continuing Formulation of the California Water Plan	0	4,319	1,395	1,395	1,395	1,395
Total All Programs	\$0	\$4,319	\$1,395	\$1,395	\$1,395	\$1,395

Personal Services Details

Positions

Positions	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
0765 - Sr Envirnal Scientist (Spec)	0.0	0.0	2.0	2.0	2.0	2.0
4962 - Sr Right of Way Agent	0.0	0.0	1.0	1.0	1.0	1.0
5157 - Staff Svcs Analyst (Gen)	0.0	1.0	2.0	2.0	2.0	2.0
6263 - Utility Craftsworker Supvr	0.0	1.0	1.0	1.0	1.0	1.0
6265 - Utility Craftsworker	0.0	2.0	2.0	2.0	2.0	2.0
6267 - Utility Craftsworker Apprnt	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	5.0	9.0	9.0	9.0	9.0

Salaries and Wages

Salaries and Wages	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
0765 - Sr Envirnal Scientist (Spec)	0	0	198	198	198	198
4962 - Sr Right of Way Agent	0	0	102	102	102	102
5157 - Staff Svcs Analyst (Gen)	0	56	112	112	112	112
6263 - Utility Craftsworker Supvr	0	94	94	94	94	94

6265 - Utility Craftworker	0	168	168	168	168	168
6267 - Utility Craftworker Apprnt	0	60	60	60	60	60
Total Salaries and Wages	\$0	\$378	\$734	\$734	\$734	\$734

Staff Benefits

Staff Benefits	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
5150600 - Retirement - General	0	124	240	240	240	240
5150900 - Staff Benefits - Other	0	217	421	421	421	421
Total Staff Benefits	\$0	\$341	\$661	\$661	\$661	\$661

Total Personal Services

Total Personal Services	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
Total Personal Services	\$0	\$719	\$1,395	\$1,395	\$1,395	\$1,395

Memorandum

To: Salton Sea Authority Board of Directors
From: G. Patrick O'Dowd, Executive Director /GM
Date: January 18, 2024

Re: **California Natural Resources – [Agreement #OCA2020](#)**

The Subject agreement between California Natural Resources and the Authority (CNRA) was executed effective September 9, 2022 (the "Agreement") and is scheduled to expire on June 30, 2024, unless it is extended in accordance with its terms. This memo recommends that the Authority pursue such extension.

The Agreement is a work product of extensive diligence to flush out a framework for collaboration between the Authority and the State. It was crafted to conform to and be consistent with the [Memorandum of Understanding](#) entered into between the two public bodies back in February of 2020, when CNRA joined the Authority Board as an Ex Officio member. The contract outlines three separate scopes of work, Outreach, Education, and Community Engagement. The principal driver for the contract was a recognized need by the Authority (acknowledged by the State) to have staff resources available to spearhead coordination of communication efforts between the State, the Authority and its member agencies, and local stakeholders. When we initiated discussions, the Authority had a list of at least three well qualified candidates to serve in that role. Unfortunately, for a variety of reasons it took over a year and a half to negotiate and sign the contract, and as a result, by time the contract was signed none of those candidates were available.

The initial catalyst to get the contract finally completed was a pressing need for the Authority to provide facilitation of work in support of Better World Group's (BWG) efforts to articulate community amenities for the region (as outlined in Task #3 of the agreement), which was launched into immediately upon execution. Working collaboratively with CNRA and BWG (collectively, the "team"), the Authority issued a request for proposals from several qualified community-based organizations, with an initial contract value of \$50,000 assigned. In the end, KDI was selected by the team to lead this effort, but their scope required an additional \$5,500 above the Task #3 allocation to accomplish

the desired work. At the request of the State, the Authority agreed to reclassify funds initially allocated to Tasks #1 and #2 to accommodate this increase in scope.

Implementation of the KDI contract was also a collaborative effort by the team, and payment to KDI for work performed thereunder was only made after the team reviewed all invoices for payment by the Authority and remittance to the State for reimbursement. And while the Authority has received reimbursement for Task #3 work, we are still awaiting reconciliation and reimbursement from the State of \$5,500 advanced (previously approved by the team) under Task #1 and #2.

Shortly after executing the agreement, the Authority initiated a process with the County of Riverside to recruit a candidate to fill the Public Relations Director position contemplated thereby. The recruitment process was delayed by a variety of factors, both administrative and environmental. Administratively, it was necessary to work with and through Riverside County (all Salton Sea Authority personnel are Riverside County employees) to create this new position, including the development of classification coding and other necessary prerequisites. The ongoing discussion regarding a possible conservancy and other factors also created an environment of uncertainty. (During that time we also explored with CNRA the possibility of doing the work under contract with a public relations firm, but were advised that reimbursement under the agreement would only be afforded for staff.) Ultimately, two separate rounds of solicitation were undertaken, dozens of resumes were reviewed, and finally, in October of this year a well-qualified candidate was onboarded. Unfortunately, after only one month of service the recently hired candidate was recruited away. And while we continue to search for a replacement candidate, firming up this Agreement via extension will be critical to the success of this new position and the important work to be accomplished by this contract when fully and finally implemented.

Though initially contemplated having a two-year term, the Agreement was not formally executed until mid-September, 2022 with an expiration date of June 30, 2024. It specifically states, however, that it may be extended by CNRA for a period of up to an additional two (2) years. With the ongoing implementation of the Corps feasibility study, the negotiations taking place on the Colorado River, and other critical activities at and around the Sea (including lithium development) the need for this effort and commitment of these community-centric resources could not be more pressing. Subject to Board guidance, we intend to formally request an extension of this contract for an additional two-year term, to secure the resources necessary to complete the work contemplated thereby.

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

OCA21020

PURCHASING AUTHORITY NUMBER (If Applicable)

CNRA-3000

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Ca Natural Resources Agency (CNRA or State)

CONTRACTOR NAME

Salton Sea Authority (Authority or Contractor)

2. The term of this Agreement is:

START DATE

Upon DGS Approval

THROUGH END DATE

June 30, 2024

3. The maximum amount of this Agreement is:

\$518,597.00 FIVE HUNDRED EIGHTEEN THOUSAND FIVE HUNDRED NINETY-SEVEN DOLLARS AND ZERO CENTS

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	8
Exhibit B	Budget Detail and Payment Provisions	4
Exhibit B, Attach. 1	Cost Estimate Details	1
Exhibit C *	General Terms and Conditions (GTC 04/2017)	
Exhibit D	Additional Terms and Conditions	6

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Salton Sea Authority

CONTRACTOR BUSINESS ADDRESS

82-995 Highway 111, Suite 200

CITY

Indio

STATE

CA

ZIP

92201

PRINTED NAME OF PERSON SIGNING

G. Patrick O'Dowd

TITLE

Executive Director/General Manager

CONTRACTOR AUTHORIZED SIGNATURE



DATE SIGNED

9/14/2022

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Ca Natural Resources Agency

CONTRACTING AGENCY ADDRESS

715 P Street, 20th Floor

CITY

Sacramento

STATE

CA

ZIP

95814

PRINTED NAME OF PERSON SIGNING

Bryan Cash

TITLE

Assistant Secretary for Finance and Administration

CONTRACTING AGENCY AUTHORIZED SIGNATURE



DATE SIGNED

9/9/2022

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

SCM V1 4.04(A)(2)

EXHIBIT A

Statement of Work

Consistent with the Memorandum of Understanding between the State of California Department of Natural Resources (CNRA or State), and the Salton Sea Authority (Authority or Contractor), this Agreement will facilitate the Authority's collaboration and cooperation with the CNRA and its Salton Sea Management Program (SSMP) Team to provide ~~public outreach and engagement services~~.

I. Background:

The Authority is a California Joint Powers Agency, whose members include the County of Imperial, the County of Riverside, the Coachella Valley Water District, the Imperial Irrigation District, and the Torres Martinez Desert Cahuilla Indians, collectively the "Member Entities." The Authority and the State of California, principally through CNRA, have had a long history of coordinating and consulting on issues relating to the revitalization of the Salton Sea (Sea) and the region impacted by its evolution. As the State ramps up its efforts to fully implement its 10-year plan and begins a process of developing a long-term strategy for the region, coordinating the resources of the Authority and its Members has never been more critical. The Authority, through its Members, and represented by its Board of Directors, serve as duly elected public officials representing every resident in the Imperial and Coachella Valleys.

II. Purpose:

In coordination with the SSMP Team, the Authority will enhance and promote community participation and engagement using different strategies through different tasks. Through the implementation of this Agreement, the Authority will perform 1) outreach and engage community members and other stakeholders of the Salton Sea Region, 2) coordinate and engage with educational institutions, and 3) issue a solicitation to select one or more Community Based Organizations (CBOs) to seek community input centered specifically around community amenities by engaging frontline community members unable to attend SSMP meetings online, and using meaningful "in-community" engagement within identified subregions around the Salton Sea.

As used herein, a "Member" refers to each of the five entities that form the Authority – Imperial Irrigation District, Coachella Valley Water District, Imperial County, Riverside County, and the Torres-Martinez Desert Cahuilla Indians; a "Partner" refers to an individual or entity, public or private, who brings tangible resources to the development and implementation of a Project; and a "Stakeholder" is anyone who is affected by the changes at the Sea (current and historic) and/or benefitted from the programs being implemented to address those changes.

Working together with CNRA, a program of public engagement will be implemented that will accomplish several critical objectives:

- A. Health – Protecting human health and safety is our highest mutual priority. Working together, the CNRA and the Authority will establish and maintain open lines of communication with regional communities to understand their concerns; educate and inform residents as to potential risks and share mitigation efforts for those risks; mitigation steps they should take personally; and the resources available to assist them in protecting their individual health.
- B. Habitat – Preserving and restoring habitat lost to the decline of the Sea is critical to a sustainable regional ecosystem, and public participation in that process is essential to ensure that the implemented plans both achieve maximum cultural resource value and minimize any adverse impacts to adjacent communities. Working together with and for the benefit of the State and other project sponsors, the Authority will translate the needs expressed by the communities served and help educate and inform the communities of the benefits and potential impacts of the proposed and approved projects.
- C. Opportunities – Recognizing that the long-lingering, unmitigated decline of the Sea has adversely impacted the communities of the region, the Authority intends to work with residents and leaders to assess overall community health and service levels, including discussions of infrastructure, housing, jobs, and services currently available in the communities. The outreach performed with residents and community leaders will identify challenges and opportunities related to mitigation of impacts associated with the historical decline of the sea, and projects and resources that will contribute to the revitalization and long-term sustainability of the communities and region, as well as inform the State's priorities.

III. **Project Objectives:**

The Authority shall provide the services required for the following tasks:

A. **Task 1.: Community and Stakeholder Outreach and Engagement**

- 1. **Community Outreach** – Provide a sounding board for the communities in the region to share their views, visions, and concerns.
 - a. Actively seek input on localized risks and challenges, as well as undeveloped opportunities within the communities;
 - b. Coordinate development, including scope, scale, timing, and prioritization of potential future mitigation and restoration projects at and around the communities; and
 - c. Establish and implement Volunteer Programs to support Salton Sea restoration work and activities to encourage community participation.
 - i. The Authority, working individually and in cooperation with its Members and Partners, will coordinate with regional community-based organizations and others to establish community volunteer programs.

These volunteer programs will provide opportunities for community residents and the public at large to get involved in SSMP projects with a hands-on approach and will bring together community members within the various communities of the region, including tribal community members and other stakeholders. The programs will include, but not be limited to; community residents, youth, academia, and partners from the various organizations and agencies.

- ii. These volunteer programs will include frequent community events and public opportunities to learn and get involved in SSMP projects and create programs working with existing volunteer organizations such as the Scouts programs, Boys and Girls Clubs from the desert area, and perhaps more regionally based organizations.
2. Community Engagement – In coordination with CNRA, educate and inform community members and other stakeholders of the overall SSMP project undertakings including existing projects, future projects, and opportunities for community involvement, especially those most impacting issues of importance and their individual communities;
 - a. Advise stakeholders on how to engage in the planning and development process for projects at the Sea and in the region;
 - b. Educate community members on how to access resources and services to address identified needs; and
 - c. Form high-level partnerships with local and regional stakeholders at the direction of CNRA.
 3. Federal, State, and Regional Public Relations – Provide clear communications to local, State, and Federal Partners;
 - a. Stakeholder communications to provide periodic updates on the health of the Sea and region, status reports of approved projects, and projection of planned projects and other assessed needs;
 - i. For each approved or planned Project, articulate:
 - A. Purposes
 - B. Cost
 - C. Timing
 - ii. Inform Community Risks:
 - A. Health
 - B. Safety
 - C. Cultural/Societal
 - iii. Identify Economic Opportunities
 - iv. Record and Celebrate History and Culture

4. Task 1. Deliverables:

Authority to provide CNRA quarterly update and an annual report of plans and progress. As each specific program is developed, more clearly defined deliverables will be integrated therein for program monitoring purposes.

B. Task 2. Educational Engagement:

The Salton Sea Authority has long been engaged with the educational community, from the earliest of elementary grades to post-doctoral work. In coordination with CNRA, the Authority will serve as a conduit for academic undertakings relating to the Sea and region:

1. Colleges and Universities – Working with post-secondary institutions locally and abroad, the Authority will develop programs to broaden an understanding of the history, challenges, and opportunities at the Sea. In addition, working with CNRA and project sponsors, the Authority will leverage academic resources to better inform decision-making and project design, and better implement community outreach and engagement.
 - a. Internships – Develop subject matter internships that contribute to the efforts of the Authority, CNRA, and project sponsors:
 - i. Communications – At the direction of Authority’s Public Relations Director and in coordination with Authority member agencies and CNRA, assist in:
 - A. Development and implementation of public outreach programs;
 - B. Upkeep and maintenance of SaltonSea.com;
 - C. Development and implementation of social media campaign(s); and
 - D. Planning and execution of meetings, conferences, tours, and seminar production.
 - ii. Coursework Integration – Develop coursework that both exposes students to salient issues and the Sea and provides student work products that contribute to the Authority and CNRA work effort, including the implementation of the SSMP and long-range plan.
 - iii. Research – Coordinate with SSMP to advocate for academic research which informs the decision-making process resulting in sustainable projects that contribute to a vibrant, healthy future for the Sea and region.
 - iv. Archival and Historic Preservation – Establish the framework for consolidating historical documentation and catalog previous studies pertaining to the Sea. Properly index consolidated database to improve efficiency of future research.

2. K-12

- a. Teacher Collaboration – In conjunction with member agencies and in coordination with CNRA, collaborate with local elementary and secondary schools to expose future generations to the current challenges and future opportunities at and around the Sea.

3. General Public Information

- a. Press Relations – In collaboration with CNRA’s Public Affairs Officer, coordinate press inquiries and respond based on appropriate feedback from Authority leadership, member agencies, CNRA, and/or project partners. Actively manage key press representatives to stay in front of developing issues of interest or concern.
- b. Public Service Announcements – As a not-for-profit public entity, and in alignment with CNRA approved SSMP outreach plans and strategies, leverage access to public airwaves through the integration of public service announcements into educational and informational campaigns.
- c. Social Media Branding and Harmonization – Develop and implement clear, consistent, cross-platform branding to maximize top-of-mind awareness of the Sea and the efforts of CNRA and the Authority.
- d. Collaborative Endeavors – Working with universities, non-governmental entities, and other local and regional stakeholders, develop educational programs for public participation, including:
- i. Symposia – Subject matter specific gathering of industry experts to explore current issues and develop actionable recommendations that can be used to create a brighter future for the Sea and region.
 - ii. Tours – Facilitate or co-sponsor seasonal tours to the Sea, and both planned and under way projects, to address the concerns of the communities and others, and to unify public support for efforts at and around the Sea through the cultivation and development of “ambassadors”.

4. Task 2 Deliverables:

Each Engagement subtask will have a defined budget and scope of work which will delineate expected timeline, major milestones, and deliverables.

C. Task 3. Implement Regional Outreach around Community Amenities in collaboration with Community-Based Organizations (CBOs).

1. The “member entities” that make up the Authority, are uniquely positioned with the expertise to obtain specific feedback in communities around the Sea. The Authority will provide support to the SSMP by issuing a solicitation to select one or more CBOs. The Authority will work in coordination with and through the selected local

CBOs with experience engaging with communities around the Salton Sea region to learn what community amenities these communities would like to see implemented around the Salton Sea. Results will be shared with the SSMP to help inform a Community Amenities Strategy Document for the Salton Sea.

2. The State and its existing SSMP contractors have developed meeting materials and documents outlining specific information needed to inform this Community Amenities Strategy Document. The Authority will facilitate conversations and engagement with Salton Sea partners and the SSMP to identify and develop commitments to deliver community amenity projects, where feasible, that address the needs of community members within the SSMP's parameters within SSMP projects. This effort will identify and prioritize "regional amenities" that benefit Salton Sea communities, but that may not fall within the SSMP's parameters. This work will inform a concept paper and community amenities approach that charts a pathway to potentially realize these benefits through a variety of means and options such as, through a Community Benefits Agreement, state and/or federal funding, grant programs, etc.
3. The Authority will solicit and select CBOs with the expertise, trust, and knowledge to reach and engage communities in key sub-regions within the Salton Sea region through non-conventional means. This will include setting CBO eligibility criteria, developing a template scope of work, and creating a CBO outreach list. The Authority will solicit these local CBOs through a Request for Proposal process, and the Authority has the expertise to select the CBO(s), based on the submitted proposals displaying completeness and the most meaningful engagement strategies. The Authority will contract with the CBOs to act as the designated entity in each sub-region and utilize the information they obtain to inform the building of an overarching engagement plan, and community-specific engagement strategies aimed at surfacing benefits for specific communities and sub-regions. CBO engagement activities may include focus groups, one-on-one meetings, workshops, participatory budgeting exercises, creating and disseminating surveys, written materials, and social media tailored to each community's needs. The Authority will provide support in developing engagement plans and template materials for CBOs to collect feedback. The Authority may also provide support in developing agendas, facilitation, and other materials as needed. The Authority will provide templates to CBOs as sub-regional leads for written reports on the outcomes of participatory community outreach and recommended next steps that will be incorporated into the community amenities strategy and approach.
4. Task 3 Deliverables:
 - Kick-off meeting with the State and regional partners.
 - Co-develop community appropriate engagement strategies, such as venues, locations, partners, methods, metrics of success, etc., with the State and its existing SSMP contractors.

- Check-in calls with the State and its existing SSMP contractors around community-specific engagement and needs.
- Convene Community engagement activities, which may include focus groups, convenings and/or workshops.
- Promotion: May include virtual platforms, door-to-door canvassing, and additional strategies specific to the needs of each community.
- Community-specific engagement materials: Flyers, outreach emails, and social media, to be developed with support from the State and its existing SSMP contractors.
- Summary notes, and meeting documentation; photos, attendee list, etc.
- Review and comments on draft Key Takeaways report to be developed by the State and its existing SSMP contractors using CBO summary notes.

IV. Amendment

1. If additional funding becomes available and services are performed satisfactorily, CNRA reserves the right to amend this Contract by extending the term up to an additional two (2) years or awarding additional funds as appropriate for the project.
2. No amendment will be considered binding on either party until it is formally approved by both parties and the California State Department of General Services (DGS), Office of Legal Services.

V. Americans with Disabilities Act

Contractor agrees to ensure that deliverables developed and produced, pursuant to this Agreement shall comply with the accessibility requirements of Section 508 of the Rehabilitation Act and the Americans with Disabilities Act of 1973 as amended (29 U.S.C. Section 794 (d), and regulations implementing that act as set forth in Part 1194 of the Title 36 of the Federal Code of Regulations.

In 1998, Congress amended the Rehabilitation Act of 1973 to require Federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Section 1211335 codifies Section 508 of the Act requiring accessibility of electronic and information technology.

VI. Audit

In accordance with GC § 8546.7, all contracts involving the expenditure of public funds in excess of ten thousand dollars (\$10,000) entered into by any state agency, board, commission, or department shall be subject to the examination and audit of the California State Auditor, at the request of the public entity or as part of any audit of the public entity, for a period of three (3) years after final payment under the contract and shall be confined to those matters connected with the performance of the contract, including, but not limited to, the costs of administering the contract.

VII. Authorized Representatives

The authorized representatives during the term of this agreement will be:

1. Project Representatives:

California Natural Resources Agency	Salton Sea Authority
Mario Llanos	G. Patrick O'Dowd
Deputy Assistant Secretary, Salton Sea Management Program	Executive Director/General Manager
715 P Street, 20 th Floor	82995 Hwy 111, Suite 200
Sacramento, CA 95814	Indio, CA 92201
(760) 562-7646	(760) 238-7777
mario.llanos@resources.ca.gov	gpodowd@saltonseas.com

2. Contract Representative:

California Natural Resources Agency	Salton Sea Authority
Danielle Rogers	G. Patrick O'Dowd
Contract & Administration Analyst	Executive Director/General Manager
715 P Street, 20 th Floor	82995 Hwy 111, Suite 200
Sacramento, CA 95814	Indio, CA 92201
(916) 902-6386	(760) 238-7777
danielle.rogers@resources.ca.gov	gpodowd@saltonseas.com

3. Changes to the project and contract representative information may be made by written notice to the other party and shall not require an amendment to this Contract.

EXHIBIT B

Budget Detail and Payment Provisions

1. INVOICING AND PAYMENT

- A. The parties of the Agreement will be referenced as State of California Department of Natural Resources (“CNRA” or “State”), and the Salton Sea Authority (“Authority” or “Contractor”) in this Exhibit B.
- B. For services satisfactorily rendered, and upon receipt and approval of the invoice(s), the State agrees to compensate the Authority for actual expenditures incurred in accordance with the rates specified in Exhibit B, Attachment 1, Cost Details, which is attached hereto and made a part of this Agreement.

- B. No work performed under this agreement shall exceed the maximum amount of this agreement as shown in Section 3 of the STD 213 signature page. The State will not accept an invoice for which work has not been approved and will return the invoice as a disputed invoice to the Contractor.

- C. The Contractor shall include the hours worked on a monthly basis with an itemized description of the tasks performed, and the time spent on each task on each invoice. The Contractor shall be paid monthly in arrears, upon submission of an invoice, which properly details all charges, expenses, direct and indirect costs. Contractor shall submit an electronic copy of the invoice by email to:

Natural Resources Agency
cnrainvoices@resources.ca.gov

- D. Payment of any invoice will be made only after receipt of a complete, supported, documented, and accurately addressed invoice. Failure to use the address exactly as provided above may result in the return of the invoice to the Contractor. All invoices must be approved by the Contract Manager. The State will not accept an invoice for which work has not been approved and will return the invoice as a disputed invoice to the Contractor.

- E. Invoices shall*:
 - 1. Be prepared on Contractor letterhead with the word “Invoice” in a prominent location at the top of the page(s). If invoices are not produced on letterhead, invoices must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this Agreement;

 - 2. Bear the Contractor's name as shown on the Agreement;

3. Include the Agreement Number;
4. Identify the issue date and billing and/or performance period covered by the invoice;
5. Itemize costs for the billing period in the same or greater level of detail as indicated in this Agreement, including the time spent for each task. Subject to the terms of this Agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this Agreement and approved by CNRA.

*Any invoices submitted without the above referenced information may be returned to the Contractor to provide the required information. Updated invoices require an updated issue date to reflect they have been re-submitted to CNRA for processing.

F. Backup Documentation:

All invoices shall include appropriate documentation such as invoices, personnel breakdown, etc. Each payment made by the Contractor must include a corresponding proof of payment in the form of either a receipt, bank statement or cancelled check. The State has the right to ask for any additional information needed in order to submit payment.

G. Additional Payment Provision

Contractor shall submit a final Invoice within sixty days after the completion date provided in the Term of Agreement. The final invoice shall include the statement 'Final Invoice' in a prominent location on the invoice.

2. CONTRACT WRITTEN PRIOR TO APPROVAL OF THE BUDGET ACT

- A. It is mutually understood between the parties that this Agreement may have been written prior to approval of the Budget Act for the mutual benefit of both parties in order to avoid program and fiscal delays. This Agreement is valid and enforceable only if sufficient funds are made available by the Budget Act for the Fiscal Year(s) involved for the purposes of this program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Legislature and contained in the Budget Bill or any statute enacted by the Legislature which may affect the provisions, terms, or funding of this Agreement in any manner.
- B. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to the Contractor or to furnish any

other considerations under this Agreement and the Contractor shall not be obligated to perform any additional provisions of this Agreement.

- C. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State or offer an agreement amendment to the Contractor to reflect the reduced amount.

3. PROMPT PAYMENT CLAUSE

- A. Payment will be made in accordance with, and within the time specified in Government Code Chapter 4.5, commencing with Section 927.

4. BUDGET

- A. The Contractor shall be compensated for professional services at the hourly rates listed in Exhibit B, Attachment 1, Cost Estimate Details, throughout the term of the contract.
- B. In addition to hourly professional service fees, Contractor will be reimbursed, when documented by appropriate receipts, for reasonable expenses incurred in performance of this Agreement. The estimated costs may include, but are not limited to; necessary travel costs, facility rentals, translation and interpretation services, collateral materials, hosting tours and workshops, but only with pre-approval from the CNRA Project Manager in writing.
- C. The Contractor will be reimbursed for necessary travel expenses, when documented by appropriate receipts, at rates established by CalHR for excluded state employees (Title 2, Division 1, Chapter 3, Subchapter 1, Article 2 of the California Code of Regulations (2 Cal. Code Reg. §599.615 through 599.638.1), and more than 25 miles from vendor's headquarters. The vendor's headquarters for purposes of computing such expenses is the vendor's main office in California. Reimbursement for transportation expenses will be based on the method of transportation that is in the best interest of the State. In no case will travel rates paid to vendor exceed those rates established by CalHR for excluded state employees. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained in writing from the CNRA Project Manager, as described in Exhibit D, Provision E., Travel and Per Diem Reimbursement, of this Agreement.

D. The following table shows the Agreement funding by fiscal year. The dollar amounts in the table below shall not be exceeded for the fiscal years (FY) indicated, unless by written amendment of this contract.

BUDGET FOR ENTIRE PROPOSED PROJECT PERIOD			
Upon DGS Approval to 06/30/2024			
	From:	Upon DGS Approval	07/01/2023
	To:	06/30/2023	06/30/2024
BUDGET CATEGORY	Year 1	Year 2	TOTAL
PERSONNEL: Salary and fringe benefits	\$142,344.00	\$107,666.00	\$250,010.00
TASK #1 COMPOSITE	\$80,000.00	\$80,000.00	\$160,000.00
TASK #2	\$29,293.00	\$29,294.00	\$58,587.00
TASK #3 (SUBCONTRACTORS)	\$50,000.00	\$0.00	\$50,000.00
TOTAL DIRECT COSTS PER YEAR	\$301,637.00	\$216,960.00	\$518,597.00
TOTAL COSTS FOR PROPOSED PROJECT PERIOD			\$518,597.00
JUSTIFICATION See <i>Exhibit B, Attachment 1</i>			

E. Up to ten percent (10%) of the total agreement amount may be moved as needed between the approved budget categories for each fiscal year as shown above to support project priorities, without the need to formally amend the agreement, upon prior written approval of the CNRA and the Authority Project Representatives.

**EXHIBIT B, ATTACHMENT 1
Cost Estimate Details**

Agreement Number: OCA21020
Salton Sea Authority
Exhibit B, Attachment 1
Page 1 of 1

Billing Rates/hour	Executive Director			Public Relations Director			STEM Intern			Humanities Intern			Admin Support			Totals		
	\$103			\$70			\$26			\$26			\$40					
	Year 1	Year 2	Total	Year 1	Year 2	Total	Year 1	Year 2	Total	Year 1	Year 2	Total	Year 1	Year 2	Total	Year 1	Year 2	Total
Personnel Costs																		
Task 1: Community Stakeholder Outreach and Engagement																		
Contract Oversight and admin	55	50	105	12	12	24	0	0	0	0	0	0	40	60	100	107	122	229
Community Outreach	25	15	40	440	475	915	85	80	165	90	105	195			0	640	675	1315
Engagement and Meetings	16	7	23	458	273	731	125	142	267	120	117	237			0	719	539	1258
Total Hours	96	72	168	910	760	1,670	210	222	432	210	222	432	40	60	100	1,466	1,336	2,802
Dollars	\$9,888	\$7,416	\$17,304	\$63,700	\$53,200	\$116,900	\$5,460	\$5,772	\$11,232	\$5,460	\$5,772	\$11,232	\$1,600	\$2,400	\$4,000	\$86,108	\$74,560	\$160,668
Task 2: Educational Engagement																		
Contract Oversight and admin	42	34	76	12	12	24	0	0	0	0	0	0	20	20	40	74	66	140
Community Outreach	9	8	17	240	121	361	28	65	93	60	72	132			0	337	266	603
Engagement and Meetings	9	6	15	274	142	416	50	91	141	18	84	102			0	351	323	674
Total Hours	60	48	108	526	275	801	78	156	234	78	156	234	20	20	40	762	655	1417
Dollars	\$6,180	\$4,944	\$11,124	\$36,820	\$19,250	\$56,070	\$2,028	\$4,056	\$6,084	\$2,028	\$4,056	\$6,084	\$800	\$800	\$1,600	\$47,856	\$33,106	\$80,962
Task 3: Implement Regional Outreach around Community Amenities in collaboration with Community-Based Organizations (CBOs)																		
Contract Oversight and admin	60	0	60	20	0	20	0	0	0	0	0	0	20	0	20	100	0	100
Total Hours	60	0	60	20	0	20	0	0	0	0	0	0	20	0	20	100	-	100
Dollars	\$6,180	\$0	\$6,180	\$1,400	\$0	\$1,400	\$0	\$0	\$0	\$0	\$0	\$0	\$800	\$0	\$800	\$8,380	\$0	\$8,380
Total: All Tasks																		
	216	120	336	1,456	1,035	2,491	288	378	666	288	378	666	80	80	160	2,328	1,991	4,319
	\$22,248	\$12,360	\$34,608	\$101,920	\$72,450	\$174,370	\$7,488	\$9,828	\$17,316	\$7,488	\$9,828	\$17,316	\$3,200	\$3,200	\$6,400	\$142,344	\$107,666	\$250,010

Total Project Costs		
Year 1	Year 2	Total
\$ 142,344	\$ 107,666	\$ 250,010

Personel Cost - Summary

\$ 142,344	\$ 107,666	\$ 250,010
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Non-personnel Costs

Task 1: Community and Stakeholder Outreach and Enqaement - materials and services

Community Outreach	\$ 40,000	\$ 40,000	\$ 80,000
Community Enqaement	\$ 25,000	\$ 25,000	\$ 50,000
Federal, State, and Regional Public Relations	\$ 15,000	\$ 15,000	\$ 30,000
Total	\$ 80,000	\$ 80,000	\$160,000.00

Task 2: Educational Engagement - Materials and services

Colleges and Universities	\$ 10,000	\$ 10,000	\$ 20,000
K-12	\$ 10,000	\$ 10,000	\$ 20,000
General Public Information	\$ 9,293	\$ 9,294	\$ 18,587
Total	\$ 29,293	\$ 29,294	\$ 58,587

Task 3: CBO Collaborative Regional and Specialized Outreach to Frontline Communities

Community Amenity outreach with frontline communities performed by CBOs	\$ 50,000	\$ -	\$ 50,000
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Total: All Cost Categories

\$ 301,637	\$ 216,960	\$ 518,597
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EXHIBIT D

Additional Terms and Conditions

- A. The parties of the Agreement will be referenced as State of California Department of Natural Resources ("CNRA" or "State"), and the Salton Sea Authority ("Authority" or "Contractor") in this Exhibit D.
- B. Excise Tax
The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.
- C. Settlement of Disputes
In the event of a dispute, Contractor shall file a "Notice of Dispute" with California Natural Resources Agency within ten (10) days of discovery of the problem. Within ten (10) days, Assistant Secretary for Administration and Finance or designee, shall meet with the Contractor and Project Manager for purposes of resolving the dispute. The decision of the Assistant Secretary shall be final. In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the bid proposal.
- D. Evaluation of Contractor
Performance of the Contractor under this Agreement will be conducted by the Natural Resources Agency within six months of the execution of the agreement. The evaluation shall be prepared on Contract/Contractor Evaluation Sheet (STD 4) and maintained in the Agreement file. For consultant agreements, a copy of the evaluation will be sent to the Department of General Services, Office of Legal Services, if it is negative.
- E. Performance Evaluation
1. The Contractor's performance under this Agreement shall be evaluated at the conclusion of the term of this Agreement. The evaluation shall include, but not be limited to:
 - a. Whether the contracted work or services were completed as specified in the Agreement and reasons for and amount of any cost overruns.
 - b. Whether the contracted work or services met the quality standards specified in the Agreement.
 - c. Whether the Contractor fulfilled all requirements of the Agreement.
 - d. Factors outside the control of the Contractor, which caused difficulties in contractor performance. Factors outside the control of the Contractor shall not include a Subcontractor's poor performance.
 2. The evaluation of the Contractor shall not be a public record.

F. Progress Reports and Meetings

1. Contractor shall submit progress reports or attend meetings with state personnel at intervals determined by CNRA to determine if the Contractor is on the right track, whether the project is on schedule, provide communication of interim findings, and afford occasions for airing difficulties or special problems encountered so that remedies can be developed quickly.
2. At the conclusion of this Agreement and if applicable, Contractor shall hold a final meeting at which Contractor shall present any findings, conclusions, and recommendations. If required by this Agreement, Contractor shall submit a comprehensive final report.

G. Agency Liability

The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

H. Travel and Per Diem Reimbursement

Reimbursement for reasonable travel and per diem expenses from the CNRA under this Agreement shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Human Resources (CalHR) and located at <https://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>, for non-represented state employees. If the CalHR rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. Exceptions to CalHR rates may be approved by CNRA upon the submission of a statement by the Contractor indicating that such rates are not available to the Contractor. No travel outside the State of California shall be reimbursed without prior authorization from CNRA. Verbal authorization should be confirmed in writing. Written authorization may be in a form including email confirmation.

I. Disclosure Requirements

Any document or written report prepared in whole or in part pursuant to this Agreement shall contain a disclosure statement indicating that the document or written report was prepared through an Agreement with the CNRA. The Contractor shall include in each of its subcontracts for work under this Agreement, a provision which incorporates the requirements stated within this section.

J. Use of Subcontractor(s):

If the Contractor desires to accomplish part of the services through the use of one (1) or more subcontractors, the following conditions must be met:

1. The Contractor shall submit any subcontracts to the State for approval prior to starting any of the work;
2. The Agreement between the primary Contractor and the subcontractor must be in writing;
3. The subcontract must include specific language which establishes the rights of the auditors of the State to examine the records of the subcontractor relative to the services and materials provided under the Agreement; and
4. Upon termination of any subcontract, the State shall be notified immediately, in writing.

Further, any subcontract in excess of \$50,000 entered into as a result of this Agreement shall contain all applicable provisions stipulated in this Agreement.

K. Potential Subcontractors

Nothing contained in this Agreement or otherwise, shall create any contractual relationship between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

L. Contract Termination

The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. The contract may be terminated by either party upon receipt of 30 days written notification. In the event of such termination, the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

M. Insurance

When the Contractor submits a signed Agreement to the CNRA, the Contractor shall also furnish, either proof of self-insurance or certificate(s) of insurance, showing that the required insurance is presently in effect. The Contractor agrees to make complete copies of applicable insurance policies available to the CNRA upon request. The State will not be responsible for any premiums or assessments on the policy.

N. General Insurance Provisions Applying to All Policies

1. Coverage Term - Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the contract.
2. Policy Cancellation / Termination & Notice of Non-Renewal -Contractor shall provide to the State within two business days a copy of any notice of Cancellation/Termination or Non-renewal received by contractor for any of the required insurance policies. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.
3. The contractor will comply with the State Contracting Manual (SCM) Volume 1 Section 3.06 (E.) and select any subcontractor pursuant to a competitive bid process that seeks at least three bids from responsible bidders.
4. Deductible - Contractor is responsible for any deductible or self-insured retention contained within their insurance program.
5. Primary Clause - Any required insurance contained in this contract shall be primary, and not excess or contributory, to any other insurance carried by the State.
6. Insurance Carrier Required Rating - All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
7. Endorsements - Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance. This endorsement must be supplied under form acceptable to the Office of Risk and Insurance Management.
In the case of Contractor's utilization of subcontractors to complete the contracted scope of work, contractor shall include all subcontractors as insureds under Contractor's insurance or supply evidence of insurance to the State equal to policies, coverages and limits required of Contractor.
8. Inadequate Insurance - Inadequate or lack of insurance does not negate the Contractor's obligations under the contract.

Provider hereby represents and warrants that Provider is currently and shall remain, for the duration of this Agreement at Provider's own expense, insured against:

9. Commercial General Liability - Contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000.00 per occurrence for bodily injury and property damage liability combined with a \$2,000,000.00 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

The policy must be endorsed to include the State of California, its Officers, Agents and Employees as additional insured, but only with respect to work performed under the Contract.

10. Automobile Liability- (If applicable) Contractor shall maintain motor vehicle liability with limits not less than \$1,000,000.00 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles.

The policy must be endorsed to include the State of California, its Officers, Agents and Employees as additional insured, but only with respect to work performed under the Contract.

11. Aircraft Liability- (If applicable) When aircraft are used in the performance of agreement work contractor, or its subcontractor, shall maintain aircraft liability with limits of not less than \$10,000,000.00 each accident.

The policy must be endorsed to include the State of California, its Officers, Agents and Employees as additional insured, but only with respect to work performed under the Contract.

12. Watercraft Liability - (If applicable) When watercraft are used in the performance of agreement, the contractor or its subcontractor, shall maintain watercraft liability with limits of not less than \$1,000,000.00 each accident.

When watercraft is used in performance of work on or over navigable waters of the United States, contractor's workers' compensation policy shall be endorsed to include the United States Longshore and Harbor Workers' Compensation Act coverage. The coverage applies to work on or over navigable waters of the U.S.

The policy must be endorsed to include the State of California, its Officers, Agents and Employees as additional insured, but only with respect to work performed under the Contract.

13. Professional Liability - (If applicable) Contractor shall maintain professional liability covering any damages caused by a negligent error, act, or omission with limits of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 policy aggregate. The policy's retroactive date must be shown on the certificate of insurance and must be before the date this contract was executed or before the beginning of contract work.

The policy must be endorsed to include the State of California, its Officers, Agents and Employees as additional insured, but only with respect to work performed under the Contract.

14. Pollution Liability- (If applicable) Contractor shall maintain pollution liability with Limits no less than \$1,000,000 each occurrence and \$2,000,000 aggregate.

The policy must be endorsed to include the State of California, its Officers, Agents and Employees as additional insured, but only with respect to work performed under the Contract.

- O. Workers Compensation and Employers Liability – Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Contract. Employer's liability limits of \$1,000,000.00 are required.

When work is performed on State owned or controlled property the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the State. The waiver of subrogation endorsement shall be provided.

P. Force Majeure

Neither party shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure of performance constitute default, if such delay or failure is caused by 'Force Majeure'. As used in this section, 'Force Majeure' is defined as follows: Acts of war, acts of God such as earthquakes, floods, and other natural disasters such that performance is impossible.

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CALIFORNIA NATURAL RESOURCES AGENCY AND
THE SALTON SEA AUTHORITY
FOR COLLABORATION AND COOPERATION ON
RESTORATION OF THE SALTON SEA**

This Memorandum of Understanding (“MOU”) is entered into by the California Natural Resources Agency (“CNRA”) and the Salton Sea Authority (“Authority”), each a “Party” and collectively the “Parties,” regarding collaboration and cooperation in the restoration of the Salton Sea, including but not limited to planning and implementation of the Salton Sea Management Program (“SSMP”). The Authority is a California Joint Powers Agency, whose members include the County of Imperial, the County of Riverside, the Coachella Valley Water District, the Imperial Irrigation District, and the Torres Martinez Desert Cahuilla Indians, collectively the “Member Entities.”

A. Background

The Salton Sea is California’s largest lake and is a critical stop on the Pacific Flyway, benefiting many species of resident and migratory birds. The Salton Sea is receding, and its salinity has increased substantially as inflows to the Sea have declined, degrading the ecosystem and contributing to worsening air quality in the region.

The state is committed to restoring the Salton Sea, and the numerous demands on and interests in restoration of the Salton Sea present an opportunity for governmental agencies at the local and state levels to collaborate to enhance outcomes of that restoration. CNRA is leading the state’s restoration efforts through implementation of the SSMP and recognizes the benefit and necessity of coordination with the Authority’s member entities in the planning, construction, operation, and maintenance of SSMP projects.

Through this MOU, CNRA and the Authority desire to document their intent to work together to improve public health, economic opportunity, habitat, and overall quality of life for the communities around the Salton Sea through coordination and collaboration in the planning and implementation of the SSMP.

B. Purpose

The purpose of this MOU is to document the Parties’ good faith commitments to coordinate and consult in the restoration of the Salton Sea.

C. Authority

The Parties are entering this MOU pursuant to the Salton Sea Restoration Act, Fish & Game Code section 2930 *et seq.* Pursuant to Fish & Game Code sections 2942, subdivision (a)(1), and 2943, the Secretary for Natural Resources (“Secretary”) shall undertake Salton Sea restoration efforts in consultation and coordination with the Authority.

D. Specific Principles

The Parties intend to collaborate and cooperate in planning and implementation of the SSMP as follows:

1. CNRA Participation in the Authority's Board of Directors Meetings. The Parties recognize that the Authority's Board of Directors Meetings ("Board Meetings") provide a valuable forum for discussion of Salton Sea restoration. The Parties intend that the Secretary or the Secretary's representative may participate in Board Meetings on a regular basis as an ex officio, non-voting, member of the Authority, pursuant to the Joint Powers Agreement creating the Salton Sea Authority. To assist in coordinating the activities of CNRA with the Authority and its Member Entities, the Parties anticipate that the Secretary or the Secretary's representative will engage in discussion and respond to public questions and comment in the same manner as voting members of the Authority's Board of Directors.
2. Authority Coordination Assistance. CNRA recognizes that the Authority is uniquely positioned to assist in coordination of local priorities for Salton Sea restoration projects. The Parties intend the Authority to continue its leadership role in the development and consolidation of local priorities and to be the primary channel through which such local priorities are communicated to CNRA. The Parties intend the Executive Director of the Authority to communicate local Salton Sea restoration priorities and support requests to CNRA through the Secretary's representative.
3. Federal Funding Partnership Opportunities. The Parties intend to work together to seek out federal funding partnership opportunities for planning and implementation projects that will help restore the Salton Sea and fulfill the SSMP acreage targets. The Parties intend to partner to apply for such federal funding where appropriate.
4. SSMP Project Planning and Implementation. To accelerate restoration efforts, the Parties contemplate that CNRA may request that the Authority or its Member Entities lead or assist with certain planning and implementation efforts, such as implementation of certain fully-permitted SSMP projects. The Authority desires to assist CNRA with planning and implementation of the SSMP and intends that its Board of Directors consider in a timely manner such requests by CNRA.

E. Additional Provisions

1. Amendments. This MOU may be amended only by mutual written agreement of the Parties.
2. Term. This MOU will become effective upon execution by the Parties and will remain in full force and effect until terminated by either Party with 60-day written notice.

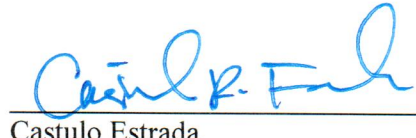
3. Relationship of Parties. Execution of this MOU does not create a new legal entity with a separate legal existence from the individual Parties. This MOU does not result in the joint exercise of powers as set forth in California Government Code section 6500 *et seq.*
4. Appropriations. The Parties recognize that all actions contemplated by this MOU are subject to legislative appropriation. Nothing herein shall constitute, or be deemed to constitute, an obligation of future appropriations by the Legislature of the State of California, where creating such an obligation would be inconsistent with Article XVI, sections 1 and 7, of the Constitution of the State of California. Nothing in this MOU is intended or shall be construed to authorize or require the obligation, appropriation, reprogramming, or expenditure of any funds by any Party. Any funding commitment or services, if pursued, will be handled in accordance with applicable laws, regulations, and procedures.
5. Nonbinding. This MOU is legally nonbinding and in no way: (i) impairs any Party from continuing its own planning or project implementation; (ii) limits a Party from exercising its authority in any matter; (iii) infers that a Party will act in any particular manner on a project; or (iv) gives any of the Parties any authority over matters within the jurisdiction of any other Party. Nothing in this MOU creates any legal rights, obligations, benefits, or trust responsibilities, substantive or procedural, enforceable at law or in equity, by a Party against any other Party, a Party's officers, or any person. Nothing in this MOU authorizes anyone not a Party to this MOU to maintain an action at law or in equity under the provisions of this MOU.
6. Counterparts. This MOU may be signed in two or more counterparts each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

**CALIFORNIA NATURAL RESOURCES
AGENCY**



Arturo Delgado
Assistant Secretary for Salton Sea Policy

SALTON SEA AUTHORITY



Castulo Estrada
President



MEMO

TO: Salton Sea Authority Board of Directors and G. Patrick O’Dowd
FROM: Lisa Moore
RE: **Federal Report**
DATE: January 16, 2024

This memo provides an update on our work to fully fund our Corps of Engineers feasibility study, a critical component of securing significant federal funding to address long-term Salton Sea management needs.

Background:

As you will recall, the Authority is joint local sponsor with CNRA/DWR with the Army Corps of Engineers of a feasibility study process designed to secure 65% federal funding for long-term Salton Sea management. The study is a prerequisite to securing Corps funding. We identified the Corps as a viable federal funding partner because our needs are a good match for the scale of work typically undertaken by the Corps, and because the Corps was also eager to be engaged. We signed our agreement to embark on the study in December 2022 at an event attended by several of our Directors. Since then we have made good progress in scoping and developing alternatives for consideration.

The Corps has a policy that its studies should not exceed \$3 million or 3 years. This policy may be waived administratively. When we began the feasibility study, all parties recognized that a waiver would be needed to ensure that the Corps and joint sponsors could undertake a full, robust study.

Undertaking the full study is critically important because the scope of the study will determine the ultimate project to be constructed at a 65% federal share. A small study would limit the actual federal funding that will be ultimately made available for the project. In addition, ensuring a robust, full Corps study will ensure that the local region and the State does not assume all the costs associated long-term management, particularly those which may result from post-2026 Colorado River conservation actions now under consideration by the Bureau of Reclamation.

DWR and the Authority have been working with the local and regional Corps leadership to recommend a waiver from the Corps to enable a \$15 million budget (\$7.5m fed/\$7.5m sponsor) for a full study to would look at 4-6 alternative solutions. In November, we and the Corps agreed that the study would be considered a full study of this nature.

However, when local Corps leadership briefed Corps HQ, Corps leadership directed them to include another alternative for a \$3 million study and recommendation. Pursuing this course would limit the ultimate federal funding we could secure for long-term Salton Sea management.

Next Steps:

We are working with the State and our Congressional delegation to secure Corps HQ agreement that a full study is the appropriate course of action. In addition, we are working to identify additional federal funding to enable the full study to proceed.

There are several possible sources of such funding.

We initially secured funding through federal appropriations for the feasibility study. Ultimately the Corps funded their initial cost share on the study (\$1.5 million) through administrative funds. They have since adopted a very curious interpretation of their own legal authority in such a way as to restrict their ability to increase Corps federal funding for the study. (This interpretation affects not only our study, but several around the nation.)

While we disagree with this self-imposed limitation, we are working with Congress through the Water Resources Development Act to legislatively remove this barrier to federal funding via the Corps. We sought and the Directors approved staff recommended WRDA requests in that connection which I have submitted to our Congressional delegation.

WRDA, however, is not a funding bill and thus we cannot secure actual funds through it. We are using that legislation in order to remove a barrier to pursuing Corps. Ultimately, we would need either the Corps to dedicate additional funds to the study administratively (as they did to begin the study) or by securing federal appropriations for the Corps. Given the slowness of the federal appropriations process, it would take likely over a year to secure funds this way.

Another way to secure funds for the process would be to dedicate a portion of the IRA \$4 billion Colorado River fund to this study. As you will recall, this fund was not only provided to secure water conservation to benefit Lake Mead, but also to address the Salton Sea. The State could also dedicate a portion the IRA funding it has received for the Salton Sea towards the needed federal cost share for the full study.



TO: Salton Sea Authority Board of Directors
FROM: Oracio Gonzalez, Ollin Strategies
DATE: January 2024
SUBJECT: California State Advocacy

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

Fiscal

On January 10, 2024, the Governor released his proposed state budget for 2024-25. As part of that announcement, the Governor proposed an investment of \$65.2m for the Salton Sea. According to the Budget Change Proposal submitted by the Salton Sea Management Program, the funds will be used to scale up planning, permitting, and implementation of restoration projects while also adding new capacity to maintain and monitor completed projects. The proposal will also fund 19 new positions, with eight dedicated to operations, maintenance, and monitoring of the state's first completed aquatic and vegetation enhancement projects. The remaining positions will provide administrative, legal, outreach, technical, and permitting functions to complete project planning and implement additional acres. The Department of Water Resources will receive \$60 million to carry out "planning, permitting, or restoration implementation of upcoming capital outlay restoration projects."

As the proposal moves forward and the legislature begins to convene hearings, the Authority will work with our legislative representatives in the Assembly and Senate to refine the proposal and ensure that it remains in the final budget sent to the Governor in June. With the state facing a considerable deficit of \$38bn, there will be pressure from legislators to scale down the investment to offset other programs being cut by the Governor's proposed budget. The first hearings of the State Assembly and the State Senate on the Governor's proposed budget will occur on January 23.

Legislative

General Obligation Bonds:

As the Board recalls, in June 2023, the legislature reduced the magnitude of Salton Sea restoration funds that the Governor proposed to "shift" to a climate obligation bond. The final budget signed by the governor reduced the magnitude of shifted funds from \$169 million to \$119 million.

Both Assemblymember Garcia and Senator Allen plan to reintroduce their respective climate bond proposals from last year. Garcia has already stated his intention to maintain the level of Salton Sea funding he proposed in his bond last year. The Senate proposal will also contain funding for the Salton Sea, but it is unclear how large that investment will be in the proposal as introduced. For reference, below are the amounts each proposal included for the Salton Sea last year.

- AB 1567 (Garcia), would have placed a \$15.9 billion general obligation bond before voters on March 5, 2024. Of this amount, \$400 million was proposed for the Salton Sea, consisting of \$119 million in “shifted” funds and \$281 million in new dollars for Salton Sea restoration. Of the new dollars, the bond would set aside \$30 million for the Salton Sea Authority and \$15 million for a Salton Sea conservancy.
- SB 867(Allen), would have placed a \$15.5 billion general obligation bond before voters on March 5, 2024. The measure included \$100 million for Salton Sea restoration activities.

The new bond proposals will likely be introduced in the coming weeks.

Conservancy:

In September, Senator Padilla announced that he would be holding SB 583, his legislation creating a Salton Sea Conservancy, on the floor of the Senate as a two-year bill given ongoing negotiations with the Governor. Prior to this announcement, the Assembly Appropriations committee moved to amend the measure with language that changed the conservancy’s scope in two key areas. First, the committee stripped the conservancy of its power to implement projects under the Salton Sea Management Plan. Instead, the conservancy was limited to taking ownership of projects after they are completed by the state pursuant to the Salton Sea Management Plan. The language, in italics, is included below for reference.

33812.

(a) The Salton Sea Conservancy is hereby created as a state agency within the Natural Resources Agency for all of the following purposes:

“(1) To oversee the operation, maintenance, and management of projects that are planned and built under the authority of the Salton Sea Management Program to fulfill the state’s obligations as detailed in State Water Resources Control Board Order WR 2017-0134.

(2) To acquire, hold, and manage land or property rights within the Salton Sea region after restoration projects are built.”

This language reflected the amendments requested by the Authority in its June 11, 2023 letter to the Senator noting: “we respectfully request that you further refine the conservancy’s scope to the operation and maintenance of projects completed under the SSMP, the Long-Range Plan and

the ongoing Imperial Streams Salton Sea and Tributaries Feasibility Study the U.S. Army Corps of Engineers is conducting in partnership with the State and the Authority.”

While this was a good step, language was added to another part of the bill that may lead to duplication of activities the Authority is currently pursuing. Specifically, the conservancy was authorized to:

- “(3) To provide increased opportunities for equitable outdoor recreation.*
- (4) To undertake efforts to enhance public use and enjoyment of lands owned by the public.*
- (5) To assist the regional economy through the operation of the conservancy’s program.*
- (6) To support efforts that advance both environmental preservation and the economic well-being of Salton Sea region residents in a complementary manner.*
- (7) To support efforts that advance climate resiliency and equity.*
- (8) To create a public forum for discussing ongoing land management and other relevant issues within the Salton Sea region.”*

Several of these activities, for example supporting the economic well-being of the Salton Sea region or serving as a public forum for Salton Sea issues, are presently being undertaken by the Authority. That said, language was left in another part of the bill that may restrict those instances where duplication may take place. For example, under 33820(b), the conservancy is required to develop a strategic plan that will govern how it operates including avoiding “any duplication of roles between the conservancy, the Salton Sea Management Program, and the Salton Sea Authority.”

The final amendments to the conservancy measure included expanding the board to 15 voting members, and elevated the Director of Fish and Wildlife and the Director of Water Resources from ex officio members to voting members. The Secretary of CalEPA was added as an ex officio member.

At present, the measure remains on the Senate Floor. Action can be taken at any time to advance it to the Governor prior to the last day of the legislative session on August 31, 2024.

Committees

In the fall, Speaker Robert Rivas released the membership of the Assembly’s policy and budget committees. Of note, Speaker Rivas appointed Assemblywoman Diane Papan (D- San Mateo) as chairwoman of the Assembly Water, Parks and Wildlife Committee, and Isaac Bryan (D- Los Angeles) as Chairman of the Natural Resources committee. These committees have primary oversight over policy legislation impacting the Salton Sea, including general obligation bonds focused on climate/natural resources.

In addition, Speaker Rivas appointed Steve Bennett (D- Ventura) to chair Assembly Budget Subcommittee 4, which has oversight over budget items related to the Salton Sea.

In February, Senator Mike McGuire will take over as Senate President. The Authority will be monitoring for any changes to the leadership of the Senate Natural Resources Committee and

Senate Budget Subcommittee 2 on Resources, Environmental Protection and Energy, the policy and budget subcommittee with primary oversight over Salton Sea matters.