

FINAL AGENDA



AGENDA: BOARD OF DIRECTORS MEETING
DATE: Thursday, April 18, 2024, at 10:00 a.m.
LOCATION: North Shore Fire Station 41
99-054 Sea View Drive
Mecca, CA 92254

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

Director Yxstian Gutierrez
Riverside County 5th District
4080 Lemon Street
Riverside, CA 92502

Director Luis Plancarte
Second District, Imperial County
940 W. Main Street, Suite 209
El Centro, CA 92243
(442) 265-1032

Director Alex Cardenas
Imperial Irrigation District Div 1
CASA of Imperial County
229 South 8th Street, Suite B
El Centro, CA 92243

Vice President Castulo Estrada
Vice President CVWD
City of Coachella Corporate Yard
53-462 Enterprise Way
Coachella, CA 92236

Special Notice:

Effective May 1, 2024 the business address and telephone number for the Salton Sea Authority will change.
The new address is:

82500 Highway 111, Suite 4
Indio, CA 92201
(760) 565-3100

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

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

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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, 04/18/2024 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, April 17**, 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 March 21, 2024
 - 2. Salton Sea Authority Warrant Register Ratification for March 31, 2024
 - 3. Salton Sea Authority Internal Financial Report for February 29, 2024
- B. Review and Approve Salton Sea Authority 2024/2025 Budget
- C. Outreach & Education – Contract implementation and extension update
- D. Review and approve certain agreement necessary to effectuate CADIZ donation to the Salton Sea Authority:
 - 1. Approve Joinder Agreement with San Bernardino County, Fenner Gap Mutual Water Company and Santa Margarita Water District to authorize the joinder of Salton Sea Authority for ex officio, non-voting, membership in the Fenner Valley Water Authority through a Joint Exercise of Powers Agreement, effective on the last date executed by the parties.

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2. Approve the appointment of _____ as the Salton Sea Authority Director and _____ as the Salton Sea Authority Alternate Director for the Board of Directors of the Fenner Valley Water Authority for an initial two-year term, effective retroactively as of April 1, 2024, through April 1, 2026.

E. Legislative Updates

1. AB674 – Padilla
2. Budget
 - a. Desert Shores Specific Request
 - b. Update and Direction regarding potential funding gaps
3. Bond

F. Project Updates

1. North Lake Pilot Demonstration Project
2. Desert Shores
3. Bombay Beach

V. **REPORTS**

A. Federal

1. Federal Activities – Lisa Moore Lehman, Partner, Cultivating Conservation
2. US Bureau of Reclamation – Jeremy Brooks – 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 – 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, May 16, 2024, at 10:00a.m.

Imperial County BOS Chamber

940 W. Main Street

El Centro, CA 92243

(760) 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.



**OFFICIAL PROCEEDINGS
SALTON SEA AUTHORITY
BOARD OF DIRECTORS MEETING
March 21, 2024**

I. CALL TO ORDER

The regularly scheduled meeting of the Salton Sea Authority (“Authority”) Board of Directors (“Board”) was called to order by Madam Chair Santillanes, at 10:09 a.m., March 21, 2024, at Imperial County BOS Chamber, and via Zoom Webinar.

PLEDGE OF ALLEGIANCE – Led by Director Aguilar

ROLL CALL

DIRECTORS PRESENT ON SITE

Altrena Santillanes, President
Ryan E. Kelley, Director
Gina Dockstader, Secretary
John Aguilar, Director
Alex Cárdenas, Director

AGENCY

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

DIRECTORS PRESENT VIA ZOOM

Ex-Officio Samantha Arthur
Yxstian Gutierrez, Treasurer

AGENCY

California Natural Resources Agency
Riverside County

DIRECTORS ABSENT

V. Manuel Perez, Director
Cástulo R. Estrada, Vice-President
Thomas Torte, Director
Luis A. Plancarte, Director

AGENCY

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

SALTON SEA AUTHORITY STAFF PRESENT

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

MEMBERS OF THE PUBLIC PRESENT

On Site: Trina Hamby, Imperial County Public Health, Guillermo Hernandez, Senator Padillas Office, Miguel Hernandez, CVRA and Paul Najjar, Gafcon

Via Zoom: Evon Willhoff, DWR, Jamie Asbury, IID, plus 23 others

II. PUBLIC COMMENTS

No Comments

III. BOARD MEMBER COMMENTS

No Comments

IV. ITEMS FOR DISCUSSION AND POSSIBLE BOARD ACTION

A. CONSENT CALENDAR – Approve, Receive, and File

1. Minutes of Salton Sea Authority Board Meeting February 15, 2024
2. Salton Sea Authority Warrant Register Ratification for February 29, 2024
3. Salton Sea Authority Internal Financial Report for January 31, 2024

Motion made by Cardenas, second by Dockstader, the Board approved the Consent Calendar to be received and filed.

Approved by the following vote:

AYES: President Santillanes, Secretary Dockstader, Director’s Cardenas, Kelley and Aguilar.

NOES: 0

ABSENT: Vice-President Estrada, Treasurer Gutierrez, Director Plancarte, Director Torteiz and Director Perez.

ABSTAINED: 0

MOTION PASSED: 5-0

- B. USACE Update on funding restrictions, 3x3x3, hydrology workshop and implementation. Lisa Moore and Lowry Crook provided a brief update on the feasibility study. Ms. Moore and GM O’Dowd met recently with delegates in D.C. to address a challenge to the scope the study. Originally authorized as a 3 year, 3 million effort, the scoping effort between USACE and the local Sponsors (the Authority and DWR) identified an essential scope that will cost approximately \$16 million and take 6 to 8 years to complete. Based on earlier guidance, the Corp has not had the authority to exceed the original terms (3 years, \$3 million) due to language in the Infrastructure Investments and Jobs Act (IIJA). Working with our delegation in DC we have been pursuing an exception from this interpretation, which was accomplished in March through legislative language in the 2024 Energy and Water bill, allowing the use both IIJA *and other* funds for the project. We continue to pursue final sign off on the “Course of Action” (COA) recommended by the project

team (known as COA2) which is at the highest level of the vertical command for consideration.

Ex Officio Arthur informed the Board that the 2024-25 budget currently under negotiation includes \$3MM in funding for the local sponsor contribution to the feasibility study.

Atty Crook mentioned that the Authority continues to seek additional federal funds for FY24 and FY25 to fully fund work scheduled to occur in that timeframe.

- C. Review and Approve Office Lease – 82500 Highway 111, Suite 4, Indio, CA.
Executive Director O’Dowd gave a brief update and requested approval of the new office lease. The lease is for two years at \$1,200/month (modified gross) with an additional month free rent.

Motion made by Aguilar and second by Cardenas to approve the Office Lease at 82500 Hwy 111, Indio, CA.

Approved by the following vote:

AYES: President Santillanes, Secretary Dockstader, Director’s Cardenas, Kelley and Aguilar.

NOES: 0

ABSENT: Vice-President Estrada, Treasurer Gutierrez, Director Plancarte, Director Tortez and Director Perez.

ABSTAINED: 0

MOTION PASSED: 5-0

- D. Allied/Cal Mutual JPRIMA Insurance Renewal
Executive Director O’Dowd requested authorization to renew insurance with JPRIMA, noting significant increases.

Motion made by Cardenas, second by Dockstader.

Approved by the following vote:

AYES: President Santillanes, Secretary Dockstader, Director’s Cardenas, Kelley and Aguilar.

NOES: 0

ABSENT: Vice-President Estrada, Treasurer Gutierrez, Director Plancarte, Director Tortez and Director Perez.

ABSTAINED: 0

MOTION PASSED: 5-0

- E. Update on Outreach, Engagement, and Education

1. Expiring Agreement / Extension Request. Executive Director O’Dowd gave a brief update of the agreement, noting that a two-year extension requested from the state as provided for in the agreements terms had not yet been approved by the state.

2. SSMP Annual Report workshops. GM O’Dowd gave a brief review. The SSMP workshop is being held in Sacramento, Michael Cohen suggested that we need a local forum.

Ex Officio Arthur stated that the State Water Board is being held in Sacramento due to Budget restraints, but that 2 additional presentations will be held locally, one each in Imperial and Riverside County the 1st week in May. She also mentioned that the outreach agreement remains in place and available for use, but provided no guidance on the requested extension.

GM O’Dowd, Directors Kelley and Cardenas stressed that we need to work collaboratively to ensure every effort to educate the public, either by follow-up workshops or a larger workshop. Director Aguilar asked what the possibility was of pulling a local engagement together before May 22. GM O’Dowd acknowledged the very short notice to assist, but stated the Authority would do all that we can (or are asked to do so), hoping to make it a more broadly participated event and ensure its success. Director Cardenas asked that this item be tabled until the April 18 meeting so that we can respond and participate in a robust manner especially when it comes to the annual report. Director Kelley agreed and stated that he will be attending the State Waterboard hearing on the SSMP on May 22 in Sacramento and the Authority should do the same. GM O’Dowd advised the he plans to attend in person as well as he will be a presenter on two separate panels at the Water Board hearing.

3. North Lake Pilot Demonstration Project outreach. Executive Director, O’Dowd shared that there was a desire to broaden the outreach for the NLPDP to demonstrate its connectivity to the SSMP, and recommended using funds from the Outreach contract. This request was advanced to the state for consideration, but given the pending expiry of that contract it may not be achievable.
4. Public Relations Director status. GM O’Dowd stated that there is still great need for local coordination of outreach and engagement, but that it would be imprudent for the Authority to move forward to refill the Public Relations Director position without knowing whether the state intends to extend the existing contract.

F. Preliminary Review of Salton Sea Authority 2024/2025 Operating Budget. Executive Director O’Dowd gave a brief update on the budget. Member contributions remained unchanged and all other costs were based on historicals. A slight increase in travel was budgeted in light of anticipated work on the feasibility study. Will be brought back for final approval at the April 18 board meeting.

G. Modified Meeting Dates and Locations 2024/2025. GM O’Dowd recommended that beginning with the July meeting of the board, the meeting calendar be adjusted to facilitate the Authority meeting every other month plus the month of May, allowing the Authority during the off months to host, sponsor, or collaborate in public,

community centric events where the Board members can participate. For the remainder of the year, meetings will be held in April, May, June, July, September, and November. Going forward it is anticipated that 2025 will continue this pattern, with meetings in January, March, May, June, July, September, and November.

H. Bill Packet Review

1. AB 2610 (Garcia) – Environmental Protection
2. AB 1834 (Garcia) – Air Quality
3. SB 967 (Padilla) - Monitoring
4. AB 2757 (Garcia) – Economic Development
5. SB 974 (Grove) – Salton Sea Lithium Fund
6. Budget
7. Bonds
8. Other

Motion made by Cardenas, second by Dockstader, to issue a Letter of Support of AB 2610

Approved by the following vote:

AYES: President Santillanes, Secretary Dockstader, Director's Cardenas, Gutierrez, Kelley, TorteZ and Aguilar.

NOES: 0

ABSENT: Vice-President Estrada, Director Plancarte and Director Perez.

ABSTAINED: 0

MOTION PASSED: 7-0

Directors Kelley and Cardenas are both in support of AB 2757. Board agreed and a vote was taken. Director Kelley also discussed SB 974, Director Cardenas abstained and said he didn't feel that he had enough context and asked that is be tabled until the April board meeting.

Motion to issue a letter of support for AB 2757 made by Kelley, second by Cardenas,

Approved by the following vote:

AYES: President Santillanes, Secretary Dockstader, Director's Cardenas, Kelley and Aguilar.

NOES: 0

ABSENT: Vice-President Estrada, Treasurer Gutierrez, Director Plancarte, Director TorteZ and Director Perez.

ABSTAINED: 0

MOTION PASSED: 5-0

Director Aguilar asked what the process was for getting the bond materialized, Oracio responded that the legislator needs to formally adopt them.

I. Project Updates

1. North Lake Pilot Demonstration Project. GM O’Dowd gave a brief update, they continue to process the Geotechnical work. Will have more to report at our next meeting.
2. Desert Shores – GMO’Dowd introduced Paul Najar of Gafcon. Mr. Najar, gave an update on the 1st of 3 Community Meetings that was held at Desert Shores. The meeting was quite successful, and was focused on design and sustainability, with a lot of community interaction. The next meeting will be held on April 2nd and the third meeting at the end of April. He also updated the board on some of the work they have been working on, which has been focused on sustainability, receiving valuable input from one of the most successful lake contractors in the state, having built well over 100 lakes, including Imperial Lakes in Seeley, CA and Shadow Lakes in Indio. The result of those meetings focused on what is going to be required to “repair” the channels.
3. Bombay Beach - No updates to share at this time.

V. REPORTS

A. Federal

1. Federal Activities – Lisa Moore Lehman, Partner, Cultivating Conservation, gave her update on item IV.B.
2. US Bureau of Reclamation – Jeremy Brooks – No Report

B. State

1. State Advocacy Report – Oracio Gonzalez, Principal, Ollin Strategies, gave his update on the current bill packets, in item IV.H 1-8.
2. State of California – Mr. Miguel Hernandez, Public Affairs Officer, California Natural Resources Agency gave a brief update on the series of meetings they held in Mecca and Salton City, the SSMP project tracker that is available on the CNRA website, the SSMP Community needs report and Salton Sea recommended actions report and the finalization of the Salton Sea Long Range Plan.
3. Salton Sea State Recreation Area Update on Activities – Enrique Arroyo, District Superintendent, California State Parks provided a brief update.

C. Local

1. Salton Sea Action Committee – Alan Pace, SSAC President, they are planning a bus tour on April 25 with community members.

D. Executive Director’s Report and Comments - G. Patrick O’Dowd, Executive Director/GM, Salton Sea Authority, gave an update on the Dr Lo presentation on Asthma being held on March 26 from 6-7pm.

VI. ADJOURNMENT

Meeting Adjourned 12:08 p.m.

NEXT MEETING TIME & LOCATION:

The Salton Sea Authority board is scheduled to meet on:

Thursday, April 18, 2024, at 10:00a.m.
North Shore Fire Station 41
Mecca, CA 92254

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Salton Sea Authority
Checking Account Activity
March 1, 2024 through March 31, 2024

Date	Number	Vendor Name	Description	Amount
03/04/2024	7568217	CalMutuals	Membership dues 04/01/24 - 04/01/25	(100.00)
03/04/2024	ACH	SystemGo IT LLC	Website services 01/24	(382.00)
03/04/2024	ACH	Best, Best & Krieger	Services 01/24	(4,105.50)
03/04/2024	ACH	Eide Bailly LLP	Accounting services 12/23 and 01/24	(5,891.35)
03/04/2024	ACH	Ollin Strategies	Consulting services 02/24	(7,000.00)
03/04/2024	ACH	Cultivating Conservation	Consulting services 01/24	(7,350.00)
03/05/2024	EFT	Melio Bill Payer	Check processing fees 03/24	(1.50)
03/11/2024	EFT	Pacific Western Bank	Visa billing cycle ended 02/24	(2,553.79)
03/19/2024	Deposit	Bureau of Reclamation	Grant reimbursement for period ended 12/23	397.40
03/28/2024	ACH	Allied Public Risk	Insurance 04/01/24 - 04/01/25	(12,675.00)
03/28/2024	ACH	Best, Best & Krieger	Services 02/24	(1,069.50)
03/28/2024	ACH	Bravata, Lisa	Mileage 03/21/24	(130.65)
03/28/2024	ACH	Cultivating Conservation	Consulting services 02/24	(7,350.00)
03/28/2024	7667550	Davis Farr LLP	Audit Services for fiscal year ended 6/30/23	(4,250.00)
03/28/2024	ACH	Ollin Strategies	Consulting services 03/24	(7,000.00)
03/28/2024	7669205	Riverside County	Replenish payroll account	(80,000.00)
03/28/2024	ACH	SystemGo IT LLC	Website services 02/24	(382.00)
03/28/2024	EFT	Melio Bill Payer	Check processing fees 03/24	(3.00)
Beginning Cash Balance				\$ 262,835.58
Monthly Activity				(139,846.89)
Ending Cash Balance				\$ 122,988.69



Salton Sea Authority Budget to Actual General Fund (Unaudited)

For the Period July 1, 2023 through February 29, 2024

	A	B	C	D	C / D	C - D
	January 2024	February 2024	YTD FY 24	Budget FY 24	YTD Target 67%	\$ Variance
1 REVENUE						
2 Local Government / Member Assessments	\$ -	\$ 76,700	\$ 743,300	\$ 800,000	93%	\$ (56,700)
3 Other Federal / State / Local Contributions	-	-	-	25,000	0%	(25,000)
4 Sponsorships	-	-	-	25,000	0%	(25,000)
5 Grant and Other Reimbursements to General Fund	1,891	72	6,422	194,400	3%	(187,978)
6 TOTAL REVENUE	1,891	76,772	749,722	1,044,400	72%	(294,678)
7 EXPENSES						
8 SSA Administration						
9 Salaries & Benefits						
10 Total Salaries	15,934	16,661	145,314	309,300	47%	(163,986)
11 Total Employee Benefits	8,782	8,860	75,560	171,600	44%	(96,040)
12 Total Salaries & Benefits	24,716	25,521	220,873	480,900	46%	(260,027)
13 Contract / Professional Services						
14 DC Advocates	7,350	7,350	60,190	94,200	64%	(34,010)
15 Sacramento Advocates	7,000	7,000	56,000	88,200	63%	(32,200)
16 Attorney Fees	4,106	1,070	17,541	54,000	32%	(36,459)
17 Audit & Accounting	1,880	4,924	38,846	76,200	51%	(37,354)
18 Total Contract / Professional Services	20,335	20,344	172,577	312,600	55%	(140,023)
19 Travel/Mileage	2,492	1,705	16,730	40,000	42%	(23,270)
20 Equipment / IT Maintenance	382	382	3,056	8,300	37%	(5,244)
21 Non-capitalized Office Equipment	-	-	-	8,000	0%	(8,000)
22 Insurance	944	944	7,554	11,600	65%	(4,046)
23 Office Expense/Operating Supplies	555	552	2,787	8,700	32%	(5,913)
24 Office Expense/Online Services	457	350	2,955	4,000	74%	(1,045)
25 Dues, Subscriptions	676	776	5,866	10,000	59%	(4,134)
26 Operating Expenses / County Charges	1,146	157	4,591	7,400	62%	(2,809)
27 Board Room Usage and Recordings	-	-	2,388	2,400	100%	(12)
28 Interest Expense	-	96	1,188	-	N/A	1,188
29 TOTAL EXPENSES	51,703	50,825	440,565	893,900	49%	(453,335)
30 NET REVENUE / (EXPENSES)	\$ (49,812)	\$ 25,947	\$ 309,156	\$ 150,500	205%	\$ 158,656

*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 February 29, 2024

	B	C	D	C / D	C - D
	February 2024	YTD FY 24	Budget FY 24	YTD Target 67%	\$ Variance
1 REVENUE					
2 State of California Grant (Prop 68)	\$ -	\$ 118,375	\$ 2,000,000	6%	\$ (1,881,625)
3 TOTAL REVENUE	-	118,375	2,000,000	6%	\$ (1,881,625)
4 EXPENSES					
5 Salton Sea Authority Salaries	-	4,771	79,700	6%	(74,929)
6 Department of Water Resources-North Lake Demo	-	113,604	1,920,300	6%	(1,806,696)
7 TOTAL EXPENSES	-	118,375	2,000,000	6%	(1,881,625)
8 NET INCOME / (LOSS)	\$ -	\$ -	\$ -		\$ -

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

For the Period July 1, 2023 through February 29, 2024

	B	C	D	C / D	C - D
	February 2024	YTD FY 24	Budget FY 24	YTD Target 67%	\$ Variance
1 REVENUE					
2 Bureau of Reclamation Grant	\$ -	\$ 9,974	\$ 750,000	1%	\$ (740,026)
3 TOTAL REVENUE	-	9,974	750,000	1%	\$ (740,026)
4 EXPENSES					
5 Riverside County Salaries	-	1,423	25,000	6%	(23,577)
6 Bureau of Reclamation-Desert Shores Revitalization	-	8,550	725,000	1%	(716,450)
7 TOTAL EXPENSES	-	9,974	750,000	1%	(740,026)
8 NET INCOME / (LOSS)	\$ -	\$ -	\$ -		\$ -

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Salton Sea Authority
Balance Sheet
(Unaudited)
As of February 29, 2024

1	ASSETS		
2	Checking/Savings	\$	264,312
3	Prepaid Items		7,702
4	Grants Receivable		151,177
5	TOTAL ASSETS		<u>423,191</u>
6	LIABILITIES & FUND BALANCE		
7	LIABILITIES		
8	Accounts Payable		38,802
9	Credit Card Payable		2,653
10	Accrued Payroll		12,589
11	Due to Riverside County		138,738
12	Accrued Vacation		51,800
13	TOTAL LIABILITIES		<u>244,582</u>
14	FUND BALANCE		<u>178,609</u>
15	TOTAL LIABILITIES & FUND BALANCE	\$	<u>423,191</u>

*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.

Memorandum

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

Re: 2024/2025 Operating Budget – Approval Requested

Last month staff presented the Authority's Fiscal 2025 proposed budget for review, consideration and comment. No material comments were received on the budget as presented, and is being submitted herewith for your full consideration.

Below you will find highlights from the proposed budget:

Revenues:

Member Contributions remain unchanged, and revenues from other sources are budgeted in line with historical performance.

No revenue is budgeted for CNRA Outreach, Engagement, and Education contract, as it has not yet been extended.

Grant Revenues reflect reimbursement (largely passthrough) for work anticipated to be completed and billed in the current year.

Expenses:

Salaries are budgeted based on current levels and are consistent with Riverside County payroll policy with respect to increases. Job Classifications are included for the two Salton Sea Authority full time staff, showing responsibilities and salary ranges. The Job Classification for the Public Relations Director – included last year but not included in this year's budget – is included for informational purposes only.

Benefits are based off historical experience and budgeted salary levels.

Contract and Professional services are based off current contract rates. Additional provisions were made in "Other Contract Services" for adjustments that are anticipated to occur in the current fiscal year.

Travel and Mileage increased due to additional activity relating to the implementation of the feasibility study, the projects in the ground, and other business-related travel expenses.

Office Rent and Utilities totaling \$24,000 reflect new rental space (addressed in a separate agenda item) which has not historically been budgeted.

Except for administrative burden, Grant Expenses are generally a pass through, reflecting actual project costs billed and paid. Generally the Authority does not reimburse project expenses until funded by Grantor.

All other expenses are in line with historical norms.

Staff Recommendation: Approve budget as presented and authorize staff to issue invoices to member agency for 2024/2025 contributions as indicated in the budget.

Salton Sea Authority
Proposed Budget
FY 2024/25

	A	B	C	D	E	F
	FY 23/24 Adopted Budget General Fund	FY 23/24 Projected YTD General Fund	FY 24/25 Proposed Budget General Fund	FY 23/24 Adopted Budget Grant Funds	FY 23/24 Projected YTD Grant Funds	FY 24/25 Proposed Budget Grant Funds
1 REVENUE						
2 Local Government/Member Assessments	\$ 800,000	\$ 800,000	\$ 800,000	\$ -	\$ -	\$ -
3 Tribal Contribution (Voluntary)	-	10,000	-			
4 Other Federal/State/Local Reimbursements	25,000	-	10,000			
5 Sponsorships	25,000	-	10,000			
6 Grants and Other Reimbursements to General Fund	194,400	12,400	30,000			
7 Department of Water Resources-North Lake Demonstration				2,000,000	218,400	2,000,000
8 Bureau of Reclamation-Desert Shores Revitalization				750,000	12,000	750,000
9 California Natural Resources Agency-Community Outreach				215,000	-	-
10 TOTAL REVENUE	1,044,400	822,400	850,000	2,965,000	230,400	2,750,000
11 EXPENSES						
12 SSA ADMINISTRATION						
13 Employee Salaries and Benefits						
14 Total Employee Salaries	309,300	224,916	225,900			
15 Total Employee Benefits	171,600	116,192	127,000			
16 Total Salaries and Benefits	480,900	341,107	352,900			
17 Contract and Professional Services						
18 DC Advocates	94,200	89,600	89,600			
19 Sacramento Advocate	88,200	84,000	84,000			
20 Attorney Fees	54,000	34,000	59,400			
21 Audit & Accounting	76,200	57,000	62,000			
22 Other Contract Services	-	-	17,400			
23 Total Contract and Professional Services	312,600	264,600	312,400			
24 Travel /Mileage	40,000	35,000	50,000			
25 Equipment / IT Maintenance	8,300	4,600	5,100			
26 Non-capitalized Office Equipment	8,000	4,000	8,000			
27 Insurance	11,600	11,700	13,000			
28 Office Expenses / Operating Supplies	8,700	2,300	8,700			
29 Office Expenses /Online Services	4,000	4,900	5,400			
30 Operating Expenses / County Charges	7,400	6,600	5,400			
31 Board Room Usage and Recordings	2,400	3,600	3,600			
32 Dues & Subscriptions	10,000	8,600	10,000			
33 Interest Expense	-	1,300	1,500			
34 Rent	-	-	18,000			
35 Utilities	-	-	6,000			
36 TOTAL SSA ADMINISTRATION	893,900	688,307	800,000			
37 GRANT EXPENSES						
38 Department of Water Resources-North Lake Demonstration				1,920,300	207,600	1,976,000
39 Bureau of Reclamation-Desert Shores Revitalization				725,000	10,600	744,000
40 California Natural Resources Agency-Community Outreach				125,300	-	-
41 Reimbursement to General Fund				194,400	12,200	30,000
42 TOTAL GRANT EXPENSES				2,965,000	230,400	2,750,000
43 TOTAL EXPENSES	893,900	688,307	800,000	2,965,000	230,400	2,750,000
44 NET REVENUE / (EXPENSES)	\$ 150,500	\$ 134,093	\$ 50,000	\$ -	\$ -	\$ -

Memorandum

To: Salton Sea Authority Board of Directors
From: G. Patrick O'Dowd, Executive Director /GM
Date: March 21, 2024

Re: CADIZ / FENNER VALLEY JPA

In April, 2022 this board authorized the signing of a Memorandum of Understanding between the Authority, Cadiz, Inc., and several other parties to secure a commitment for future water supplies for the benefit of the Authority and the region.

In order to operationalize that agreement Cadiz has requested that the Authority join the Fenner Valley Water Authority as a non-voting ex-officio member. As provided by the organizational documents ex-officio membership includes the following rights and responsibilities:

5.3. Ex-Officio Members . In order to assist in coordinating the duties and activities of the Authority with other governmental entities, the following may be ex-officio (non-voting) members of the Authority:

- a) Any county, city or local government agency whose boundaries include a Member of the Authority or any beneficiary of Project Facilities including, without limitation, the pipelines, pumping plants, and infrastructure utilized for the conveyance, treatment, storage, groundwater recharge and delivery of Project Water for beneficial use within the Project's intended boundaries.
- b) A Federally-Recognized Indian Tribe
- c) A Non-Profit Organization
- d) Metropolitan Water District of Southern California
- e) California Department of Water Resources (CDWR)

Other ex-officio members may be added by a unanimous vote of the Board of Directors. Notwithstanding Section 14.2, an ex-officio member may unilaterally withdraw as an ex-officio member of the Authority.

Upon execution of a joinder substantially in the form attached hereto as Exhibit A, an ex-officio member shall be entitled to designate one representative, at its

sole discretion, to attend and participate in the meetings of the Board of Directors.

The ex-officio member's designated representative will serve as a non-voting director, and such non-voting director shall not contribute to the constitution of a quorum required by Section 8.1 . An ex-officio member may be removed by a majority vote of the Board of Directors.

Ex-officio members are not responsible for the debts, liabilities, and obligations of the Authority, and none of the duties , responsibilities, or obligations of Members as set forth in this Agreement shall apply to ex-officio members unless expressly indicated otherwise.

Staff Recommendation: Approve execution of the joinder agreement and appoint ex officio director and ex-officio alternate director for Fenner Valley Water Authority.

**JOINDER FOR EX OFFICIO MEMBERSHIP IN THE FENNER VALLEY WATER
AUTHORITY PURSUANT TO THE JOINT EXERCISE OF POWERS AGREEMENT**

THIS JOINDER AGREEMENT (“Joinder”) is made as of the last date signed below (“Effective Date”), and among Santa Margarita Water District, a California water district (“SMWD”), Fenner Gap Mutual Water Company, a California nonprofit mutual benefit corporation (“FGMWC”), and the Salton Sea Authority, a California joint powers authority (“SSA”).

RECITALS

- A. SMWD and the Fenner Valley Mutual Water Company (“FVMWC”) entered into a Joint Exercise of Powers Agreement on November 14, 2014, creating the Fenner Valley Water Authority (“Authority”). SMWD and FVMWC entered into a First Amendment to the Joint Exercise of Powers Agreement in October 2017 and a Second Amendment to the Joint Exercise of Powers Agreement in June 2020.
- B. On October 26, 2022, FVMWC amended its Articles of Incorporation with the California Secretary of State changing its name to Fenner Gap Mutual Water Company.
- C. In August 2023, SMWD and FGMWC entered into a Third Amendment to the Joint Exercise of Powers Agreement providing an opportunity for one or more ex-officio members to join the Authority.
- D. In August 2023, the San Bernardino County Board of Supervisors approved and executed a joinder agreement becoming an ex officio member of the Authority.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Joinder of Salton Sea Authority. SSA hereby joins the Authority as an ex-officio member, with the rights and privileges described in Section 5.3 of the Joint Exercise of Powers Agreement.
- 2. Electronic Signatures. This Joinder may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Joinder. The parties shall be entitled to sign and transmit an electronic signature of this Joinder (whether by facsimile, PDF or other mail transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other parties an original signed Joinder upon request.

IN WITNESS WHEREOF, the Members hereto have executed this Joinder by authorized officials thereof on the dates indicated below.

SANTA MARGARITA WATER DISTRICT

DATED: _____

APPROVED AS TO FORM:

By: _____
Title:

By: _____
Title: General Counsel

Address: _____

FENNER GAP MUTUAL WATER COMPANY

DATED: _____

APPROVED AS TO FORM:

By: _____
Title:

By: _____
Title: General Counsel

Address: _____

SALTON SEA AUTHORITY

DATED: _____

APPROVED AS TO FORM:
[NAME], County Counsel

By: _____
Title: [name] , [TITLE]

By: _____
Title: [name] , [TITLE]

Address: _____

**LETTER OF INTENT RE PROVISION OF NON-TRIBUTARY COLORADO RIVER
WATER TO TORRES MARTINEZ DESERT CAHUILLA INDIANS AND THE
SALTON SEA AUTHORITY THROUGH A PUBLIC PRIVATE PARTNERSHIP**

This *Letter of Intent* (LOI) is entered into as of the ^{25th} day of April, 2022, as a public private partnership, by and among Torres Martinez Desert Cahuilla Indians (“**Torres Martinez**”) a federally recognized Tribe of Cahuilla Indians, **Cadiz, Inc.** a public company and its wholly-owned subsidiary, Fenner Valley Mutual Water Company (collectively “**Cadiz**”), a California Mutual Water Company, the Salton Sea Authority, a joint powers authority (“**Authority**”), and the Coachella Valley Water District (“**CVWD**”) a County Water District (each a “**Party**” and together the “**Parties**”), with reference to the following facts and intentions:

Whereas, the **Torres Martinez** Reservation is comprised of 24,000 acres, approximately 12,000 of which are below the Salton Sea. **Torres Martinez** has identified a need for up to 1,500 acre-feet per year (“**AFY**”) of supplemental water to satisfy existing health and sanitation needs on its aboriginal homeland, including but not limited to suppression of fugitive dust and water quality impairment of local groundwater wells, used for domestic use;

Whereas, **Torres Martinez** desires a physical interconnection with the **CVWD** so as to receive the delivery of water in sufficient quality and quantity as required to satisfy its beneficial use requirements at its current place of need;

Whereas, the **Authority** is leading the restoration of the Salton Sea located in Riverside and Imperial County of California, and the **Authority** desires to acquire new high-quality water from sources of supply non-tributary to the Colorado River (“non-tributary”) in support of its objective of attaining a sustainable Salton Sea;

Whereas, **Cadiz** holds certain water, water rights and storage rights in trust for the benefit of its shareholders, including the right to extract up to 2.5 million acre-feet of groundwater and to apply it for beneficial use on 35,000 acres of land in eastern Mojave Desert and generally within Southern California under a public private partnership with the Santa Margarita Water District (“**SMWD**”) and in accordance with terms and conditions established by San Bernardino County (“**County**”) and desires to make non-tributary supplemental water available to **CVWD** without cost at specified points of delivery as may be agreed for the benefit of **Torres Martinez** and the **Authority**.

Whereas, a Final Environmental Impact Report (“**FEIR**”) for a water conservation project (“**Cadiz Water Project**”) was certified, and pursuant to authorizations issued by the **County** when fully implemented, it will provide a firm water supply of 50,000 acre-feet (AF) annually for a period of fifty (50) years, and up to 1M AF of storage, using a proposed 43-mile pipeline to be constructed to convey water supply into the Colorado River Aqueduct (“**CRA**”) and an existing 220-Mile Pipeline that runs northwesterly from **Cadiz** and crosses the Los Angeles Aqueduct and State Water Project (“**SWP**”) facilities;

NOW, THEREFORE, in consideration of the mutual terms, conditions, covenants and agreements set forth herein, the Parties do hereby agree to pursue a public private partnership as follows:

Section 1. Purpose and Intent.

The purpose and intent of this **LOI** is for **Cadiz** to irrevocably dedicate its interest in 5,000 AFY of groundwater that may be appropriated by the **Cadiz Water Project** pursuant to the terms and conditions previously established by the **County**, for beneficial use by **Torres Martinez** and the **Authority** at no cost.

Section 2. Provision of Supplemental Water.

Cadiz will irrevocably dedicate up to 1,500 AFY to **Torres Martinez** and up to 3,500 AFY of supplemental water to the **Authority** for beneficial use as may be determined in their individual discretion. **Cadiz** may meet up to 500 AFY of this obligation by installing alternative reasonable and feasible technology that causes water quality standards at **Torres Martinez** groundwater wells to meet all California Drinking Water Standards for domestic use. The entirety of these actions in support of the dedication will be at the sole cost and expense of **Cadiz** and at no cost to **Torres Martinez** and the **Authority**.

Cadiz's dedication will be deemed complete each year when, in its discretion, it makes supplemental water available to **CVWD** for conveyance at one of two designated points of delivery: (i) the **CRA** or (ii) the **SWP** south of the San Francisco/San Joaquin Bay Delta. The quality of the supplemental water will be consistent with the receiving waters at the point of delivery and otherwise as specified by **CVWD** and further subject to **CVWD's** terms and conditions on acceptance. Neither **Torres Martinez** nor the **Authority** will incur any cost from **Cadiz'** making supplemental water to them at the designated points of delivery.

This **LOI** shall not be construed to require **CVWD** to assume responsibility for the exchange of non-tributary supplemental water for beneficial uses within **CVWD**, including **Torres Martinez** and the **Authority** or to receive the dedicated supplemental water in a manner that will result in harm to **CVWD**.

In addition to the supplemental water dedicated to **Torres-Martinez** and the **Authority** described herein, within one year, **Cadiz** will establish a program to make available additional supplemental water for disadvantaged and severely disadvantaged communities in California. **Cadiz** will exercise good faith in exploring additional opportunities whereby this supplemental non-tributary groundwater appropriated by the **Cadiz Water Project** may be provided for the direct benefit of disadvantaged communities in the Coachella Valley, via exchange for Colorado River water, to retail public water suppliers with the consent of **CVWD**. Supplemental water delivered for the express benefit of disadvantaged communities will be provided by **Cadiz** at price no greater than the actual cost incurred by **Cadiz**. "Actual cost" means, the full cost of extracting and transporting the water to the agreed point of delivery.

Section 3. Main Extension

Cadiz will provide or arrange up to \$5M in funding to assist the extension of **CVWD** conveyance facilities to the place of use at the location designated by **Torres Martinez** consistent with **CVWD** design, planning engineering requirements. This funding also may be used by **Torres Martinez** or its designee in connection with any matching grant and State and Federal infrastructure program.

Section 4. Turn-Back

Torres Martinez and the **Authority**, may, in their discretion, from year to year determine that based upon the prevailing facts and circumstances, that they would seek to make a portion of the dedicated supplemental water available for alternative beneficial uses (“**Turn-Back**”). **Torres Martinez** and the **Authority**, may provide reasonable notice to **Cadiz** and tender the unused quantity of **Turn-Back** for offering to third parties up to 1,500 and 3,500 AFY respectively. Upon receipt of the notice, **Cadiz** will exercise good faith and best efforts to offer and market the **Turn-Back** to third parties. The proceeds of any transaction for **Turn-Back** will be net of incremental costs incurred by **Cadiz** in completing the transaction, plus 10% and (i) for **Torres Martinez** the annual operations and maintenance costs of groundwater well-head treatment, if any; and (ii) for the **Authority**, actual costs incurred as defined in Section 2 above.

Section 5. Conditions Precedent

The **Parties** obligations are subject to negotiating and entering into mutually acceptable agreements with the appropriate parties. In addition, other than as set forth in Section 6 below, the obligations set forth herein are subject to the following express conditions precedent: (i) compliance with all state and federal applicable laws, including but not limited to the California Environmental Quality Act, the National Environmental Policy Act; (ii) the delivery of non-tributary water into CRA via the 43-Mile proposed pipeline; and (iii) the delivery of water from **Cadiz** for beneficial use in California via the 220-Mile Northern Pipeline.

Section 6. Good Faith

The **Parties** will exercise good faith to fulfill the purpose and intent of this **LOI** and public private partnership through each of the identified actions. Specifically, they will coordinate their efforts to comply with all applicable law and to implement the **LOI** to deliver water to **Torres Martinez** and the **Authority**. Moreover, in furtherance of the anticipated collaboration, within 60 days from the date of execution, **Cadiz** will cause an investigation and analysis of the **Torres Martinez** groundwater wells and make a recommendation as to whether a reasonably, feasible treatment option is available and if so, make a good faith proposal on an implementation strategy. If agreed by **Torres Martinez**, **Cadiz** will implement the groundwater treatment strategy.

Section 7. Counterpart Signatures

This **LOI** may be executed in counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date and at the place first written above.

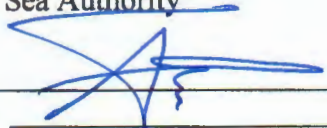
Torres Martinez Desert Cahuilla Indians

By: _____
Name: _____
Title: _____

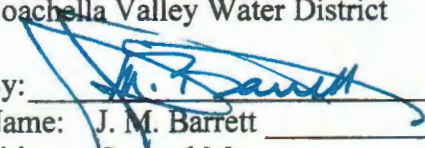
Cadiz, Inc.

By: Susan P Kennedy
Name: Susan P Kennedy
Title: Executive Chairman

Salton Sea Authority

By: 
Name: _____
Title: Executive Director / General Manager

Coachella Valley Water District

By: 
Name: J. M. Barrett
Title: General Manager

**LETTER OF INTENT RE PROVISION OF NON-TRIBUTARY COLORADO RIVER
WATER TO TORRES MARTINEZ DESERT CAHUILLA INDIANS AND THE
SALTON SEA AUTHORITY THROUGH A PUBLIC PRIVATE PARTNERSHIP**

This *Letter of Intent* (LOI) is entered into as of the **25th** day of April, 2022, as a public private partnership, by and among Torres Martinez Desert Cahuilla Indians (“**Torres Martinez**”) a federally recognized Tribe of Cahuilla Indians, **Cadiz, Inc.** a public company and its wholly-owned subsidiary, Fenner Valley Mutual Water Company (collectively “**Cadiz**”), a California Mutual Water Company, the Salton Sea Authority, a joint powers authority (“**Authority**”), and the Coachella Valley Water District (“**CVWD**”) a County Water District (each a “**Party**” and together the “**Parties**”), with reference to the following facts and intentions:

Whereas, the **Torres Martinez** Reservation is comprised of 24,000 acres, approximately 12,000 of which are below the Salton Sea. **Torres Martinez** has identified a need for up to 1,500 acre-feet per year (“**AFY**”) of supplemental water to satisfy existing health and sanitation needs on its aboriginal homeland, including but not limited to suppression of fugitive dust and water quality impairment of local groundwater wells, used for domestic use;

Whereas, **Torres Martinez** desires a physical interconnection with the **CVWD** so as to receive the delivery of water in sufficient quality and quantity as required to satisfy its beneficial use requirements at its current place of need;

Whereas, the **Authority** is leading the restoration of the Salton Sea located in Riverside and Imperial County of California, and the **Authority** desires to acquire new high-quality water from sources of supply non-tributary to the Colorado River (“non-tributary”) in support of its objective of attaining a sustainable Salton Sea;

Whereas, **Cadiz** holds certain water, water rights and storage rights in trust for the benefit of its shareholders, including the right to extract up to 2.5 million acre-feet of groundwater and to apply it for beneficial use on 35,000 acres of land in eastern Mojave Desert and generally within Southern California under a public private partnership with the Santa Margarita Water District (“**SMWD**”) and in accordance with terms and conditions established by San Bernardino County (“**County**”) and desires to make non-tributary supplemental water available to **CVWD** without cost at specified points of delivery as may be agreed for the benefit of **Torres Martinez** and the **Authority**.

Whereas, a Final Environmental Impact Report (“**FEIR**”) for a water conservation project (“**Cadiz Water Project**”) was certified, and pursuant to authorizations issued by the **County** when fully implemented, it will provide a firm water supply of 50,000 acre-feet (AF) annually for a period of fifty (50) years, and up to 1M AF of storage, using a proposed 43-mile pipeline to be constructed to convey water supply into the Colorado River Aqueduct (“**CRA**”) and an existing 220-Mile Pipeline that runs northwesterly from **Cadiz** and crosses the Los Angeles Aqueduct and State Water Project (“**SWP**”) facilities;

NOW, THEREFORE, in consideration of the mutual terms, conditions, covenants and agreements set forth herein, the Parties do hereby agree to pursue a public private partnership as follows:

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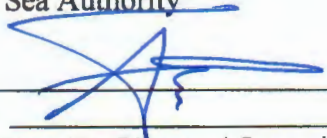
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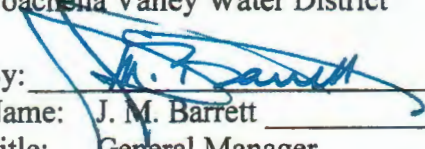
Cadiz, Inc.

By: Susan P Kennedy
Name: Susan P Kennedy
Title: Executive Chairman

Salton Sea Authority

By: 
Name: _____
Title: Executive Director / General Manager

Coachella Valley Water District

By: 
Name: J. M. Barrett
Title: General Manager

AMENDED IN ASSEMBLY SEPTEMBER 1, 2023

AMENDED IN ASSEMBLY JULY 12, 2023

AMENDED IN ASSEMBLY JUNE 19, 2023

AMENDED IN SENATE APRIL 10, 2023

AMENDED IN SENATE APRIL 10, 2023

SENATE BILL

No. 674

Introduced by Senator Gonzalez
(Coauthors: Senators Skinner, Stern, and Wiener)
(Coauthors: Assembly Members Lowenthal and Muratsuchi)

February 16, 2023

An act to amend Section 42705.6 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 674, as amended, Gonzalez. Air pollution: refineries: community air monitoring systems: fence-line monitoring systems.

Existing law requires a refinery-related community air monitoring system to be installed near each petroleum refinery that meets certain requirements. Existing law requires the owner or operator of a petroleum refinery to develop, install, operate, and maintain a fence-line monitoring system in accordance with guidance developed by the appropriate air quality management district or air pollution control district. Existing law requires the air districts and the owners or operators of refineries to collect real-time data from those monitoring systems, to maintain records of that data, and, to the extent feasible, provide to the public those *the* data in a publicly accessible format.

This bill would ~~extend the above requirements to~~ *expand the definition of a refinery for these purposes to include related facilities located on contiguous or adjacent properties and to include refineries engaging in other types of refining processes, including those using noncrude oil feedstock, and to auxiliary facilities.* ~~feedstock.~~ The bill would require the refinery-related community air monitoring system and the fence-line monitoring system to be *updated or* installed on or before January 1, 2026, 2028, after a 30-day public comment period, ~~and would require the refinery-related community air monitoring system to be updated,~~ as specified. The bill would require the appropriate air district to establish pollutants for the monitoring systems to monitor and would include certain pollutants identified by the Office of Environmental Health Hazard Assessment. The bill would authorize the air district to exclude a pollutant for monitoring at those monitoring systems, as provided. The bill would require air districts, on a 5-year basis, to review the list of pollutants being measured and would authorize the air districts to revise the list, as provided. The bill would require the air districts and the owners and operators of refineries to maintain records of the data collected from those systems for at least 5 years and would require the owners and operators to post online, and to notify the public of the availability of, quarterly reports containing certain information. The bill would require owners and operators of refineries to notify the air district and the public, as provided, as quickly as possible of any exceedances of ~~the lowest available one-hour average reference exposure levels set by the office or the United States Environmental Protection Agency.~~ *specified pollutant thresholds.* The bill would require the owners or operators of refineries, within 24 hours of a fence-line monitoring system detecting an exceedance of ~~a historical one-hour average concentration of any measured pollutant,~~ *those thresholds,* to initiate a root cause analysis and to determine appropriate corrective action, as provided. The bill would require the owners or operators of refineries to conduct third-party audits of its fence-line monitoring system, as provided, to ensure the accuracy of the system. Because the bill would impose additional duties on air districts, the bill would impose a state-mandated local program.

Under existing ~~law~~ *law*, a violation of requirements for stationary ~~sources,~~ *sources* or any rule, regulation, permit, or order of the state board or of an air district is a crime.

Because this bill would impose the monitoring systems requirement on owners or operators of refineries engaging in other types of refining

~~processes, as defined,~~ *processes* and would impose additional requirements on owners and operators of refineries, a violation of which would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known, and may be cited, as the
2 Refinery Air Pollution Transparency and Reduction Act.

3 SEC. 2. Section 42705.6 of the Health and Safety Code is
4 amended to read:

5 42705.6. (a) For purposes of this section, the following
6 definitions apply:

7 (1) ~~“Auxiliary facilities” means any site necessary to support~~
8 ~~refining processes at a refinery, including storage tanks, hydrogen~~
9 ~~plants, sulfuric acid plants, port terminals, and electrical generation~~
10 ~~plants that receive or provide more than 50 percent of their input~~
11 ~~from, or production output to, the refinery. “Auxiliary facilities”~~
12 ~~does not include gas stations.~~

13 (2)

14 (1) “Biofuel” means biodiesel, renewable diesel, and renewable
15 aviation fuel, and other liquid products derived from ~~noncrude oil~~
16 ~~feedstock~~; *alternative feedstock, if the alternative feedstock is*
17 *refined through coprocessing or at a refinery that was converted*
18 *from petroleum to alternative feedstock.*

19 (3)

20 (2) “Fence-line monitoring system” means equipment that
21 measures and records ambient air pollutant concentrations at or
22 adjacent to a refinery and that detects and estimates the quantity
23 of fugitive emissions, gas leaks, and other air emissions from the
24 refinery and that may be useful for estimating associated pollutant
25 exposures and health risks and in determining trends in air pollutant
26 levels over time.

27 (4)

1 (3) “Refinery” means an establishment ~~that is and related~~
 2 *facilities, including storage tanks, sulfur recovery plants, port*
 3 *terminals, electrical generation plants, and hydrogen plants, that*
 4 *are located on one or more contiguous or adjacent properties that*
 5 ~~is primarily involved in refining processes and related auxiliary~~
 6 ~~facilities. and that produce gasoline, diesel fuel, aviation fuel,~~
 7 *biofuel, lubricating oil, asphalt, petrochemical feedstock, or other*
 8 *similar products through the processing of crude oil or alternative*
 9 *feedstock, redistillation of unfinished petroleum derivates,*
 10 *cracking, or other processes.*

11 (5)

12 (4) “Refinery-related community air monitoring system” means
 13 equipment that measures and records air pollutant concentrations
 14 in the ambient air at or near sensitive receptor locations near a
 15 refinery and that may be useful for estimating associated pollutant
 16 exposures and health risks and in determining trends in air pollutant
 17 levels over time.

18 (6) ~~“Refining processes” means the production, separation,~~
 19 ~~conversion, treating, handling, or blending of gasoline, diesel fuel,~~
 20 ~~aviation fuel, biofuel, petroleum distillates, lubricating oils,~~
 21 ~~petroleum coke, asphalt, or petrochemicals, among other products~~
 22 ~~derived from petroleum and alternative feedstock, if the alternative~~
 23 ~~feedstock is refined through coprocessing or at a refinery that was~~
 24 ~~converted from petroleum to alternative feedstock.~~

25 (7)

26 (5) “Sensitive receptor” has the same meaning as set forth in
 27 Section 42705.5.

28 (b) Notwithstanding Section 42708, and on or before January
 29 1, ~~2026, 2028~~, a refinery-related community air monitoring system
 30 shall, after a 30-day public comment period, be *updated or* installed
 31 near each refinery that is consistent with the requirements and
 32 guidance applicable to the siting of air quality monitors as
 33 established by the United States Environmental Protection Agency,
 34 and be updated, as deemed necessary by the state board, within
 35 120 days of amendments to the guidance by the United States
 36 Environmental Protection Agency, that meets both of the following
 37 requirements:

38 (1) A district shall *update an existing refinery-related community*
 39 *air monitoring system to implement this section or* design, develop,
 40 install, operate, and maintain ~~the a new~~ refinery-related community

1 air monitoring system, which shall be operated and maintained in
2 accordance with guidance from the appropriate district. A district
3 may contract with a third party to implement this paragraph.

4 (2) The refinery-related community air monitoring system shall
5 include equipment capable of measuring compounds emitted to
6 the atmosphere from refinery processes, meteorological parameters,
7 and digital components capable of enabling real-time access to air
8 pollution and meteorological measurements via an internet website
9 and application programming interface, as determined by the
10 appropriate district.

11 (c) On or before January 1, ~~2026~~, 2028, the owner or operator
12 of a refinery shall, after a 30-day public comment period and
13 approval by the appropriate district, *update an existing fence-line*
14 *monitoring system to implement this section or develop, install,*
15 *operate, and maintain a new fence-line monitoring system in*
16 *accordance with guidance developed by the appropriate district.*
17 *The fence-line monitoring system shall cover the entire perimeter*
18 *of the refinery, unless it is infeasible based on substantial evidence.*
19 *The fence-line monitoring system shall cover all facilities at the*
20 *refinery, including related facilities as described in paragraph (3)*
21 *of subdivision (a).* The fence-line monitoring system shall include
22 equipment capable of measuring compounds emitted to the
23 atmosphere from refinery processes, meteorological parameters,
24 and digital components capable of enabling real-time access to air
25 pollution and meteorological measurements via an internet website
26 and application programming interface.

27 (d) (1) The appropriate district shall establish pollutants for
28 monitoring at refinery-related community air monitoring systems
29 and refinery fence-line monitoring systems and shall include
30 pollutants identified by the Office of Environmental Health Hazard
31 Assessment, including, but not limited to, the following pollutants
32 identified in the office's March 2019 Analysis of Refinery
33 Chemical Emissions and Health Effects as candidates for air
34 monitoring at a refinery:

- 35 (A) Acetaldehyde.
- 36 (B) Ammonia.
- 37 (C) Benzene.
- 38 (D) 1,3-butadiene.
- 39 (E) Cadmium.
- 40 (F) Diethanolamine.

- 1 (G) Formaldehyde.
- 2 (H) Hydrogen fluoride.
- 3 (I) Hydrogen sulfide.
- 4 (J) Manganese.
- 5 (K) Naphthalene.
- 6 (L) Nickel.
- 7 (M) Oxides of nitrogen.
- 8 (N) Polycyclic aromatic hydrocarbons.
- 9 (O) Particulate matter.
- 10 (P) Sulfur dioxide.
- 11 (Q) Sulfuric acid.
- 12 (R) Toluene.

13 (2) A district may exclude a pollutant for monitoring at a
14 refinery-related community air monitoring system and refinery
15 fence-line monitoring system if substantial evidence supports that
16 real-time monitoring of the pollutant is technologically infeasible
17 or the pollutant would not be released by refining processes during
18 routine and nonroutine operations at the refinery.

19 (3) A district shall, on a five-year basis, review the list of
20 pollutants being measured and may revise the list of pollutants
21 after considering advances in monitoring technology, reported
22 refinery emissions, ambient air data collected by the refinery
23 fence-line and refinery-related community monitoring systems,
24 and any other relevant emissions information.

25 (e) (1) The district and the owner or operator of a refinery shall
26 collect real-time data from the refinery-related community air
27 monitoring system and the fence-line monitoring system and shall
28 maintain records of that data for at least five years. The owner or
29 operator of a refinery shall post online quarterly reports that
30 summarize pollutant levels, variations, and trends over a
31 three-month period timeframe and notify the public of the
32 availability of the reports.

33 (2) The data generated by these systems shall be provided to
34 the public within 24 hours in a publicly accessible and
35 machine-readable format. The data shall be archived and made
36 available to the public online for download through an application
37 programming interface or other widely recognized standard and
38 backend components shall be optimized to minimize delays in
39 accessing data. The data shall include all historical and
40 meteorological data, and pollution measurements and metadata,

1 including latitude and longitude, detection limits, signal strength,
2 calibration, and quality control checks.

3 (f) The owner or operator of a refinery shall conduct third-party
4 audits, using an auditor approved by the district, of its fence-line
5 monitoring system to ensure the system is providing accurate data,
6 including conducting quality control checks, system calibration,
7 and evaluation of quality control and assurance plans. The audit
8 reports shall be submitted to the district and made available to the
9 public online by the refinery. The third-party audits shall be
10 conducted in accordance with the following schedule:

11 (1) An initial audit shall be conducted as follows:

12 (A) For a fence-line monitoring system installed on or after
13 January 1, 2024, within ~~three~~ *six* months after the installation and
14 operation of the system.

15 (B) For a fence-line monitoring system installed before January
16 1, 2024, by July 1, 2024.

17 (2) Subsequent audits shall occur every two years and review
18 at least one year of monitoring data.

19 (3) If an audit makes recommendations or identifies deficiencies
20 in a fence-line monitoring system, the owner or operator of the
21 refinery shall develop a corrective action plan within one month
22 of the audit report to describe actions that will be taken to address
23 all recommendations and deficiencies within a timeline of no more
24 than six months. A followup performance audit shall be conducted
25 within one month of completion of the corrective action plan to
26 document the resolution of the recommendations and deficiencies
27 identified in the audit. The owner or operator of a refinery shall
28 implement all recommendations of the auditor for correcting
29 deficiencies, except those that would cause a safety concern. The
30 corrective action plan shall be submitted to the district and made
31 available to the public online by the refinery.

32 (g) The owner or operator of a refinery shall notify the district
33 and public as quickly as possible of any exceedances of the ~~lowest~~
34 ~~available one-hour average reference exposure or concentration~~
35 ~~levels set by the Office of Environmental Health Hazard~~
36 ~~Assessment or the United States Environmental Protection Agency~~
37 *notification threshold* that are detected by the fence-line monitoring
38 system. *The notification threshold shall be established as the lowest*
39 *available one-hour average of the National Ambient Air Quality*
40 *Standards, California Ambient Air Quality Standards, and the*

1 *acute reference exposure levels as assessed by the Office of*
 2 *Environmental Health Hazard Assessment, or, if not established,*
 3 *the historical concentration of any measured pollutant, if historical*
 4 *data is available. At a minimum, the notification to the public*
 5 *shall include email and text message notifications to members of*
 6 *the public requesting notification by email or text message*
 7 *notification, as appropriate.*

8 (h) (1) Within 24 hours of a fence-line *monitoring* system
 9 detecting an exceedance of ~~a historical one-hour average~~
 10 ~~concentration~~ *the notification threshold* of any measured pollutant,
 11 the owner or operator of a refinery shall initiate a root cause
 12 analysis to locate the cause of the exceedance and to determine
 13 appropriate corrective action. The owner or operator of the refinery
 14 shall prepare and submit a report to the district and post online
 15 ~~within five~~ *14* days of the exceedance explaining the root cause
 16 analysis findings and corrective action performed by the refinery.
 17 The root cause analysis shall include a visual inspection to
 18 determine the cause of the exceedance and any of the following:

19 (A) Optical gas imaging.

20 (B) Leak inspection using Method 21 under Appendix A-7 of
 21 Part 60 (commencing with Section 60.1) of Title 40 of the Code
 22 of Federal Regulations.

23 (C) Other test or monitoring method approved by the district,
 24 ~~the State Air Resources Board, state board,~~ or the United States
 25 Environmental Protection Agency.

26 (2) If the root cause analysis requires corrective action, the
 27 refinery shall conduct a reinspection of the source within 14 days
 28 of the corrective action and submit a report to the district and post
 29 online.

30 (3) The refinery shall be assessed a civil penalty pursuant to
 31 Article 3 (commencing with Section 42400) of Chapter 4 by the
 32 district for failing to conduct a root cause analysis and take
 33 corrective action ~~within five~~ *14* days.

34 (4) (A) A fence-line monitoring system approved by the district
 35 shall presumptively yield credible evidence that may be used to
 36 establish whether a refinery has violated or is in violation of any
 37 plan, order, permit, rule, regulation, or law.

38 (B) A refinery may rebut the presumption established in
 39 subparagraph (A) by providing evidence that the refinery was not

1 the source of pollution that triggered the fence-line monitoring
2 system.

3 (i) (1) Guidance developed by a district pursuant to this section
4 shall require the preparation of a quality control and assurance
5 plan to ensure data quality and take into account technological
6 capabilities and incorporate input from affected parties and, to the
7 extent feasible, shall be informed by refinery-related guidance in
8 the monitoring plan prepared pursuant to subdivision (b) of Section
9 42705.5 and the United States Environmental Protection Agency
10 guidance on quality assurance and management plans.

11 (2) Guidance and rules or regulations developed by a district
12 pursuant to this section shall be reviewed and updated every five
13 years through a public process.

14 (j) (1) Except as provided in paragraph (2), the owner or
15 operator of a refinery shall be responsible for the costs associated
16 with implementing this section.

17 (2) To the extent a refinery-related community air monitoring
18 system is intentionally used by a district to monitor emissions from
19 sources under its jurisdiction other than a refinery, the district shall
20 ensure the costs of the system are shared in a reasonably equitable
21 manner.

22 (k) *No later than July 1, 2027, the appropriate district shall*
23 *provide notice to the appropriate policy committees of the*
24 *Legislature regarding its progress toward meeting the January 1,*
25 *2028, implementation deadline pursuant to subdivisions (b) and*
26 *(c).*

27 (l) *All fence-line monitoring systems and refinery-related*
28 *community air monitoring systems installed before January 1,*
29 *2024, shall continue in operation during the implementation of*
30 *any additional requirements pursuant to this section.*

31 ~~(k)~~

32 (m) This section does not limit the authority or jurisdiction of
33 the Environmental Protection Agency, the ~~State Air Resources~~
34 ~~Board~~, *state board*, or the districts, and does not prohibit a city,
35 county, or city and county from imposing more stringent
36 regulations, limits, or prohibitions on a refinery.

37 SEC. 3. No reimbursement is required by this act pursuant to
38 Section 6 of Article XIII B of the California Constitution because
39 a local agency or school district has the authority to levy service
40 charges, fees, or assessments sufficient to pay for the program or

1 level of service mandated by this act or because costs that may be
2 incurred by a local agency or school district will be incurred
3 because this act creates a new crime or infraction, eliminates a
4 crime or infraction, or changes the penalty for a crime or infraction,
5 within the meaning of Section 17556 of the Government Code, or
6 changes the definition of a crime within the meaning of Section 6
7 of Article XIII B of the California Constitution.

O



April 4, 2024

Assemblymember Eduardo Garcia
1021 O Street
Suite 8120
Sacramento, CA95814

Re: **Salton Sea Authority Budget Request – Desert Shores
Restoration Project**

Dear Assemblymember Garcia:

In the furtherance of expedited deployment of projects in the Salton Sea Management Plan (SSMP) to fulfil legal and contractual obligations at the Salton Sea, the following request for funds is respectfully submitted for consideration in the Administration budget to be proposed for January 2025.

In proposing this budget allocation, the Salton Sea Authority (Authority) seeks to bring to completion the first community-centric mitigation and revitalization effort since the state first assumed responsibility for restoring the Salton Sea over 20 years ago. The Desert Shores community, being the largest (and one of but a few) truly waterfront communities whose properties have been left high and dry by the water transfers and absent of subsequent mitigation, are at ground zero in meeting the states obligations to the people of the region. The Salton Sea Authority is requesting \$1.5 million to advance the completion of the Desert Shores Restoration Project.

OVERVIEW:

The Desert Shores community, located on the West Shores of the Salton Sea in far northwest Imperial County, was developed in the 1950s to meet the expanding recreational and lifestyle interest of post- World War II Californians. At the time, the Salton Sea was the most visited tourist destination in California, and communities like Desert Shores sprung up in various locations around the Sea. At the time, the Sea was a relatively stable ecosystem, with the salinity in the Sea kept in check by ever

82500 Highway 111, Suite 4
Indio, CA 92201
Phone: 760.565.3100
www.SaltonSea.com

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April 4, 2024

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increasing return flows from agriculture in the Imperial and Coachella valleys. But that heyday was short lived. As the Sea rose, shoreline communities, including Desert Shores, began to flood. And when the flooding was finally abated through the introduction of conservation, the source water began to degrade and the Sea became less and less able to sustain life due to increasing salinity. As the fish died and the water stagnated, the communities around the Sea became blighted due to neglect and abandonment, transitioning in large part from recreation and resort to substandard accommodations for scores of disadvantaged and marginalized hardworking members of the community.

When the QSA was signed in 2003, restoration of the Sea became a hopeful promise. In the Desert Shores community, that meant a real hope that the continuing declines would be abated and the shoreline would stabilize and the community, so heavily impacted by decades of neglect, would hopefully be rebuilt. But in fact, the opposite happened. The declines accelerated and the Sea receded at an increasing rate, and in 2014 – a decade ago - the marine “keys” access for maritime traffic to the Sea was cut off, destroying the literal backbone of the community.

For the past 8 years, an active group of community stakeholders has been working to refill the Sea. With limited resources and a grand vision, they have worked with universities and other nonprofits to find some way restore the keys. Their plan? “Build a berm, drill a well, fill the keys”. Seemed so practical and so simple. But with the Sea continuing to recede, the community and its keys that were once filled by tidal flows from the greater Sea now must solve a myriad of technical, political, and financial challenges. When it became clear that community effort alone was not going to fix the problem, Imperial County came alongside the community to begin a conversation about what was achievable. The project – at least in concept – was also included in the state’s Salton Sea Management Program (SSMP) and identified as a part of its 10-year plan. And SSMP administrative and technical support was lent to the effort. At the request of the County and the state, the Salton Sea Authority also engaged in the effort, and working with the Bureau of Reclamation was able to secure \$1.25 million in initial funding for the project.

With funding in hand planning began in earnest, with Imperial County taking the lead on securing CEQA clearance and the state advancing its overall environmental assessment for the Sea, which includes this project. Technical resources were also brought on board to preliminarily assess hydrology, geology, and engineering aspects of

the project, as well as legal and other technical expertise to ascertain answers to questions which have dogged this and so many other projects at the Sea, including site control and water supply. To coordinate this initial effort, the Authority enlisted the services of Gafcon, Inc. to codify all the questions and develop a plan, schedule, and budget to get answers required to complete the project. And over the course of the past several months, meetings with community stakeholders, county representatives, and local experts in the fields of lake building and well drilling have been held. The result of that work to date would suggest that while the future prospect of the restoration (or more rightly, repair) of this damaged lake has never been more hopeful.

And while we continue to layer in increasing opportunities for an array of benefits from this investment, we have identified a financial need of \$1,500,000 to accomplish these objectives, which we seek to secure in the state's fiscal 2025 budget. Those dollars will be invested as follows:

Hydrology

As mentioned, the project had historically been served by its adjacency to the Salton Sea. But since that connection has been severed an alternative suitable source of supply must be identified. Extensive work has already taken place and a number of options have been explored, including groundwater, agricultural drain water, pump back from the hypersaline sea, and potentially imported water via the Coachella Canal. While the latter option has all but been eliminated, other alternatives are evolving, including the potential future use of domestic wastewater from the community as it builds out. The evaluation and determination of the proper solution for this project will require the enlistment of a hydrogeologist, which would be covered by this appropriation.

Geotechnical

Historically, the water level in the keys was maintained at that of the greater Salton Sea, and issues like seepage losses and evaporation did not affect the project's functionality. Now that the Sea has receded some 10' or more below any design elevation for the Sea, it will be necessary to evaluate the permeability of the adjacent soils and determine the lake's ability to retain water. That analysis will inform a myriad of other design choices including whether the lake must be lined and with what, and what size pump will be required to maintain an adequate water supply. In that same

Assemblymember Eduardo Garcia

April 4, 2024

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regard, while there are historic records of well activity in the region, the project is not in a known area of reliable groundwater, being largely separated from the Indio subbasin. The geotechnical work will evaluate all of these important issues and is included in the proposed investment request.

Critical Habitat/Endangered Species

As presently funded, the project is conditioned to provide habitat when constructed. Informed by our most recent work, there may in fact be an opportunity to develop the project in such a way that it provides critically necessary habitat for the endangered Desert Pupfish. The analysis regarding what types of species can be sustainably managed in the completed project, including water quality, water depth, and other concerns, will be addressed by qualified technical resources, the costs of which are included in this request.

Community Engagement

Long left out of the equation of what is being developed at and around the Sea is input from local stakeholders. In recent years, however, the SSMP and the Authority have elevated the importance of projects in the region reflect the values and culture of the people who live here, now and into the future. This engagement effort will be accomplished from resources outlined in this request.

Engineering / Design

Once all the technical, legal, and cultural questions are asked and answered it will be necessary to engineer this project for construction, the costs of which are included in this important request for funding.

Construction

While it will come at a cost yet to be determined, the Construction phase of this effort should proceed timely and efficiently. And while the technical challenges are considerable, none have been deemed intractable so as to render the project infeasible. With the remaining funds from this request the berm will be built, a well be drilled, and once again, the keys will be filled.

Assemblymember Eduardo Garcia

April 4, 2024

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Thank you for this consideration of these opportunities to fund progress on the SSMP in partnership with the SSA. Please don't hesitate to contact me should you have questions or need further clarification.

Respectfully,

A handwritten signature in blue ink, appearing to read "G. Patrick O'Dowd", is written over a horizontal line. The signature is stylized with a large loop and a trailing flourish.

G. Patrick O'Dowd
Executive Director/General Manager

cc: Samantha Arthur, Assistant Secretary, Salton Sea Policy, California Natural Resources Agency



MEMO

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

Now that we have secured the legislative fix enabling us to seek additional funding for the Salton Sea Feasibility Study (study), we have 3 priorities: (1) secure an exception from Corps HQ from their policy that all studies be completed within 3 years and for \$3 million; (2) secure some bridge funding (\$400k) from the Corps HQ to the Corps Los Angeles District to enable the study to proceed without delay during FY24; and (3) secure additional appropriations for FY25 to cover Los Angeles District study costs.

I met this past month with our Congressional delegation to take steps to secure these priorities. These steps included drafting a letter for Directors to the Corps conveying these needs, which was also provided to our delegation to help them frame their own outreach to the Corps. The delegation, in follow up, planned to convey support for these requests. Of note, Senator Padilla (D-Calif.) planned to meet with the Corps Los Angeles District and we asked that he personally convey these requests.

With respect to priority (3), I also submitted our formal Energy and Water Appropriations FY25 congressionally directed funding request for the study to both Senators Butler and Padilla.

The process for such requests is that we submit our request to our Senators. If the Senators support the request, Senators must then work with the Senate Energy and Water Appropriations Subcommittee to secure inclusion of that request in the funding bill. (In the past, this process was a bit more assured for California requests as Senator Feinstein was the Chair of the Energy and Water Appropriations subcommittee and as such wrote the bill. California at present has no Senator on the appropriations committee.) I am also working with our House delegation on the parallel house process.



TO: Salton Sea Authority Board of Directors
FROM: Oracio Gonzalez, Ollin Strategies
DATE: April 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 April 15, 2024, the Governor signed an early action budget bill, AB 106, with over \$17.3 billion in reductions to state spending designed to bring the current projected deficit, estimated at between \$38 billion and \$73 billion, to a more manageable figure. Specifically, AB 106 included \$3.6 billion in reductions (primarily to one-time funding), \$5.2 billion in revenue and borrowing, \$5.2 billion in delays and deferrals, and \$3.4 billion in shifts of costs from the general fund to other state funds. While the Governor's Salton Sea proposal was not addressed as part of the early action proposal, it remains uncertain given the state's financial position.

This Thursday, April 18, 2024, the Governor's proposed investment of \$65.8 million in the Salton Sea will be heard before Senate Budget Subcommittee 2. As noted in a previous report, the Legislative Analyst's Office (LAO), which advises the legislator on policy and fiscal matters, is recommending the legislature approve only two components of the Governor's proposed investment totaling approximately \$5 million. Specifically, the LAO is recommending that the legislature approve "approximately \$700,000 in 2024-25 and \$1.2 million in 2025-26 and ongoing for eight positions to maintain and operate existing projects that are complete or nearly complete," as well as \$3 million for the state's share of costs for the Imperial Streams Salton Sea Feasibility Study.

With respect to the remaining \$60 million, the LAO is recommending the legislature consider using sources of funding other than the general fund, including bonds, lithium tax revenues, general fund appropriations built into the SSMP's baseline budget or special funds, like a dedicated revenue stream from the Greenhouse Gas Reduction Fund.

While the legislature can, and has in the past, rejected recommendations from the LAO, realistically, given the state's financial position, the lack of support from LAO makes it difficult for the legislature to approve the full \$65.8 million proposed by the Governor.

In terms of process, the subcommittees will wait until after the Governor releases his May Revise, an updated budget proposal incorporating the latest state revenues, before taking formal action on the Salton Sea proposal. Once the subcommittees act, likely in mid to late May, the Senate and Assembly budget committees will meet to adopt each house's version of the budget. Any differences in either house's budget will be worked out in a conference committee before a final budget is submitted to the governor by the June 15, 2024 constitutional deadline.

Legislative

Both proposals endorsed by the Authority during last month's board meeting, AB 2922 and AB 2757, have been passed out of policy committee and onto the appropriations committee.

AB 2757 (Garcia): will establish the Southeast California Economic Region to align state and federal programs, services and funding to promote the economic expansion of the communities most affected by the development of the Lithium Valley and other clean energy projects. Further, the bill will require the Labor and Workforce Development Agency, the Governor's Office of Planning and Research, and Go-BIZ to develop a list of programs that will utilize the Southeast California Economic Region designation and boundaries in program and service delivery, planning activities, and making funding awards. AB 2610 (Garcia), would expand the state's authority on the take of species to, in addition to the Quantification Settlement Agreement, also include impacts attributed to implementation of the Salton Sea Management Program and any water conservation agreements negotiated between the Imperial Irrigation District and the US Bureau of Reclamation to implement the Lower Colorado Rivera Basin System Conservation and Efficiency Program for the year's 2024 to 2026, inclusive. At present, IID is negotiating an agreement to conserve 800,000 acre-feet of Colorado River water during 2024-2026.

Location: Assembly Committee on Appropriations

AB 2922 (Garcia), would reauthorize the Capital Investment Incentive Program (CIIP) until January 1, 2035. The CIIP allows local governments to offer a partial property tax abatement for qualified manufacturing facilities for assessed property values in excess of \$150 million. The program, which is being used to help develop the Lithium Valley, expired in January 2024.

Location: Assembly Committee on Appropriations

Below are other bills of relevance to the Salton Sea that the Authority is tracking.

SB 1309 (Padilla): would direct the California Energy Commission (CEC), in consultation with other state agencies, including the Governor's Office of Business and Economic Development (Go-Biz) and the California Workforce Development Board, to establish a Lithium Battery Production Council to conduct an economic analysis on workforce development needs, infrastructure needs, sewage and wastewater treatment, and housing needs for lithium battery production.

Location: Senate Committee on Appropriations.

SB 974 (Grove), would change the amount of funding being deposited into the Salton Sea Lithium Fund, the fund created to receive 20% of revenues generated from the lithium production tax, to only 20% of the revenues collected from lithium recovered within Imperial County. Under current law, 20% of all revenues generated by the tax are to be deposited in the Salton Sea Lithium Fund. The act would further require that 20% of the revenues generated from lithium recovered in Kern County be distributed to the communities most directly impacted by lithium extraction activities in the county.

Location: Senate Committee on Appropriations

General Obligation Bonds

AB 1567 (Garcia), will place a \$15.9 billion general obligation bond before voters in November 2024. Of this amount, \$400 million is 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. Separately, the bill would provide \$15 million for a Salton Sea conservancy.

Location: Senate Committee on Natural Resources and Senate Committee on Government and Finance

Hearing date: Not yet set.

SB 867(Allen), would place a \$15.5 billion general obligation bond before voters in November 2024. The measure includes \$100 million for Salton Sea restoration activities.

Location: Assembly Committee on Natural Resources

Hearing date: Not yet set.