

Memorandum

To: Salton Sea Authority Board of Directors
From: G. Patrick O'Dowd, Executive Director /GM
Date: March 20, 2025

Re: Salton Sea Authority – 2025/2026 Draft Operating Budget

Included herewith is a draft Salton Sea Authority operating budget for 2025/26. Based on our year-to-date operations and projected performance, we once again expect to end the year with positive operating results, performing nominally to this year's approved budget overall. You will find that next year's budget tracks closely with historical expenses and anticipates **member contributions for the year will remain unchanged** from the previous, while again **projecting positive results from full year operations**.

You will also notice the budget includes two extraordinary revenue line items, indicating financial support from "partners and stakeholders" totaling \$525,000 in aggregate. We included it on the budget to highlight two potential funding sources – Proposition 4 and the feasibility study. As you know, Proposition 4 includes \$160 million for the Salton Sea Management Program, and an additional \$10 million for the Salton Sea Authority and the conservancy. The feasibility study was secured by the Authority in 2020 and the Authority serves as a "joint local sponsor" along with the state. Based on our experience to date, we believe there are tasks associated with this effort that may best be performed by the Authority which under our agreement would be treated as "in kind" work and reimbursable from the state (Pursuant to our agreement the state indemnifies the Authority for costs associated with this effort).

We are suggesting that the Authority make a specific budget request to the state for funds under Proposition 4 to support our collaborative effort to stand up the conservancy, and to fund the Authority's significant ongoing work of mutual benefit including the feasibility study and community engagement – particularly as it relates to concerns around Colorado River impacts to local stakeholders. As the budget reflects, we do receive very limited reimbursements from Prop 68 grant for the North Lake Pilot Demonstration Project, and even less financial support from USBR for work done on Desert Shores. We intend as part of the restructuring of those agreements to advocate for more equitable treatment of the Authority for work performed in this regard.

Note that a positive operating result is achieved net of these extraordinary revenues, and no expenses have been assigned thereto in the current budget draft. If we are successful in securing these funds, they would be used by the Authority to further support the efforts of our state and local partners, particularly in the implementation of the conservancy and feasibility study, including the addition of administrative, outreach, and engagement capacity.

Our budget presentation focuses primarily on the operating expenses and member contributions in anticipation of a final review, approval, and authorization to distribute invoices when it is presented again in May (we do not expect any material changes). It does *not* reflect the dollars that will flow through the Authority in trust under the North Lake and Desert Shores grants, which will likely amount to several million dollars next year and for which the Authority receives little direct benefit. It should be acknowledged, however, that these grants and the successful completion of the projects associated therewith are important to our member agencies, as their constituents should benefit greatly from the funded projects.

Recommendation:

Informational. Direct members to secure agency authorizations necessary to approve budget in May.

Salton Sea Authority
Review Draft Budget

FY 2025/26

	A	B	C	D	E	F
	FY 24/25 Adopted Budget General Fund	FY 24/25 Projected FYE General Fund	FY 25/26 Draft Budget General Fund	FY 24/25 Adopted Budget Grant Funds	FY 24/25 Projected YTD Grant Funds	FY 25/26 Draft Budget Grant Funds
1 REVENUE						
2 Local Government/Member Assessments	\$ 800,000	\$ 800,000	\$ 800,000	\$ -	\$ -	\$ -
3 Tribal Contribution (Voluntary)	-	10,000	-			
4						
5 Grants and Other Reimbursements to General Fund	30,000	30,000	44,300			
6						
7 Other Federal/State/Local Reimbursements	10,000	-				
8 Partner Support			375,000			
9 Stakeholder Support			150,000			
10						
11 Sponsorships	10,000	-	10,000			
12			-			
13 GRANT PROJECT REVENUES						
14 Department of Water Resources-North Lake Demonstration				2,000,000	TBD	WIP
15 Bureau of Reclamation-Desert Shores Revitalization				750,000	TBD	WIP
16 TOTAL REVENUE	850,000	840,000	1,379,300	2,750,000	-	-
17						
18 EXPENSES						
19 SSA ADMINISTRATION						
20 Employee Salaries and Benefits						
25 Total Employee Salaries	225,900	231,739	238,995			
26 Total Employee Benefits	127,000	120,060	126,574			
27 Total Salaries and Benefits	352,900	351,799	365,569			
28						
29 Contract and Professional Services						
30 DC Advocates	89,600	88,200	89,600			
31 Sacramento Advocate	84,000	84,000	84,000			
32 Attorney Fees	59,400	36,000	48,000			
33 Audit & Accounting	62,000	74,000	75,000			
34 Other Contract Services	17,400	-	60,000			
35 Total Contract and Professional Services	312,400	282,200	356,600			
36						
37 Other General & Administrative Expenses						
38 Standard Business Travel /Mileage	50,000	42,000	35,000			
39 Conferences/Seminars/Summits			15,000			
40 Technical Support and Maintenance	5,100	4,600	5,600			
41 Non-capitalized Office Equipment	8,000	5,000	5,000			
42 Insurance	13,000	11,700	14,000			
43 Office Expenses / Operating Supplies		100				
44 Office Expenses / Operating Supplies		2,200				
45 Office -Operating Supplies	8,700	5,000	5,400			
46 Office - Licenses and User Fees	5,400	4,800	5,400			
47 Operating Expenses / County Charges	5,400	9,000	6,000			
48 Offsite Meetings Support and Usage	3,600	3,600	3,600			
49 Dues & Subscriptions	10,000	8,600	10,000			
50 Interest Expense	1,500	1,300	-			
51 Rent	18,000	14,400	17,400			
52 Utilities	6,000	4,200	4,000			
53 Total Other General & Administrative Expenses	134,700	116,500	126,400			
54						
55 TOTAL SSA ADMINISTRATION	800,000	750,499	848,569			
56						
57 GRANT EXPENSES						
58 Department of Water Resources-North Lake Demonstration				1,976,000	-	-
59 Bureau of Reclamation-Desert Shores Revitalization				744,000	-	-
60 Reimbursement to General Fund				30,000	-	-
61						
62 TOTAL GRANT EXPENSES	-	-	-	2,750,000	-	-
63						
64 TOTAL EXPENSES	800,000	750,499	848,569	2,750,000	-	-
65						
66 NET REVENUE / (EXPENSES)	\$ 50,000	\$ 89,501	\$ 530,731	\$ -	\$ -	\$ -

Net of Partner and Stakeholder Support **\$ 5,731**

Printed 3/19/2025

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