

Memorandum

To: Salton Sea Authority Board of Directors
From: G. Patrick O'Dowd, Executive Director /GM
Date: March 20, 20025

Re: North Lake Pilot Demonstration Project – Prop 68 Grant Extension

The Proposition 68 grant agreement for the North Lake Pilot Demonstration Project, having been previously extended to finalize geological and hydrological testing and to develop a feasible approach to the proposed project, was scheduled to expire on March 30, 2025. While significant progress has been made in answering the questions sought, issues relating to the quality and sufficiency of water supply continue to linger, which will require additional testing and evaluation. In collaboration with Riverside County as the Implementing Agency on this project and in coordination with DWR as the grantee and a strong project partner, we have collectively agreed that an additional extension of this grant through December 31, 2025 was in order. Consistent with Authority customs and practices, the Executive Committee authorized the request to be submitted to DWR to extend the maturity as indicated, which was recently granted and executed. The purpose of this item is to ratify the amendment of this grant agreement, extending its maturity through December 31, 2025 as recommended by staff and our project partners. No new money was granted, and no other terms of the agreement were modified.

Recommendation:

Ratify the amendment as executed.

OFFICE MEMO

<p>TO:</p> <p><i>EW</i> Evon Willhoff</p>	<p>DATE:</p> <p>March 6, 2025</p>
<p>FROM:</p> <p>Melinda Dorin</p>	<p>SUBJECT:</p> <p>Request for Amendment #2 Grant Agreement No. 4600013991</p>

The Salton Sea Authority (Grantee) requests an amendment to Agreement No. 4600013991, Proposition 68, Local Assistance grant agreement; this is the second amendment of this agreement.

This amendment consists of an extension of the grant agreement termination date (Paragraph 2) of the grant agreement.

Paragraph 2, Term of Grant Agreement

This amendment extends the termination dates listed in Paragraph 2. The work completion date is extended from March 31, 2025, to December 31, 2025; and the final date to request reimbursement of funds is extended from June 30, 2025 to March 31, 2026.

The Grantee faced several unexpected setbacks, which have impacted the original timeline. Acknowledging these challenges, on September 18, 2024, Amendment 1 was executed to extend the work completion date from December 31, 2024 to March 30, 2025. This allowed the Grantee time to work towards refining the project's scope, schedule, and budget based on updated water supply and geotechnical data. However, additional unexpected technical studies and surveys are needed to verify the feasibility of the project. The Grantee anticipates an amendment before the end of 2025 to update the scope of work, schedule, and budget of the agreement to reflect the revised project design based on technical information gathered to progress the design.

All other Exhibits and terms and conditions of the agreement shall remain the same.

Justification for this amendment is reasonable, and the proposed revisions are consistent with the Grantee's original proposal, the Proposition 68 California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018.

Attachments:

- Written request from Grantee
- Draft amendment
- Attachment

This request for amendment is approved.

Melinda Dorin

 Melinda Dorin
 Salton Sea Restoration Office Program Manager I
 DWR Executive Division

Written Request from Grantee



March 4, 2025

Evon Willhoff
Acting Assistant Deputy Director for Salton Sea Restoration
Department of Water Resources
PO Box 942836
Sacramento, CA 94236-0001

Dear Ms. Willhoff,

I am writing on behalf of the Salton Sea Authority (Authority) to request an amendment to the "Grant Agreement Between the State of California (Department of Water Resources) and Salton Sea Authority Agreement Number 4600013991 Proposition 68 Local Assistance Grant" (Grant). Pursuant to Section D.3 of "Exhibit D Standard Conditions," we respectfully ask that Item 2. TERM OF AGREEMENT be revised to reflect a new expiration date of December 31, 2025.

The project has faced several unexpected setbacks, which have impacted the original timeline. Acknowledging these challenges, on September 16, 2024 the State provided an initial extension until March 30, 2025. This allowed the Grantee and Implementing Agency time to refine the project's scope, schedule, and budget based on updated water supply and geotechnical data.

Currently, we are investigating the feasibility of this revised project concept, focusing on the seasonal variability of water supply and the impact of protected species in the project area wetlands. With the State team's assistance, The requested extension should provide the Authority and Riverside County with additional time to address these critical issues, assess the financial resources needed to complete the project, while seeking the necessary additional State funding, all vital to the project's ultimate success.

According to the schedule provided by DUDEK, our engaged engineer (see attached), and assuming positive outcomes from the ongoing additional work and active engagement from all partner agencies, we are targeting for the preconstruction phase - including Final Design Documents, Supplemental CEQA, Permitting, and right-of-way and land acquisitions - to be completed by September 2026.

Evon Willhoff
Department of Water Resources
March 4, 2024
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The Authority, as Grantee, and Riverside County, as Implementing Agency, remain committed to the significant environmental and community benefits this project will deliver. Despite the frustrating delays, we are making substantial progress, and community support continues to grow. Granting this extension would further demonstrate the State's support for this critical local initiative.

Thank you for your ongoing support. We eagerly await your positive response to this request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'G. Patrick O'Dowd'. The signature is stylized with a large, sweeping initial 'G' and a horizontal line extending to the right.

G. Patrick O'Dowd
Executive Director / General Manager
Salton Sea Authority

Draft Amendment

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND SALTON SEA AUTHORITY
AGREEMENT NUMBER 4600013991
PROPOSITION 68 LOCAL ASSISTANCE GRANT**

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR" and Salton Sea Authority, a joint powers authority in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee", which parties do hereby agree as follows:

1. PURPOSE. State shall provide funding from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) to Grantee to assist in financing a project pursuant to Public Resources Code section 80110, subd. (a).
2. TERM OF GRANT AGREEMENT. The term of this Grant Agreement begins on the date this Grant Agreement is initially executed by the State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by ~~March 31, 2025~~ **December 31, 2025** and no funds may be requested after ~~June 30, 2025~~ **March 31, 2026**.
3. GRANT AMOUNT. The maximum amount payable by the State under this Grant Agreement shall not exceed \$19,250,000.
4. GRANTEE'S RESPONSIBILITY. Grantee and its representatives shall:
 - a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) with specific deliverables and in accordance with Exhibit B (Budget) and Exhibit C (Schedule). Any deviations to deliverables, budget changes or schedules targets will be approved by DWR pursuant to Paragraph D.3 in Exhibit D, "Standard Conditions"
 - b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the documents, amendments, and communications filed in support of its request for California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 financing.
 - c) Comply with all applicable California laws and regulations.
 - d) Implement the project in accordance with applicable provisions of the law.
 - e) Fulfill its obligations under the Grant Agreement and be responsible for the performance of the project.
5. BASIC CONDITIONS. The State shall have no obligation to disburse money for the project under this Grant Agreement until the Grantee has satisfied the following conditions:
 - a) The Grantee submits deliverables as specified in Paragraph 15 of this Grant Agreement and in Exhibit A.
 - b) Prior to the commencement of construction or implementation activities, Grantee shall submit the following to the State:
 - 1) Final plans and specifications certified, signed, and stamped by a California Registered Professional Civil Engineer for the project listed in Exhibit A of this Grant Agreement.

**Grant Agreement 4600013991
Amendment 2
Under Proposition 68 Local Assistance Grant**

**State of California
Natural Resources Agency
Department of Water Resources**

**Agreement Between the State of California
Department of Water Resources
and the Salton Sea Authority**

This amendment to Agreement 4600013991 is made on 3/14/2025. The agreement is amended as follows:

Agreement: Paragraph 2

The Agreement work completion date is extended to December 31, 2025, and the final date to request reimbursement is extended to March 31, 2026, in Paragraph 2, TERM OF FUNDING AGREEMENT (attached).

All other terms and conditions of the agreement shall remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this amendment on the date first written above.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Salton Sea Authority

Evon Willhoff



Evon Willhoff, Lead Manager
Executive Division

G. Patrick O'Dowd
Executive Director/General Manager

Date 3/14/2025

Date 3/14/2025

Approved as to Legal Form and Sufficiency

Catherine Cavanaugh, Attorney V
Office of General Counsel

Date _____

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER
RESOURCES) AND
SALTON SEA AUTHORITY
AGREEMENT NUMBER 4600013991
PROPOSITION 68 LOCAL ASSISTANCE GRANT**

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR" and Salton Sea Authority, a joint powers authority in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee", which parties do hereby agree as follows:

1. **PURPOSE.** State shall provide funding from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) to Grantee to assist in financing a project pursuant to Public Resources Code section 80110, subd. (a).
2. **TERM OF GRANT AGREEMENT.** The term of this Grant Agreement begins on the date this Grant Agreement is initially executed by the State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by December 31, 2025 and no funds may be requested after March 31, 2026.
3. **GRANT AMOUNT.** The maximum amount payable by the State under this Grant Agreement shall not exceed \$19,250,000.
4. **GRANTEE'S RESPONSIBILITY.** Grantee and its representatives shall:
 - a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) with specific deliverables and in accordance with Exhibit B (Budget) and Exhibit C (Schedule). Any deviations to deliverables, budget changes or schedules targets will be approved by DWR pursuant to Paragraph D.3 in Exhibit D, "Standard Conditions"
 - b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the documents, amendments, and communications filed in support of its request for California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 financing.
 - c) Comply with all applicable California laws and regulations.
 - d) Implement the project in accordance with applicable provisions of the law.
 - e) Fulfill its obligations under the Grant Agreement and be responsible for the performance of the project.
5. **BASIC CONDITIONS.** The State shall have no obligation to disburse money for the project under this Grant Agreement until the Grantee has satisfied the following conditions:
 - a) The Grantee submits deliverables as specified in Paragraph 15 of this Grant Agreement and in Exhibit A.
 - b) Prior to the commencement of construction or implementation activities, Grantee shall submit the following to the State:
 - 1) Final plans and specifications certified, signed, and stamped by a California Registered Professional Civil Engineer for the project listed in Exhibit A of this Grant Agreement.
 - 2) Work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting shall not proceed under this Grant Agreement until the following actions are performed: