

Salton Sea Authority Board of Directors Meeting

Thursday, January 26, 2017
10:00 a.m.

North Shore Yacht Club
99155 Sea View Drive
Mecca, CA 92245
(760) 393-0602



AGENDA: **BOARD OF DIRECTORS MEETING**
DATE: **Thursday, January 26, 2017**
10:00 a.m.
LOCATION: **North Shore Yacht Club**
99155 Sea View Drive
Mecca, CA 92254
(760) 393-0602

I. CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

II. BOARD MEMBER COMMENTS

A moment of silence for departed SSA Director John J. Benoit.

This is the time set aside for any Board Member to ask questions or address any issue posed by a member of the public.

III. PUBLIC COMMENTS

*Any member of the public may address and ask questions of the Board relating to any matter within the Authority's jurisdiction. **This time is reserved for matters not already on the Agenda. Remarks shall be limited to a maximum of three (3) minutes unless additional time is authorized by the Board.***

IV. CONSENT CALENDAR – Receive, Approve, and File (*see attached*)

A. Minutes of December 15, 2016

B. Warrant Register for November 2016

C. Internal Financial Report for: 7/01/2015 – 11/30/2016

V. PRESENTATIONS

A. Outreach: Interagency Cooperation: Demonstration of Kiosk at North Shore Yacht Club (Phillip Johnson)

VI. DISCUSSION ITEMS

- A. Officer succession for SSA board vacancies for offices of Secretary and Treasurer...(see attached)
- B. Discussion of SSMP 10-Year Plan (Bruce Wilcox) ...(see attached)

VII. ACTION ITEMS

- A. Resolution for ACWA Region 9 Board representative from SSA...(see attached)

VIII. REPORTS

- A. General Manager's Report on Activities (Phil Rosentrater)
- B. Legislative Update (Phillip Johnson)...(see attached)
- C. Standing Report
 - 1. FEDERAL: US Bureau of Reclamation Interim Program Manager for Salton Sea (Marc Maynard)
 - 2. STATE: Assistant Secretary of Resources for Salton Sea (Bruce Wilcox) ...(see attached)
- D. Water Resources Institute (Suzie Earp)
- E. Salton Sea Action Committee (SSAC) (Juan DeLara)

IX. ADJOURNMENT

NEXT MEETING TIME & LOCATION:

Thursday, February 23, 2017
10:00 a.m.
Salton Community Services District
1209 Van Buren Avenue,
Salton City, CA 92274
(760) 394-4446

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

December 15, 2016

I. CALL TO ORDER

The regularly scheduled meeting of the Salton Sea Authority (“Authority” or “SSA”) Board of Directors (“Board”) was called to order by Ryan E. Kelley, President, at 10:03 a.m., Thursday, December 15, 2016, at the Imperial Irrigation District, Bill Condit Auditorium, 1285 Broadway Avenue, El Centro, CA 92243, (760) 760-482-9618.

PLEDGE OF ALLEGIANCE

Director Jim Hanks led the Pledge of Allegiance

ROLL CALL:

DIRECTORS PRESENT

Ryan E. Kelley, President
G. Patrick O’Dowd, Vice President
Marion Ashley, Director
James C. Hanks, Director
John Renison, Director
Thomas Torte, Director

AGENCY

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

DIRECTORS ABSENT

John J. Benoit, Treasurer
Matt Dessert, Secretary
Cástulo R. Estrada, Director
Frank Durgin, Director

AGENCY

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

In keeping with the Salton Sea Authority Bylaws, there being at least three of the five member agencies represented, and a single Director carrying the vote of both Directors when the second Director of the same agency is absent, a Quorum was declared, and the meeting proceeded.

SALTON SEA AUTHORITY STAFF PRESENT

Phil Rosentrater, Executive Director/General Manager
Bob Hargreaves, Best Best & Krieger, Legal Counsel

MEMBERS OF THE PUBLIC PRESENT

Nathan White
Suzie Earp
Dan Farris
Clifford Kellog
Graeme Donaldson
Antonio Ortega
Freddie Reyes
Juan DeLara
Vickie Doyle
Pat Cooper
Charles Tobin

AGENCY

Agess, Inc.
CSUSB WRI
CVWD

IID
IID
SA Recycling
SSAC/Federated Ins./Travertine Pt.
IID
Supervisor Benoit
Burrtec

II. BOARD MEMBER COMMENTS

A. Director Ashley, during roll call, gave an update on Director Benoit's condition and explained that he was unable to attend due to his health. He conveyed Director Benoit's best wishes to the Board. Director Ashley stated that, in accordance with SSA bylaws, he would be casting both his own vote and Director Benoit's vote on behalf of Riverside County in Director Benoit's absence.

Director Ashley also congratulated Director Thomas Tortez on his recent election as Chairman of the Torres Martinez Desert Cahuilla Indians.

B. Director Kelley commented that Director Benoit was in all of their prayers for a speedy and full recovery.

C. Director Hanks reported that it recently came out in the paper that Director Dessert would be taking a position with Imperial County, so IID will be electing a new member who will come on board with the Salton Sea Authority.

III. PUBLIC COMMENTS

A. Nathan White of Agess, Inc., review a variety of projects they have proposed and are working on. Agess is looking for partners from any of SSA's member agencies – in either of the counties – for comprehensive partnership for grant solicitation.

IV. **CONSENT CALENDAR** – Receive, Approve, and File

- A. Minutes of November 3, 2016
- B. Warrant Register Ratification for October 2016
- C. Internal Financial Report for: 7/01/2015 – 10/31/2016

Director Hanks moved that the Consent Calendar be approved. Seconded by Director Renison. Unanimously carried.

V. **ACTION ITEMS**

A. Update Bylaws

Executive Director Phil Rosentrater provided background that the Board requested staff to review the SSA bylaws and to update them as needed. Staff reviewed the bylaws fully, with the assistance of legal counsel, with an eye toward new requirements for regulatory compliance. Proposed updates were circulated to the member agencies for review a month in advance of the board meeting and again three days prior to adoption, and no substantive changes were received back.

Four areas were updated in the amended bylaws: clarify the election date of officers; clarify election of treasurer; clarify some of the related duties with controller oversight; as well as a couple of clean-up items.

Director Renison moved that the proposed bylaws updates be approved. Seconded by Director O'Dowd. Unanimously carried.

B. Adopt 2017 Legislative Platform

Mr. Rosentrater introduced Phillip Johnson, SSA Assistant Executive Director, to update the Board on the proposed 2017 Legislative Platform. Mr. Rosentrater explained that there are no surprises in the proposed platform – that the strategies and methodologies moving forward have continuity with previous years: similar issues and similar funding mechanisms.

Good news on the Federal front: WRDA (Water Resources Development Act) passed the senate, is awaiting the president's signature. Phillip Johnson reported that the "pilot" project language was struck, and "SSA and other non-federal interests" was added which, Mr. Rosentrater explained, enables the SSA to broaden the authority of the army corps involvement to its full span of capabilities in flood control, storm water, riparian habitat, and restoration – on a watershed basis. Pending are lining up appropriations and the projects that are appropriate for those monies.

Mr. Rosentrater thanked the member agencies for joining together and pushing hard to get WRDA passed.

Director O'Dowd asked for, and received, confirmation that no new appropriations came out of WRDA passing.

SSA staff will update incoming members and their staff in Washington, D.C. to try to hold ground and build on it. Mr. Rosentrater hopes that the proposed legislative Platform will provide a blueprint for how to approach that and what the priorities of this board would be in having those conversations.

After comments by Antonio Ortega of IID regarding the MOU, and by Director Hanks regarding the Cal ISO grid, Mr. Rosentrater respectfully submitted the platform for the board's consideration and approval.

*Director Ashley **moved** that the proposed legislative platform be approved. **Seconded** by Director Renison. **Unanimously carried.***

VI. REPORTS

A. General Manager's Report on Activities (Phil Rosentrater)

Mr. Rosentrater had submitted his report in advance for the Board's review. He noted that we are proceeding on schedule on the joint wetlands project between the SSA and the Torres Martinez Desert Cahuilla Indians. There is one more phase to go: installation of a solar photovoltaic system to power that infrastructure. The RFP (request for proposal) went out this week. Mr. Rosentrater is looking forward to a year of real progress – at the federal front where new WRDA authorization is eminent, and at the state level with projects that are in the state pipeline, with funding, that he wants to see get built as soon as possible.

B. Legislative Update (Phillip Johnson)

The legislative report had been submitted in advance; Mr. Johnson had nothing to add.

C. No Standing Report

D. Salton Sea Action Committee (SSAC) (Juan DeLara)

Mr. DeLara congratulated Director Torte, who won the election for chairman of the Torres Martinez tribe. The SSAC brought on two new board members (one from Imperial county, one from Riverside county), Bob Wright of the East Valley Coalition and Vince Signorotti of Energy Source, at their December 9 meeting.

Their first educational bus tour is set for January 19. In response to inquiries from schools and community organizations, SSAC developed a community presentation (currently in draft form) that any of the board members could use. They are staying busy on the education outreach side and hope to partner with a lot of the school districts in both counties.

VII. ADJOURNMENT

Chairman Ryan Kelley requested a review of the Salton Sea plan for the next meeting for discussion by the SSA.

Val Simon will no longer be the Bureau of Reclamation designee, and Director Kelley would like staff to reach out to the new designee to have him/her in attendance at these meetings.

There being no further business, *Director Renison moved to adjourn. Seconded by Director O'Dowd. Unanimously carried.* The meeting adjourned at 10:40 a.m.

NEXT MEETING TIME & LOCATION:

Thursday, January 26, 2017

10:00 a.m.

North Shore Yacht Club

99155 Sea View Drive

Mecca, CA 92254

(760) 393-0602

Warrant Register
Nov 1, 2016 through Nov 30, 2016



Warrant	Warrant	Vendor	
Date	Number	Name	Amount
11/01/2016	16143	OfficeTeam	5,765.41
11/01/2016	16144	RivCo EDA	12,355.34
11/01/2016	16145	Sampson, GJ Acct	9,373.00
11/11/2016	EFT	Rabobank Credit Card	287.47
11/11/2016	EFT	American Express	1,958.94
11/21/2016	EFT	Verizon Wireless	187.95
11/28/2016	16146	Best, Best & Krieger	1,250.66
11/28/2016	16147	Johnson, Phillip	266.66
11/28/2016	16148	OfficeTeam	6,795.36
11/28/2016	16149	Platinum Consulting Group LL	255.00
11/28/2016	16150	RivCo EDA	12,330.76
11/28/2016	16151	SystemGo IT LLC	594.00
11/28/2016	16152	WRI - CSUSB	16,666.67
11/28/2016	16153	Alliant Consulting Inc	445.00
11/28/2016	16154	Platinum Consulting Group LL	127.50
11/30/2016	EFT	Rabobank	15.00
Total \$			68,674.72

7:25 AM

01/13/17

Accrual Basis

Salton Sea Authority
Balance Sheet by Fund
As of November 30, 2016

	101 General	214 Wetlands Grant	310 RCPP - NRCS	702 Fish Clean Up Trust	TOTAL
ASSETS					
Current Assets					
Checking/Savings					
0001010 - Cash - Checking	15,524.91	17,055.08	-127.50	0.00	32,452.49
0001011 - Cash - Money Market	519,523.81	0.00	0.00	20,991.43	540,515.24
0001012 - Cash - RivCo Fund	17,281.09	0.00	0.00	0.00	17,281.09
0001015 - Cash - Petty Cash	200.00	0.00	0.00	0.00	200.00
Total Checking/Savings	552,529.81	17,055.08	-127.50	20,991.43	590,448.82
Accounts Receivable					
0001210 - Accounts Receivable	150,000.00	168,048.09	0.00	0.00	318,048.09
Total Accounts Receivable	150,000.00	168,048.09	0.00	0.00	318,048.09
Total Current Assets	702,529.81	185,103.17	-127.50	20,991.43	908,496.91
TOTAL ASSETS	702,529.81	185,103.17	-127.50	20,991.43	908,496.91
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
0002010 - Accounts Payable	10,203.62	210,263.88	0.00	0.00	220,467.50
Total Accounts Payable	10,203.62	210,263.88	0.00	0.00	220,467.50
Credit Cards					
0002015 - Credit Card Payable	2,238.63	0.00	0.00	0.00	2,238.63
0002016 - Credit Card Payable AE	1,411.01	0.00	0.00	0.00	1,411.01
Total Credit Cards	3,649.64	0.00	0.00	0.00	3,649.64
Other Current Liabilities					
0002820 - Deferred Revenue	0.00	24,048.09	0.00	0.00	24,048.09
Total Other Current Liabilities	0.00	24,048.09	0.00	0.00	24,048.09
Total Current Liabilities	13,853.26	234,311.97	0.00	0.00	248,165.23
Total Liabilities	13,853.26	234,311.97	0.00	0.00	248,165.23
Equity					
0003009 - Fund Balance	302,813.84	-247,286.23	0.00	20,991.43	76,519.04
Net Income	385,862.71	198,077.43	-127.50	0.00	583,812.64
Total Equity	688,676.55	-49,208.80	-127.50	20,991.43	660,331.68
TOTAL LIABILITIES & EQUITY	702,529.81	185,103.17	-127.50	20,991.43	908,496.91

7:26 AM

01/13/17

Accrual Basis

Salton Sea Authority
Revenue & Expenditure by Fund
 July through November 2016

	101 General	214 Wetlands Grant	310 RCPP - NRCS	TOTAL
Ordinary Income/Expense				
Income				
0004662 - Local Gov/Member Assessments	610,000.00	0.00	0.00	610,000.00
0004660 - State of California Grants	0.00	402,402.99	0.00	402,402.99
0004710 - Pooled Cash Allocated Interest	502.69	0.00	0.00	502.69
Total Income	610,502.69	402,402.99	0.00	1,012,905.68
Expense				
1020000 - SSA ADMINISTRATION				
1025010 - Salaries				
Salaries - RivCo EDA	42,461.23	0.00	0.00	42,461.23
Salaries - Admin Support A	15,799.55	0.00	0.00	15,799.55
Total 1025010 - Salaries	58,260.78	0.00	0.00	58,260.78
1025500 - Employee Benefits				
Employee Benefits - RivCo EDA	11,210.32	0.00	0.00	11,210.32
Employee Benefits - SSA	8,398.03	0.00	0.00	8,398.03
Total 1025500 - Employee Benefits	19,608.35	0.00	0.00	19,608.35
1026050 - Contract Svc/Professional				
Contract Svc/Prof - Adm Sup C	12,307.50	0.00	0.00	12,307.50
Contract Svc/Prof - Adm Sup D	15,392.23	0.00	0.00	15,392.23
Contract Svc/Prof - Exec Sup	28,482.61	0.00	0.00	28,482.61
Contract Svc/Prof - Finance	27,095.00	0.00	0.00	27,095.00
Total 1026050 - Contract Svc/Professional	83,277.34	0.00	0.00	83,277.34
1026010 - Contract Svc/Attorney				
Contract Svcs/Attorney - Genera	6,204.44	0.00	0.00	6,204.44
Total 1026010 - Contract Svc/Attorney	6,204.44	0.00	0.00	6,204.44
1026095 - Contract Svc/Equipment Maint	2,376.00	0.00	0.00	2,376.00
1028551 - Capital Equipment <\$5,000	788.13	0.00	0.00	788.13
1026096 - Contract Svc/Equipment Lease	87.48	0.00	0.00	87.48
1026120 - Insurance	9,523.94	0.00	0.00	9,523.94
1027030 - Office Exp/Operating Supplies	1,755.39	0.00	0.00	1,755.39
1027035 - Office Exp/Online Services	554.72	0.00	0.00	554.72
1026450 - Postage, Mail	260.47	0.00	0.00	260.47
1026470 - Printing Services	458.67	0.00	0.00	458.67
1026439 - Dues, Subscriptions	96.00	0.00	0.00	96.00
1026350 - Communications	941.01	0.00	0.00	941.01
1026370 - Travel/Meetings	23,441.19	0.00	0.00	23,441.19
1026060 - Contract Svcs/WRI,Archive Mgmt	16,666.67	0.00	0.00	16,666.67
Total 1020000 - SSA ADMINISTRATION	224,300.58	0.00	0.00	224,300.58
6020000 - WETLANDS GRANT ADMINISTRATION				
6026010 - Contract Svcs/Attorney	339.40	0.00	0.00	339.40
6026014 - Contract Svcs/TM Proj Mgmt	0.00	50,127.50	0.00	50,127.50
Total 6020000 - WETLANDS GRANT ADMINISTRATION	339.40	50,127.50	0.00	50,466.90

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01/13/17

Accrual Basis

Salton Sea Authority
Revenue & Expenditure by Fund
 July through November 2016

	101 General	214 Wetlands Grant	310 RCPP - NRCS	TOTAL
6040000 - WETLANDS GRANT TECHNICAL				
6046070 - Contract Svcs/LCP	0.00	623.75	0.00	623.75
6046020 - Contract Svcs/AMEC - update	0.00	3,151.00	0.00	3,151.00
6046025 - Contract Svcs - AMEC/NSYC	0.00	3,949.71	0.00	3,949.71
6046040 - Contract Svcs/Design	0.00	2,473.60	0.00	2,473.60
6046080 - Contract Svcs/Construction	0.00	144,000.00	0.00	144,000.00
Total 6040000 - WETLANDS GRANT TECHNICAL	0.00	154,198.06	0.00	154,198.06
608000 - RCPP NRCS PROGRAM EXPENSES				
6085013 - Contract Services - Accountant	0.00	0.00	127.50	127.50
Total 608000 - RCPP NRCS PROGRAM EXPENSES	0.00	0.00	127.50	127.50
Total Expense	224,639.98	204,325.56	127.50	429,093.04
Net Ordinary Income	385,862.71	198,077.43	-127.50	583,812.64
Net Income	385,862.71	198,077.43	-127.50	583,812.64

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: January 26, 2017
Re: Officer Succession for Board Vacancies: Secretary and Treasurer
CM No. VI.A – 01-26-2017

BACKGROUND:

Two officer positions on the Board of Directors for the Salton Sea Authority have become vacant since the most recent meeting of the SSA board and may be filled at the discretion of the Board of Directors in accordance with the provisions of the SSA bylaws.

The officer position of Treasurer is vacant due to the untimely death of Riverside County Supervisor John Benoit, who passed away on December 26 after a brief battle with pancreatic cancer.

The officer position of Secretary was held by Imperial Irrigation District Director Matt Dessert who has since resigned his position in order to accept an executive position with the Air Quality Management District in Imperial County.

The bylaws for the Salton Sea Authority (excerpted below) describe the duties, terms and election of officers for the SSA. Specifically, section 3.7 of the Administrative portion referring to the appointment of officers, states “The Board of Directors shall have the power to appoint such additional officers as may be appropriate, including a Controller consistent with Government Code Section 6505.5.”

The election of officers on the SSA Board is set in the bylaws to occur on the SSA board’s last meeting of the fiscal year (typically in June), but the bylaws do allow an additional election “at such other times as there may be a vacancy in any office.”

Excerpt from the By-laws governing the Salton Sea Authority:

ARTICLE III
ADMINISTRATION

- 3.1 Officers: The officers of the Authority shall consist of the President, Vice-President Secretary, and Treasurer, each of whom shall be selected from the voting members of the Board of Directors
- 3.2 Term of Office: The term for all officers shall be one (1) year.
- 3.3 Election of Officers: The Authority shall elect by a majority vote of the Board of Directors its officers at its last meeting of the fiscal year, and at such other times as there may be a vacancy in any office.
- 3.4 Rotation of Officers: It shall be a policy of the Board to encourage rotation of the offices among the Board members.
- 3.5 Removal of Officers: Officers may be removed by a majority vote of the Board. Voting on removal shall take place no sooner than at the next regular meeting following the meeting at which a motion to remove officers was introduced.
- 3.6 Duties of Officers:
- A. Duties of the President: The President shall, if present, preside at all meetings of the Authority and exercise and perform such other powers and duties as may be from time to time assigned to the President by the Authority or provided herein. In any case in which the execution of a document or the performance of an act is directed, the President, unless an act of the Authority otherwise provides, is empowered and directed to execute such document or perform such act.
 - B. Duties of Vice President: The Vice President shall perform the duties of the President in his or her absence and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.
 - C. Duties of the Treasurer: The Treasurer shall be the depository of funds and have custody of all funds of the Authority from whatever source. The Treasurer shall comply with all duties imposed under California Government Code, Section 6500 et seq.
 - D. Duties of the Controller: The Controller of the Authority shall draw warrants or check warrants against the funds of the Authority in the Treasury when the demands are approved by the Board of Directors or such other persons as may be specifically designated by the Bylaws. The Controller shall comply with all duties imposed under California Government Code Section 6500 et seq.
 - E. Duties of the Secretary: The Secretary of the Authority shall be responsible for all records of the Authority, including, but not limited to minutes of meetings, membership and mailing lists, and legal documents.
- 3.7 The Board of Directors shall have the power to appoint such additional officers as may be appropriate, including a Controller consistent with Government Code Section 6505.5.
- 3.8 Each and all of the said officers shall serve at the pleasure of the Board and shall perform such duties and shall have such powers as the Board may, from time to time, determine.

RECOMMENDATION:

The Salton Sea Authority Staff recommends that the Salton Sea Authority Board appoint appropriate individual members of the current SSA Board of Directors to serve in the offices of Secretary and Treasurer for the completion of this fiscal year ending at the June, 2017 meeting per current Board meeting schedule and provisions of the SSA bylaws.

Respectfully submitted,

Phil Rosentrater
GM/Executive Director

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: January 26, 2017
Re: SSMP 10-Year Plan
CM No. VLB – 01-26-2017

BACKGROUND:

At the November 15, 2016 Salton Sea workshop for the State Water Resources Control Board, stakeholders and partner agencies of the Salton Sea Authority (SSA) called upon the state of California to provide greater definition of its priorities, plans and commitments for progress within the next ten years.

The urgency of this request is underscored by mounting pressures from drought on the Colorado River system in addition to looming deadlines for acceleration of water transfers in accord with the Quantitative Settlement Agreement. While the federal government, other states and water rights holders on the Colorado seek certainty of their supply, the certainty of a reciprocal commitment to offset potential impacts to the Sea is not as certain. Thus, stakeholders around the Sea have expressed strong interest in establishing greater surety for a valid restoration strategy in the next decade for the Sea prior to risking commitment of additional local resources.

In response, the California Natural Resources Agency (CNRA) has adjusted the draft Salton Sea Management Plan (SSMP) to propose projects and timelines that will adhere to a ten year time frame. This plan is still in circulation for internal review and comment, and has not been made public. However, the Assistant Secretary of CNRA for Salton Sea Policy has agreed to discuss the draft with the SSA board at the January 26, 2017 meeting, in advance of the release of the final draft of the 10-Year Plan.

RECOMMENDATION:

The Salton Sea Authority Staff recommends that the Salton Sea Authority Board consider the draft report on the 10 Year Plan as discussed by the Assistant Secretary of CNRA. No action to be taken at this time.

Respectfully submitted,

Phil Rosentrater
GM/Executive Director

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: January 26, 2017
Re: SSA Representative for ACWA Region 9 Board
CM No. VIIA – 01-26-2017

BACKGROUND:

The Board of Directors of the Salton Sea Authority has an opportunity to assert a leadership role beneficial to the agencies comprising the Authority as well as the neighboring regions impacted by the Sea.

The Guiding Principles for Legislative Action adopted by the SSA Board of Directors call for action to “ASSERT LOCAL LEADERSHIP” wherever feasible to advance the shared interests of the SSA and its partner agencies in revitalizing the Salton Sea. In addition, the Salton Sea is an issue that is certainly impactful on the region and the water agencies that share its watershed or rely upon Colorado River water.

California’s largest water advocacy organization, Association of California Water Agencies (ACWA) is seeking nominations to fill a vacant seat of the board for Region 9, a portion of ACWA’s service area that includes water resource agencies in San Bernardino, Riverside, and Imperial Counties. The Region 9 Board is looking for ACWA members who are interested in leading the direction of ACWA Region 9 for the 2016-2017 term. The Board is seeking candidates to fill one Board Member vacancy.

The leadership of ACWA’s ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 9 serve on ACWA’s Statewide Board of Directors and recommend all committee appointments for Region 9. The members of the Region 9 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA’s goals on behalf of members.

The SSA is a member in good standing with ACWA. The GM/Executive Director currently serves on the Energy Committee and in the past has served on the State Legislative Committee, Local Government Committee, and also as Chairman for the statewide Outreach Committee.

Board action prior to February 6, 2017 is required in order to activate a nomination to the ACWA Region 9 Board. Passage of the attached Resolution would enable the Region 9 Board to consider this nomination for appointment. The final decision would be made by the Region 9 Board and announced to the membership.

RECOMMENDATION:

The Salton Sea Authority Staff recommends that the Salton Sea Authority Board approve Resolution 17-1 nominating the SSA GM/Executive Director to fill a vacant seat on the ACWA Region 9 Board.

Respectfully submitted,

Phil Rosentrater
GM/Executive Director

Staff Report

To: Salton Sea Authority Board of Directors
From: Phil Johnson, Assistant Executive Director, SSA
Date: January 26, 2017
Re: **Legislative Update**
CM No. VIII.B – 01/26/2017

Staff members from agencies of the Salton Sea Authority are coordinating a unified response to threats and opportunities in the legislative arena at both the state and federal levels.

SSA and its member agencies jointly engaged in the following activities to drive legislative and policy initiatives supported by the Salton Sea Authority Board of Directors:

California Senate/Assembly Bill Summaries

AB 2896 (Garcia) - Water quality: funding for planning, environmental, and design documents: Salton Sea.

SSA Position: staff recommends **SUPPORT**

Status: Introduced on March 1st, 2016. Re-referred to Com. on RLS. pursuant to Senate Rule 29.10(c). From Senate committee without further action on November 30th, 2016.

AB 2896 would appropriate much needed funding in the form of grants to be used in the development of planning environmental and design documents on projects that would positively impact the public health and safety risks from drainage of wastewater and runoff into tributaries of the Salton Sea.

The recommendation of staff is that the SSA supports this bill as it aligns with the SSA platform. Staff is continuing to follow 2017-2018 session to see if this bill is re-introduced.

AB-18 California Clean Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2018.

SSA Position: SUPPORT

Status: Introduced on December 5th, 2016, may be heard in committee January 5th.

AB 18 would authorize the issuance of \$3.005 billion in State General Obligation bonds to finance parks, water, climate adaptation, coastal protection, and outdoor access programs. This bond would be placed on the June 5th, 2018 statewide primary direct election.

The main funding categories for the bond are as follows: 1) safe neighborhood parks in park-poor communities; 2) local and regional parks; 3) state parks, with a focus on deferred maintenance in existing parks; 4) trails and waterfront access; 5) rural community recreational needs; 6) river parkways; 7) state conservancies and regions not covered by conservancies; and 8) habitat needs, including wildlife corridors, climate change adaptation, and healthy soils and forests.

Of note for the SSA this bond would specifically grant \$30 million to the Salton Sea Authority. Of this amount, not less than \$10 million shall be available for purposes consistent with the New River Water Quality, Public Health, and River Parkway Development Program. This funding along with the possibility of other pockets of funding from the bond provides the basis for the SSA Board of Directors to support AB 18.

The Senate bill version, SB-5 California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 introduced by Senator De León of note grants \$40 million to the Salton Sea Authority.

SB 859 - Public resources: greenhouse gas emissions and biomass

SSA Position: Staff Recommends SUPPORT

Status: Introduced on Jan. 7th, 2016. Chaptered by Secretary of State. Chapter 368, Statutes of 2016 on Sept. 14th, 2016.

SB 859 appropriates \$1.4 million from the Waste Discharge Permit Fund for the State Water Board to provide grants for the projects that eliminate public health and safety risks for wastewater, agricultural and other discharge of urbanized areas of tributaries of the Salton Sea. The FY 2016-17 beginning balance is approximately \$14.6 million.

Under the current fee schedule, total revenue is anticipated to be approximately \$124.6 million and total expenditures are anticipated to be approximately \$127.5 million.

The recommendation of staff is that the SSA supports this bill as it aligns with the SSA platform, and to follow up with the State Water Board to how best apply for said grant.

SB 1416 (Stone) - Voluntary contribution: Revive the Salton Sea Fund

SSA Position: SUPPORT

Status: Approved by the Governor and Chaptered by Secretary of State. Chapter 219, Statutes of 2016 on August 26th, 2016.

SB 1416 would create a Revive the Salton Sea Fund allowing voluntary designation of personal income tax refunds to be deposited in the Revive the Salton Sea Fund. This bill would prohibit a voluntary contribution designation for the Revive the Salton Sea Fund from being added on the tax return until another voluntary contribution designation is removed or a space is available. Contributions will be allocated to the Natural Resources Agency for distributions of competitive grants to provide funds or supplement funding of the state, county and local agencies, nonprofit, and projects identified as necessary for the restoration and maintenance of the Salton Sea and to develop a mechanism to provide ongoing public awareness, as specified.

The contributions to the fund shall be used for the following items. (1) Programs to create statewide public awareness and grassroots support for the restoration of the Salton Sea. (2) Programs to engage the public through promotion and education about the Salton Sea. (3) Current and future projects identified as necessary for restoration and maintenance of the Salton Sea, including projects identified by the Salton Sea Authority.

Staff will monitor the progress of this fund as well as the usage of donated funds.

SB 1074 (Hueso) - Energy Federal Trust Fund: geothermal projects

SSA Position: Staff Recommends SUPPORT

Status: Introduced on Feb. 2nd, 2016. Chaptered by Secretary of State, Chapter 539, Statutes of 2016 on Sept. 23rd, 2016.

SB 1074 authorizes revenues to recover lithium, metals, and other beneficial minerals from highly mineralized geothermal brines at existing geothermal facilities that are in

disadvantaged communities. These activities will provide economic growth and local employment opportunities.

Specifically this bill directs \$2.5 million of Federal Trusts Funds for competitive grants in mineral recovery from geothermal brine, such as lithium recovery projects. The recommendation of staff is that the SSA supports this bill as it aligns with the SSA platform.

Staff will follow up with the Geothermal Grant and Loan Program (GRDA) about the requirements specific to the special solicitation being offered pursuant to Senate Bill 1074.

Federal Bill Summaries

S. 2012 (Murkowski) - North American Energy Security and Infrastructure Act of 2016

SSA Position: Watch

Status: Introduced to Senate on Sept. 9th, 2015. Currently on the Senate Floor voting upon amendments as of Feb 4th, 2016. Passed the Senate as of April 20th. Rules Committee Resolution H. Res. 744 Reported to House. The resolution provides for consideration of S. 2012 and H.R. 5233 on May 24th, 2016. Message on House action received in Senate and at desk: House amendment to Senate bill and House requests a conference May 26th, 2016. The House had named their conferees for the joint committee however the Senate has not, as talks have stalled as of June 20th, 2016. Senate disagrees to the House amendment to the Senate bill, agrees to request for conference, and the Presiding Officer appoints the following conferees: Murkowski, Barrasso, Risch, Cornyn, Cantwell, Wyden, and Sanders on July 12th, 2016. Conference Cmte Held on Sept. 8th, 2016. Murkowski pushing for action on the bill, but House GOP looking to hold off on energy bill until the next administration on November 27th, 2016.

The relevance of adding S. 2012 on to the SSA legislative report is that S. 1407 (Heller) Supported by the SSA, has been added to this bill via amendment. S. 1407 has been added by way of amendment 3286 to amendment 2953. Amendment 2953 was passed by the Senate; however our “revenue sharing provision” in S.1407 in which we supported the bill did not make the cut.

The SSA should continue to watch and send out letters of support for the addition of the “revenue sharing provision” to S.2012 as the Senate and House try to compromise between S.2012 and its House counterpart H.R. 8. As the final “energy bill” may hold value to the SSA.

Staff will continue to keep tabs on what shapes up to be the 2017 Energy Bill as Senators Murkowski and Bishop discussed the possibility of reviving parts of the legislation in the New Year.

S. 2568 (Feinstein) - California Desert Conservation, Off-Road Recreation, and Renewable Energy Act

SSA Position: **Support**

Status: **Introduced to the Senate on Feb. 23rd, 2016, referred to the Committee on Energy and Natural Resources.**

The main reason behind the revision of S.414 into S. 2568 was President Obama's decision to create three national monuments in the Mojave Desert under the Antiquities Act, however that act did not allow many other valuable provisions that were in the original legislation of S. 414.

Of note for the SSA the “disposition of revenues” section has remained the same as in S. 414. The specifics that affect SSA and “of note” this only applies to the development of wind or solar energy land managed by the BLM are as follows:

- 25% of the payments go to counties involved
- 35% of the payments go to “Renewable Energy Resource Conservation Fund” which is managed by the Sec. of the Interior.
- Areas that are eligible for such “funds” that are of note for the SSA are ones around wind or solar development areas that are in need of restoring and protecting such as: wildlife habitat, wildlife corridors, and water resources.

With the “disposition of revenues” section in mind the SSA should support S. 2568 going forward.

Reintroduced on January 5th, 2017 as “S. 32 A bill to provide for conservation, enhanced recreation opportunities, and development of renewable energy in the California Desert Conservation Area, and for other purposes.” Staff will update once text is made available.

S.612 (Cornyn) - Water Infrastructure Improvements for the Nation Act

SSA Position: SUPPORT

Status: Introduced to the Senate on February 27th, 2015. Became Public Law No: 114-322, on December 16th, 2016.

This bill provides for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

Of note for the SSA Section 4011 modifies the WRDA 2007 authorization of Salton Sea Restoration Pilot Projects by striking the term “pilot” and adding “Salton Sea Authority or other non-federal interest” as potential parties for implementation agreements.

The SSA Board supports S. 612 due to the bill specifically designating the SSA as a preferred partner for the funding agreements to be established with the Army Corps as well as the re-authorization of appropriations in the amount of \$30 million for Salton Sea projects from WRDA 2007.

Terminology Reference

Chaptered - After a bill has been signed by the Governor, the Secretary of State assigns the bill a Chapter Number, for example, “Chapter 123, Statutes of 1998,” which subsequently may be used to refer to the measure.

Held under submission - action taken by a committee when a bill is heard in committee and there is an indication that the author and the committee members want to work on or discuss the bill further, but there is no motion for the bill to progress out of committee. This does not preclude the bill from being set for another hearing.

Inactive file - The portion of the Daily File containing legislation that is ready for floor consideration, but, for a variety of reasons, is dormant. An author may move a bill to the inactive file if he or she wishes to take it up at a later date. Once a bill is on the inactive file, one day's public notice is needed to place it back on the agenda.

Suspense File - A bill or set of bills, with a fiscal impact, set aside in Appropriations Committee by a majority of Members present and voting. These bills may be heard at a later hearing.



THE SECRETARY OF THE INTERIOR
WASHINGTON

ORDER NO. 3344

Subject: Actions to Address Effects of Historic Drought on Colorado River Water Supplies

Sec. 1 Purpose. The Department of the Interior (Department), through the Bureau of Reclamation (Reclamation) has many responsibilities for managing the water resources of the Colorado River Basin. In particular, the Secretary of the Interior has a unique water management and contracting role, founded in the Boulder Canyon Project Act of 1928 and confirmed by the U.S. Supreme Court, in the Lower Basin of the Colorado River, serving areas in Arizona, California and Nevada.

The Colorado River is shared by two countries – the United States and Mexico, and flows through nine states – seven in the United States (Colorado, New Mexico, Utah, Wyoming, Arizona, California, and Nevada) and two in Mexico (Sonora and Baja California). The Colorado River is the single most important water resource in the Southwestern United States and Northwestern Mexico – supplying water to an estimated 40 million people and over 5 million acres of irrigated agriculture.

Within the United States, the Colorado River also serves federally recognized Indian tribes in the 7 basin states, dozens of military installations, flows through 11 National Park Service units and supports unique riparian, environmental and recreational values. The region is visited by tens of millions of recreational visitors every year, adding to the economic importance of this unique and limited resource.

As further described in Section 3 of this Order, the Colorado River is experiencing an extended period of historic drought. The basin is currently in the worst 17-year period of drought in modern recorded history, and one of the very worst in the last 1,200 years, as established by reconstructed paleohydrology.

The ongoing drought and current hydrologic conditions increase the prospect for destabilizing “shortages” on the River. There is a strong probability that, for the first time, the Lower Basin will face water reductions from the Colorado River, perhaps as soon as January 1, 2018, and it is possible that shortage conditions may persist for an extended period of time. Current management rules in place for operation of Hoover Dam (Lake Mead) and Glen Canyon Dam (Lake Powell), while important in minimizing the prospects for litigation in the short-term, may prove insufficient to prevent Lake Mead from declining to critical elevations that would threaten catastrophic reductions to water service in broad areas of the Lower Basin.

In response to these increasing risks, and building upon previous collaborative efforts, the Department has been working intensively with representatives in the Colorado River Basin States and the Republic of Mexico to advance efforts to adopt an integrated set of drought response actions, including:

- a) a Lower Basin “Drought Contingency Plan (DCP)” (of which provisional, conceptual agreements have been reached among lower basin representatives addressing federal

- operations, conservation and water storage actions by the states and water users, and proposed investments in support of key actions);
- b) an intra-Arizona agreement to conserve additional water in Lake Mead between 2017 and 2019 (referred to as the DCP+ Plan);
- c) a long-term agreement with Mexico (commonly referred to as “Minute 32x”) to provide operational certainty regarding deliveries to Mexico (including reductions and water savings at specific elevations), investment to conserve Colorado River water supplies and enhance environmental and riparian resources (final draft Minute developed in 2016 by a binational minute negotiating group subject to completion of required implementing domestic agreements); and,
- d) an Upper Basin Drought Memoranda of Agreement (Upper Basin MOA) (designed to ensure effective operation of Glen Canyon Dam (Lake Powell) to protect water delivery and hydropower production in coming years).

Collectively these efforts – referred to as the “Drought Response Actions” in this Order – and other ongoing and complementary efforts are designed to proactively address hydrologic challenges, reduce the risk and severity of shortage conditions impacting a wide-spectrum of water users, improve the prospects for protecting Indian treaty rights and water rights, maintain and improve environmental conditions in the basin, maintain significant hydropower production and associated financial support for critical environmental programs, and minimize the risk of conflict between states, water users, and Mexico over the next 9 years.

Each of these above-mentioned efforts is close to completion, but critically important work – involving entities from each of the seven Colorado River Basin States – remains to finalize each one of these initiatives. Consistent with the successful efforts across administrations in the past two decades, this Order facilitates the continued integration and prioritization of State and Federal efforts to support completing these Drought Response Actions in a timely manner during 2017 *prior to* a potential shortage declaration in 2018. Specifically, the Order directs the Department, through Reclamation, to continue to support efforts to complete each of the Drought Response Actions in collaboration with U.S. (local, tribal, state) officials, representatives of Mexico, and other interested stakeholders. In the highly undesirable event that these matters cannot ultimately be completed (and thus fail to achieve timely implementation), this Order also seeks to ensure that Departmental staff will promptly prepare options for the next Secretary of the Interior to consider so there is no undue delay if the Secretary determines the need to implement other approaches or programs that would reduce the risk of continued declines in the critical water supplies of the Colorado River System.

Sec. 2 Authorities. This Order is issued under authority that includes, but is not limited to, the body of law commonly referred to as “The Law of the Colorado River”; the Reclamation Laws (Act of June 17, 1902, and all acts amendatory thereof and supplementary thereto); the Colorado River Compact of 1922 (45 Stat. 1057); the Upper Colorado River Basin Compact of 1948 (63 Stat. 31); the Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande, Treaty Between the United States of America and Mexico (Treaty Series 994, 59 Stat. 1219); the Consolidated Decree entered by the Supreme Court of the United States in *Arizona v. California* (547 U.S. 150 (2006)); the Boulder Canyon Project Act (45 Stat. 1057; 43 U.S.C. 617); the Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a); the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620); the Colorado River Basin Project Act (82 Stat. 885; 43 U.S.C. 1501); the Colorado River Basin Salinity Control Act (88 Stat. 266; 43 U.S.C. 1951); the Act of March 30, 2009 (123 Stat. 991), known as the Omnibus Public Land

Management Act; the Act of December 16, 2014 (128 Stat. 2130, Sec. 206), known as the Consolidated and Further Continuing Appropriations Act, 2015; and authority provided by Section 2 of Reorganization Plan No. 3 of 1950 (64 Stat. 1262), as amended.

Sec. 3 Background.

a. Existing Collaborative Efforts

During the past two decades, through the leadership of multiple administrations, a series of programs, decisions, and agreements were developed with extraordinary levels of Federal, tribal, state, and local cooperation and negotiation. Through these efforts, various challenges with the Basin have been addressed through consensus-based negotiations in contrast to destabilizing litigation that has often been a hallmark of water management in the Western United States. The collaborative efforts to address water resource challenges in the basin include, but are not limited to:

- Upper Colorado River Endangered Fish Recovery Program
- San Juan River Basin Recovery Implementation Program
- 2001 Colorado River Interim Surplus Guidelines (2001)
- 2003 Colorado River Water Delivery Agreement (Federal QSA)
- 2005 Lower Colorado River Basin Multi-Species Conservation Program (MSCP)
- 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead
- 2010 US/Mexico Minutes 316, 317, 318 regarding Colorado River Cooperation
- 2011 Memorandum of Agreement Concerning the Upper Colorado River Basin Fund
- 2012 US/Mexico Minute 319 regarding Interim International Cooperative Measures In The Colorado River Basin Through 2017
- 2014 Agreement For A Pilot Program For Funding The Creation Of Colorado River System Water Through Voluntary Water Conservation And Reductions In Use (System Conservation Pilot Agreement)
- 2014 Memorandum Of Understanding For Pilot Drought Response Actions (Lower Basin MOU)
- 2016 Memorandum Of Understanding By And Between The United States Department Of The Interior And The State Of California Natural Resources Agency Regarding The Coordination Of Activities To Manage The Salton Sea
- 2016 Record of Decision – Glen Canyon Dam Long Term Experimental and Management Plan; and,
- Indian Water Rights Settlements in the Colorado River Basin since 2000:
 - Ak-Chin Indian Community Act (amended 2000); Colorado Ute Indian Water Rights Settlement Act (amended 2000); Shivwits Band of the Paiute Indian Tribe of Utah Water Rights Settlement Act of 2000; Zuni Indian Tribe Water Rights Settlement Act of 2003; Gila River Indian Community Water Rights Settlement Act of 2004; Southern Arizona Water Rights Settlement Act (Papago Tribe or Tohono O’odham Nation) (amended 2004); San Carlos Apache Tribe Water Rights Settlement Act (amended 2004); Soboba Band of Luiseno Indians Settlement Act (2008); Navajo-Gallup Water Supply Project and Navajo Nation Water Rights (2009); White Mountain Apache Tribe Water Rights Quantification Act of 2010; Pechanga Band of Luiseño Mission Indians Water Rights

Settlement Act of 2016; San Luis Rey Indian Water Rights Settlement Act (amended 2016).

It should be noted, particularly given the timing of this Order, that several of the successful initiatives just listed (e.g. Federal QSA, MSCP, and US/Mexico cooperative efforts) were developed over the course of successive administrations.

b. Hydrology

In 2016 the Colorado River Basin continued to experience drought conditions, making 2000 through 2016 the lowest seventeen-year period in over a century of record keeping. Since 2000, there have been just three years with above average inflow; moreover the average inflow over the period is approximately 16 percent below the long-term average. Although the duration of this ongoing, historic drought is unknown, inflows into the Basin on average have been declining over the historical record while water use has grown (Figure 1).

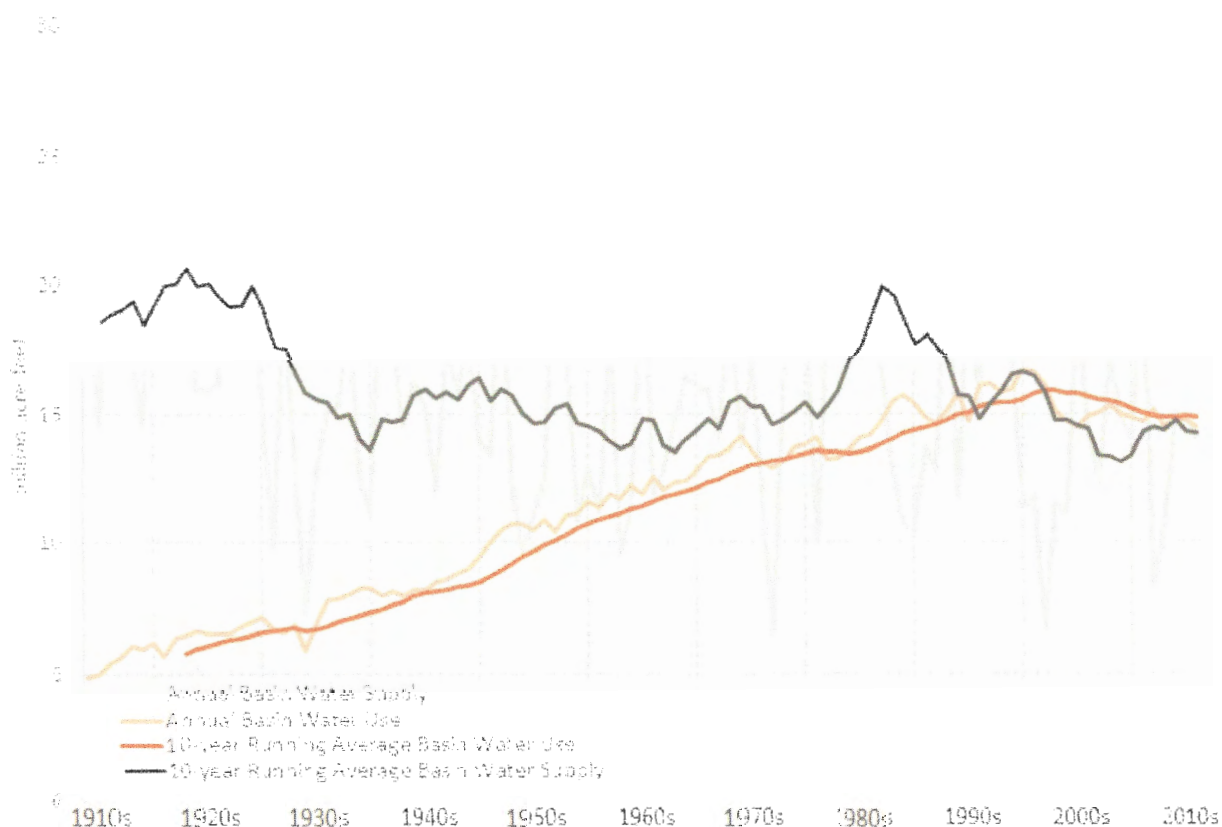


Figure 1 – Historical Annual and 10-Year Running Average Colorado River Basin Water Supply and Use 1914-2016 (Colorado River Basin Supply and Demand Study – Bureau of Reclamation, 2012; updated January 2017)

Colorado River system reservoir storage has declined by roughly 50 percent over this period with significant reductions occurring in the 5-year period between 2000 and 2005. Figure 2 illustrates the declining Lake Mead elevations throughout this period. As a result of the drought and declining reservoir levels, in July 2016 Lake Mead reached its lowest elevation since the reservoir initially began filling in the 1930s. Lake Mead is currently at elevation 1,083 ft. When the projected beginning-of-calendar-year Lake Mead elevation is at or below 1,075 ft, the first

ever shortage condition in the Lower Basin will be triggered, resulting in required reductions in water allocated to Arizona and Nevada. This may occur as early as 2018.

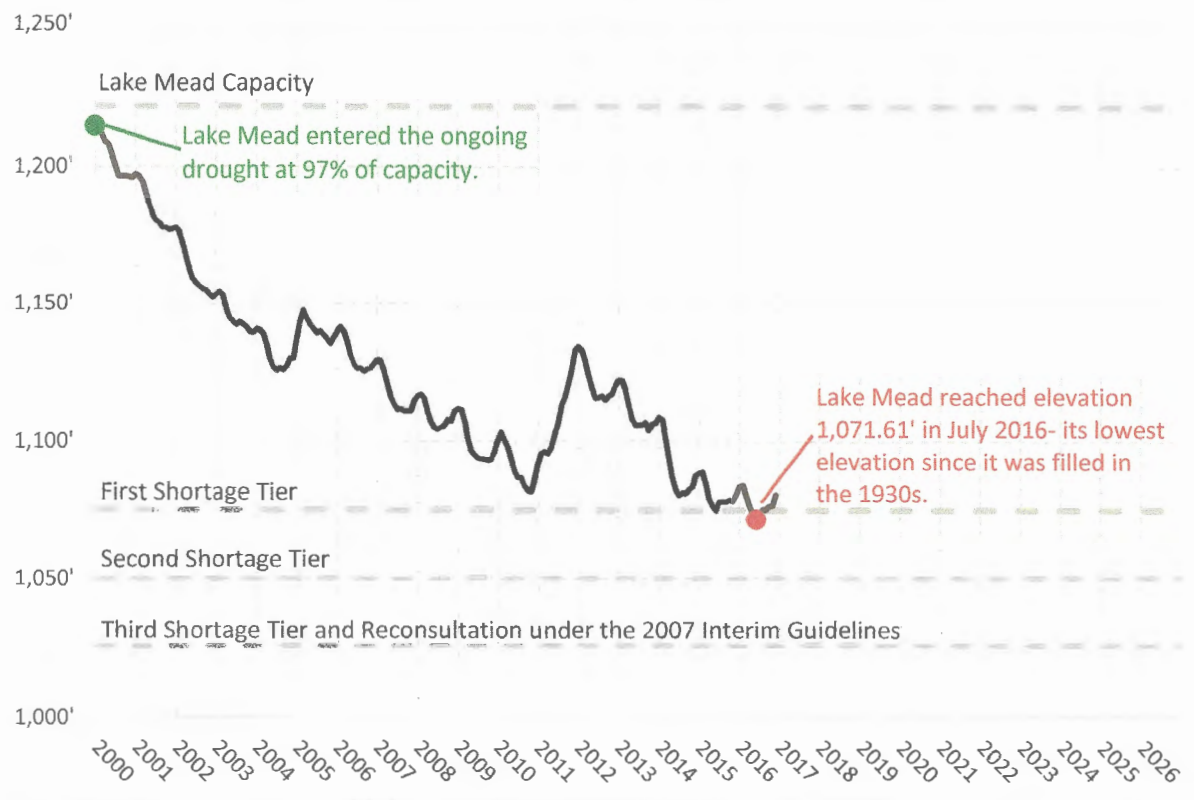


Figure 2 – Lake Mead Historical Elevations (Bureau of Reclamation – Lower Colorado Region, 2017)

Five years into the current drought, in 2005 the Department initiated a public process to develop additional operational guidelines and tools to meet the challenges of drought in the Basin. This process culminated with the adoption of specific interim guidelines for Lower Basin shortages and coordinated operations of Lake Powell and Lake Mead in 2007. A key element of the 2007 Interim Guidelines requires specific reductions in water deliveries to entities in Arizona and Nevada at specified elevations of Lake Mead (See Figure 2 – First, Second and Third Shortage Tiers). Given current levels of water use and recent basin water supply, the graduated, increasing reductions in water delivery that are required at Lake Mead elevations 1075', 1050' and 1025' will not be sufficient to prevent Lake Mead from declining to critically low elevations, perhaps approaching dead pool. While the 2007 Interim Guidelines were developed using the best available science at the time, the magnitude and duration of the drought that continued to unfold over the next decade has been unprecedented in modern history, and therefore, the significant declines in hydrology had not been fully factored into the analysis supporting the 2007 decision.

As depicted in Figure 3, the additional years of drought experienced since the 2007 Interim Guidelines were adopted has resulted in an increased risk of reaching critically low elevations in Lake Mead over the term of the guidelines, i.e., through 2026. The risk increases even more dramatically if the last two decades are considered representative of the hydrologic conditions the Basin can expect as a growing scientific consensus indicates.

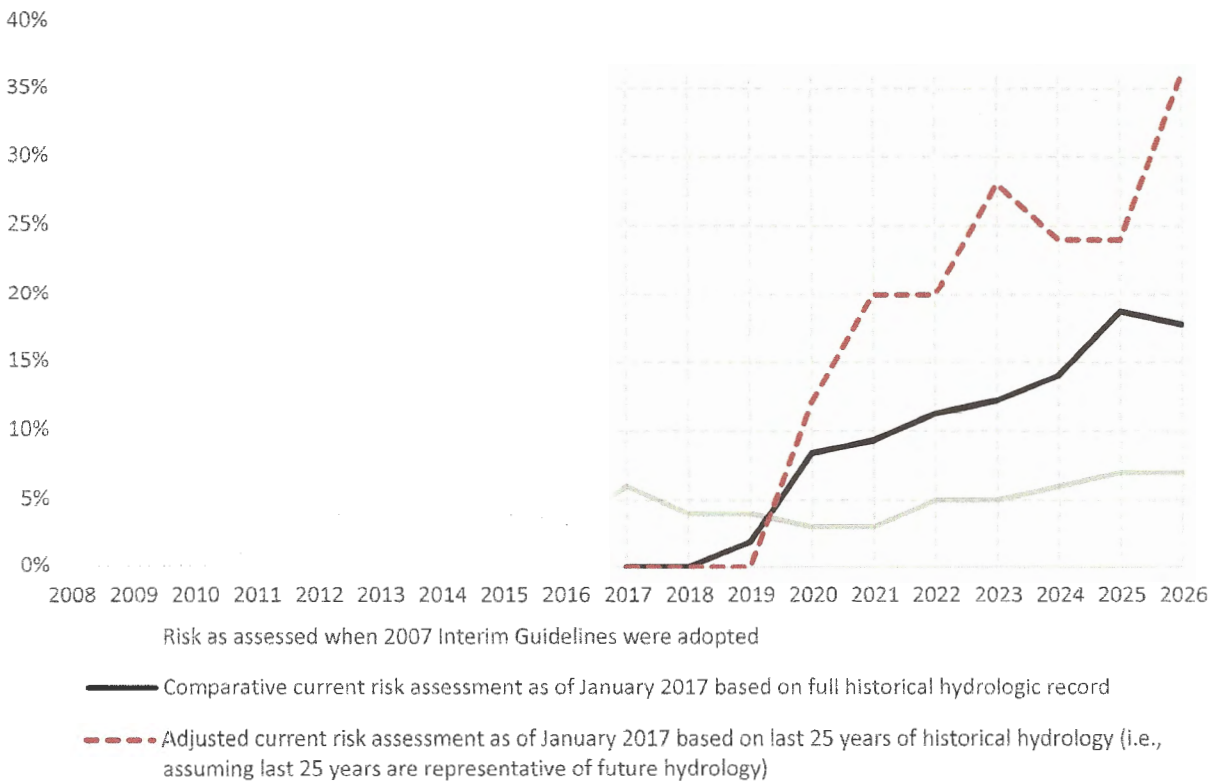


Figure 3 – Risk of Lake Mead Reaching Critically Low Elevations (1,025 ft) (Bureau of Reclamation – Lower Colorado Region, 2017)

Notably, if adopted and implemented promptly, the current framework for the DCP and Minute 32x are projected to significantly reduce the risk of Lake Mead declining to critically low elevations (as depicted in Figure 4).

It is also important to note that in order to proceed with the DCP, Arizona officials are leading efforts to form a complementary agreement within the state to further reduce the use of water from the Colorado River and enhance water conservation and storage in Lake Mead. This effort is currently referred to as the DCP Plus (DCP+) Plan. The DCP+ Plan is proposed as a 3-year (2017-2019) effort that Arizona has established as a required pre-condition action in order to create the proper circumstances to enable a broad agricultural, municipal and tribal consensus, thereby facilitating Arizona's participation in the comprehensive DCP. The DCP+ Plan is an innovative partnership between the State of Arizona, Federal representatives, tribes, municipal water providers, and agricultural water users in Arizona that is designed to retain approximately 1.25 million acre-feet of water in Lake Mead. The benefits to risk reduction from Minute 32x, DCP and DCP+ are identified in Figure 4.

Significantly, with implementation of the Drought Response Actions as currently structured, the risk of Lake Mead declining to critically low elevations could potentially be reduced to a level below what was projected when the interim guidelines were adopted in 2007, thus helping to ensure the enhanced sustainability of the limited water resources of the Colorado River System and avoiding possible destabilizing interstate and inter-basin conflict in the Basin. See Figure 4 – *Change in Risk of Lake Mead Reaching Critically Low Elevations (1,025 ft) from Implementation of Lower Basin Drought Contingency Plan and Minute 32x.*

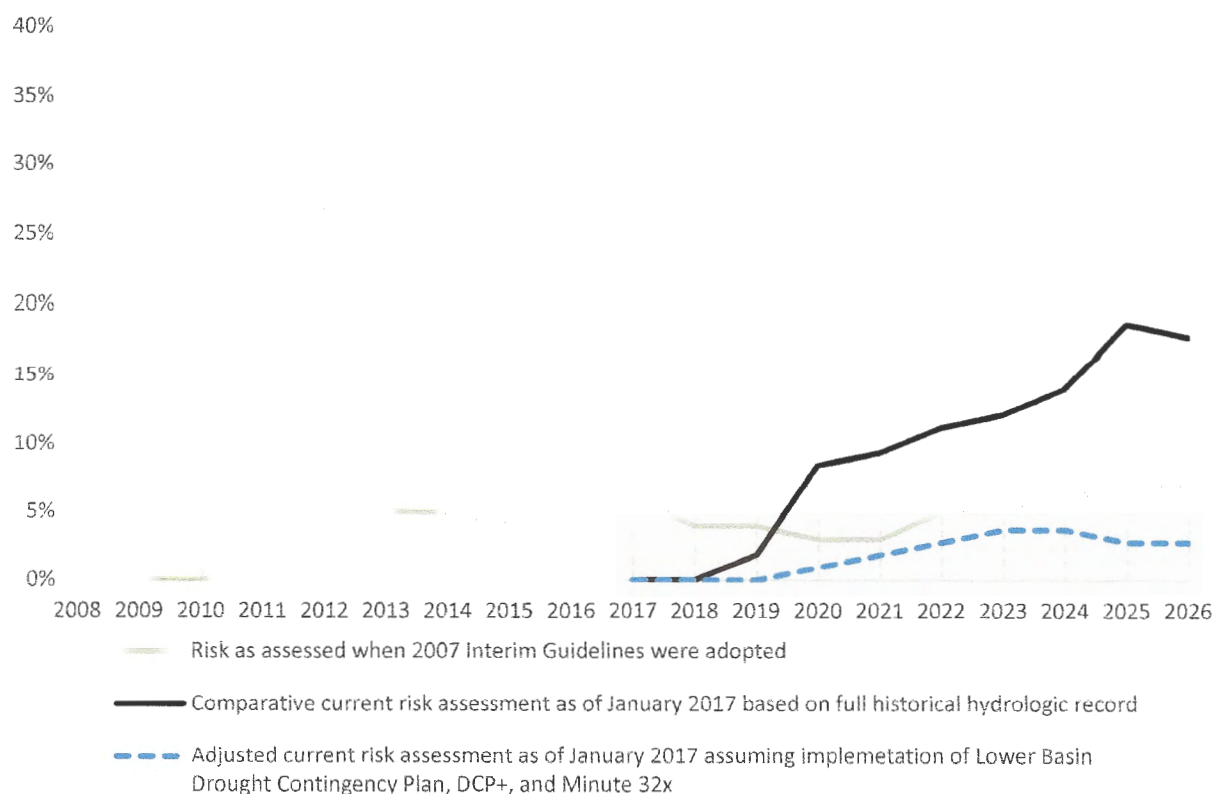


Figure 4 – Change in Risk of Lake Mead Reaching Critically Low Elevations (1,025 ft) from Implementation of Lower Basin Drought Contingency Plan, DCP+, and Minute 32x (Bureau of Reclamation – Lower Colorado Region, 2017)

Sec. 4 Directives.

Through the collaborative efforts set forth in Section 3, water management in the Colorado River basin has been enhanced through the certainty provided through the various agreements, settlements, and programs already established. One specific benefit of these actions has been the active implementation of numerous water conservation and savings projects and actions over the past decade. Since 2008, approximately 1.7 million acre-feet of water has been saved as intentionally created surplus (2007 Guidelines), intentionally created Mexican allocation (Minutes 318-319), and system conservation water (2014 System Conservation Pilot Agreement) by numerous entities in the basin. This water has greatly assisted in increasing the elevation of Lake Mead which has resulted in avoiding the imposition of shortages in the lower basin under the 2007 Guidelines (i.e., projected elevation < 1075' as of January 1st of any year). Not all of these supplies remain in Colorado River reservoirs; however, as the ongoing drought conditions necessitated some of that conserved water being delivered back to the entities responsible for its creation, and in this respect, the conserved water provided an important supplemental supply. Nonetheless, nearly a million acre-feet of additional water remains in Lake Mead, adding approximately 12 to 13 feet in elevation, which is helping to protect against future shortages.

Notwithstanding these substantial conservation efforts, the discussion and figures in Section 3 clearly demonstrate the impact of this last 17-year period on the River and the ongoing substantial risk of Lake Mead reaching critically low elevations. It should also be noted that Minute 319, the current agreement with Mexico, expires as of December 31, 2017. Figure 4 shows that completing and implementing the Drought Response Actions identified in Section 1

of this Order would have a significant positive impact in reducing the risk of Lake Mead falling below the critical elevation of 1025'. Clearly, it is critically important that the progress made towards finalizing the DCP (including the DCP+ Plan), Minute 32x, and the Upper Basin Drought MOA be maintained so that the agreements can be completed and the anticipated synergistic benefits realized as soon as possible. Given the importance of these actions, and the stability they will bring to the long-term management of the Colorado River for the benefit of all parties, as well as the environment, specific actions are being taken concurrent with this Order in support of the Drought Response Actions. In addition, Reclamation is directed to carry out several more actions in support of these efforts:

a. Actions Taken Concurrent with this Order

(1) Reclamation is finalizing an agreement with the Gila River Indian Community ("DCP+ Principles Agreement between the Gila River Indian Community and the United States") to conserve substantial amounts of water within Lake Mead in order to decrease the risk of shortages in the in the next 3 years and to support efforts by the State of Arizona to finalize its DCP+ Plan. As part of this agreement, Reclamation is providing \$6M of FY 2017 funding to immediately acquire system water in furtherance of the ongoing collaboration with other Arizona entities. This activity is consistent with the commitments made by Reclamation in the 2014 Lower Basin MOU.

(2) The Department is signing an addendum to its 2016 Memorandum of Understanding (MOU) by and between the Department and the California Natural Resources Agency (CNRA) Regarding the Coordination of Activities to Manage the Salton Sea. The addendum will strengthen coordinated efforts by CNRA and the Department to address anticipated changes in the Salton Sea's elevation in the face of a changing climate, resource constraints, and the need to build resiliency and certainty in affected tribal and regional communities. These issues are of critical importance to Southern California entities who are key partners in developing, finalizing, and implementing the DCP.

b. Direction to Continue Ongoing Actions

(1) Reclamation will continue its work in support of the ongoing efforts of the Governors' Representatives of the Seven Basin states and the key principals of several water management agencies to finalize the DCP, the framework of which has already been established through ongoing negotiations. That framework addresses key aspects of Reclamation's operation of Lower Colorado River basin facilities, conservation and water storage actions by Arizona, California, and Nevada, and proposed investments by a number of parties. Reclamation's work should include participating in remaining negotiations and actions necessary to finalize agreements and provide information in support of any legislation necessary to implement the final agreements among the parties. In furtherance of this activity, Reclamation will also continue to work with the State of Arizona, affected Indian Tribes and other entities in support of ongoing DCP+ Plan efforts within the State of Arizona;

(2) Reclamation will continue to work with the U.S. and Mexican sections of the International Boundary and Water Commission (IBWC), representatives of the Seven Basin States, and non-governmental organizations to finalize and adopt the suite of actions and agreements that are necessary for finalization of Minute 32x, as developed by the binational minute negotiating group;

(3) Reclamation will continue to work in support of the ongoing efforts of the Governors' Representatives of the seven basin states, the key principals of several water management agencies and other interested stakeholders to develop an Upper Basin MOA; and,

(4) Reclamation will continue to consult with affected Indian tribes in the basin as efforts to complete the Drought Response Actions proceed.

c. Actions in the Event Drought Response Actions Are Not Finalized

Given the significant progress that has already occurred, and the commitment of the seven basin states and other key leaders to finalize the drought response actions, there is a very high probability that this work will be completed in the first half of 2017. If, however, due to unforeseen circumstances, efforts to complete the DCP, DCP+ Plan, Minute 32X, and an Upper Basin MOA are at significant risk of not being completed during this time frame, Reclamation, will prepare for the next Secretary of the Interior, by a date no later than June 30, 2017:

(1) a status report on the state of each of the Drought Response Actions and the prospects for completing in 2017;


(2) an updated assessment of hydrology and the projected risk of reaching critical elevations in Lake Powell and Lake Mead during the 2018-2026 time period, and thereafter recognizing the potential for additional depletions in the Upper Basin in coming decades; and,

(3) an evaluation of options of specific Federal actions that could be initiated or implemented, at the Secretary's discretion, to minimize the risk of reaching critical elevations at Lake Mead and Lake Powell including, but not limited to: (i) Working with the IBWC to engage Mexico on discussions that will ensure that comparable actions are being taken on both sides of the border should it be likely that the Lower Colorado River Basin will be in a shortage situation on or after January 1, 2018; (ii) engaging specific parties to collaboratively increase and prioritize investments in voluntary conservation under existing MOUs in the Upper and Lower Basins and/or related efforts such as the operation of the Yuma Desalting Plant to enhance system water; (iii) undertaking a review of the Secretary's authorities under the Law of the River to implement policies that will reduce depletions in the Lower Basin; (iv) formally initiating a process under the 2007 Interim Guidelines to assess and engage the public in evaluating the risk of reaching critical elevation levels in Lake Mead and Lake Powell and evaluate the alternatives to minimize that risk; and (v) any other appropriate options developed by Reclamation in consultation with the Seven Basin States and other parties in the Basin.

Sec. 5 Implementation: The Assistant Secretary – Water and Science and the Commissioner, Bureau of Reclamation, are responsible for ensuring implementation of this Order.

Sec. 6 Expiration: This Order is effective immediately. It shall remain in effect until its provisions are completed, amended, superseded, or revoked, whichever comes first. In the absence of the foregoing actions, it will terminate on August 1, 2017.

Date: **JAN 18 2016**



Secretary of the Interior



Addendum to the August 31, 2016, Memorandum of Understanding
By and Between
The United States Department of the Interior
and
The State of California Natural Resources Agency
Regarding
The Coordination of Activities to Manage the Salton Sea

Whereas the Parties to the August 31, 2016, Memorandum of Understanding (MOU) have worked assiduously since its adoption to better identify actions and strategies that can further the purposes of the MOU; and

Whereas the Parties wish to ensure that there is a seamless and continuous effort in furtherance of the goals of the MOU during 2017, given the end of the mitigation flows identified in the 2003 Quantification Settlement Agreement (QSA) agreements, the importance of actions to support implementation of existing Colorado River conservation actions, and additional actions that may be taken in light of the ongoing historic drought on the Colorado River.

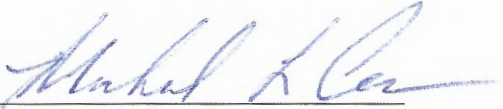
Therefore, the Parties find and agree that it is appropriate to supplement the MOU as follows:

1. The State of California (State) will coordinate with the Joint Powers Authority (JPA) parties to develop and implement a plan to facilitate and expedite use of the remainder of the JPA funds on projects to mitigate air quality impacts from emissions in the Salton Sea area resulting from the implementation of the QSA. The State will advocate, through the existing JPA budget process, for a plan that addresses air quality impacts as early as possible, while also maximizing cost-effective use of the funds to accomplish mitigation of air quality impacts. The State will consider strategies that will expend all the JPA funds by December 31, 2025, but such consideration will not foreclose strategies that extend the use of such funds beyond such date if such an approach is found to be more cost-effective and appropriate.

2. The Parties will comply with all applicable requirements of the Federal Clean Air Act and all implementing rules and regulations in connection with potential air quality emissions from Salton Sea playa lands owned or managed by the Parties that are exposed as a result of decline in elevation of the Salton Sea.
3. The State will adjust current targets for air quality and habitat projects at the Salton Sea when hydrology modeling is completed to reflect updated anticipated rates of exposure.
4. The Parties will coordinate on opportunities for renewable energy and economic development in the Salton Sea area as part of the Phase I - 10 year plan.

Signatures

For the Department of the Interior:



Michael L. Connor
Deputy Secretary

JAN 18 2016

Date

For the State of California:

John Laird
Secretary for Natural Resources

Date



Addendum to the August 31, 2016, Memorandum of Understanding

By and Between

The United States Department of the Interior

and

The State of California Natural Resources Agency

Regarding

The Coordination of Activities to Manage the Salton Sea

Whereas the Parties to the August 31, 2016, Memorandum of Understanding (MOU) have worked assiduously since its adoption to better identify actions and strategies that can further the purposes of the MOU; and

Whereas the Parties wish to ensure that there is a seamless and continuous effort in furtherance of the goals of the MOU during 2017, given the end of the mitigation flows identified in the 2003 Quantification Settlement Agreement (QSA) agreements, the importance of actions to support implementation of existing Colorado River conservation actions, and additional actions that may be taken in light of the ongoing historic drought on the Colorado River.

Therefore, the Parties find and agree that it is appropriate to supplement the MOU as follows:

1. The State of California (State) will coordinate with the Joint Powers Authority (JPA) parties to develop and implement a plan to facilitate and expedite use of the remainder of the JPA funds on projects to mitigate air quality impacts from emissions in the Salton Sea area resulting from the implementation of the QSA. The State will advocate, through the existing JPA budget process, for a plan that addresses air quality impacts as early as possible, while also maximizing cost-effective use of the funds to accomplish mitigation of air quality impacts. The State will consider strategies that will expend all the JPA funds by December 31, 2025, but such consideration will not foreclose strategies that extend the use of such funds beyond such date if such an approach is found to be more cost-effective and appropriate.

2. The Parties will comply with all applicable requirements of the Federal Clean Air Act and all implementing rules and regulations in connection with potential air quality emissions from Salton Sea playa lands owned or managed by the Parties that are exposed as a result of decline in elevation of the Salton Sea.
3. The State will adjust current targets for air quality and habitat projects at the Salton Sea when hydrology modeling is completed to reflect updated anticipated rates of exposure.
4. The Parties will coordinate on opportunities for renewable energy and economic development in the Salton Sea area as part of the Phase I - 10 year plan.

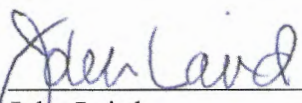
Signatures

For the Department of the Interior:

Michael L. Connor
Deputy Secretary

Date

For the State of California:



John Laird
Secretary for Natural Resources

January 18, 2017
Date