



Salton Sea Authority Board of Directors Meeting

Thursday, January 23, 2020
10:00 a.m.

Imperial Irrigation District
Bill Condit Auditorium
1285 Broadway Avenue
El Centro, CA 92243
(760) 482-9618

Corrected Agenda



AGENDA: BOARD OF DIRECTORS MEETING
DATE: Thursday, January 23, 2020
10:00 a.m.
LOCATION: Imperial Irrigation District
Bill Condit Auditorium
1285 Broadway Avenue
El Centro, CA 92243
(760) 482-9618

The following directors will be attending via video/teleconference from:

SSA Director Jeff Hewitt
County Administrative Center
4080 Lemon Street, 5th floor
Conference Room D
Riverside, CA 92501
Ph: (951) 955-9500

SSA Director V. Manuel Perez
Riverside County District 4 Office
73710 Fred Waring Drive
Suite 222
Palm Desert, CA 92260
Ph: (760) 863-8211

SSA Director Altrena Santillanes
Torres Martinez Desert Cahuilla Indians
66725 Martinez Road
Thermal, CA 92274
Ph: (760) 397-0300

I. CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

II. 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 Public Comments time is reserved for matters not already on the agenda. The law prohibits members of the Board from taking action on matters not on the agenda.***

Citizens are invited to speak on any item listed in the agenda upon presentation of that item.

Remarks shall be limited to a maximum of three (3) minutes unless additional time is authorized by the Board.

III. BOARD MEMBER COMMENTS

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

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

- A. Minutes of December 19, 2019
- B. Warrant Register Ratification for December 2019
- C. Internal Financial Report for: 7/01/2019 – 11/30/2019

Corrected Agenda

V. DISCUSSION

- A. CNRA Commitments to Salton Sea in coordination and consultation with the Salton Sea Authority – Arturo Delgado, Assistant Secretary for the Salton Sea Policy

VI. PRESENTATIONS

- A. Update: Lithium Development at the Salton Sea – (Johnathan M. Weisgall, Berkshire Hathaway Energy)

VII. ACTION ITEMS

- A. Consideration of SSA Board support for Lithium Recovery Initiative proposal from Berkshire Hathaway Energy
- B. Consideration of SSA Board support for Desert Shores Harbor refill efforts

VIII. REPORTS

- A. General Manager’s Report on Activities – (Phil Rosentrater, GM/Executive Director, Salton Sea Authority)
- B. Standing Reports from Federal and State Partners
 - 1. FEDERAL:
 - a) US Bureau of Reclamation – (Genevieve Johnson, Program Manager for the Salton Sea)
 - 2. STATE:
 - a) Salton Sea Management Program – (Arturo Delgado, Assistant Secretary for the Salton Sea Policy)
- (Corrected numbering:)
- C. Salton Sea State Recreation Area Update on Activities – (Steve Quartieri, Acting District Superintendent, California State Parks)
- D. Salton Sea Action Committee – (Juan DeLara, President)

IX. ADJOURNMENT

NEXT MEETING TIME & LOCATION:

The regularly scheduled meeting will be held

Thursday, February 20

10:00 a.m.

Coachella Valley Water District

Steve Robbins Administrative Building

75515 Hovley Lane East

Palm Desert, CA 92260

(760) 398-2651

Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection in the lobby at the front desk of the County Law Building located at 82995 Highway 111, Indio, CA 92201.



OFFICIAL PROCEEDINGS
SALTON SEA AUTHORITY
BOARD OF DIRECTORS MEETING
December 19, 2019

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 Director Cardenas, Vice President, at 10:26 a.m., December 19, 2019 at the Coachella Valley Water District, Steve Robbins Administration Building, 75515 Hovley Lane East, Palm Desert, CA 92260, (760) 398-2651

PLEDGE OF ALLEGIANCE

Matt Dessert, Imperial County Air Pollution Control District led the Pledge of Allegiance

ROLL CALL:

DIRECTORS PRESENT

Alex Cardenas, Vice President
Luis A. Plancarte, Secretary
V. Manuel Perez, Treasurer
James C. Hanks, Director
G. Patrick O’Dowd, Director
Altrena Santillanes, Director

AGENCY

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

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.

DIRECTORS ABSENT

Cástulo R. Estrada, President
Ryan E. Kelley, Director
Thomas Tortez, President
Jeff Hewitt, Director

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

SALTON SEA AUTHORITY STAFF PRESENT

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

MEMBERS OF THE PUBLIC PRESENT

Sylvia Montenegro
Chuck Parker
Miguel Romero
Kristen Nelson
Nikola Lakic
Matt Dessert
Phil Cruver
Robert Mueller
Stone James
Vickie Doyle
Sharon & Alex Peria
Linda Salas
Katie Burnworth
Matt Dessert
Joy Silver
Patricia Reys
Susan St. Lewis
Bob Ballard
Nicollette Daniel
Debra Williams
Velma Pacrem
Patricia Leal
Helene Armand
Gary Lockyer
Suzie Earp
Eleanor Barker
Hans Ewoldsen
Frances & Bob Miller
Udo Strutynski
Rita Lamb
Loren & Darlene Ness
Pat Cooper
Steve Brooks
L. Garcia
Esmerelda Perez

AGENCY

Salton Sea Restoration
Salton Sea Coalition
Assemblymember Eduardo Garcia
City of Indian Wells
GeoThermal Worldwide, Inc
Imperial County Air Pollution Control
BioEconomy Entrepreneur
Rancho Mirage
Cathedral City
IID

Advocate
Imperial County Air Pollution Control
Imperial County Air Pollution Control

Friend of Salton Sea
Courageous Persistence
Courageous Persistence
Courageous Persistence
Higher Ground, International
Friend of Salton Sea
ECV/Alianza
Property Owner
Property Owner
Cal State SB/WRI
Student-California Lutheran University

Property Owner
Citizen
Cathedral City Council
P.O.A. Desert Shores
Supervisor Perez
Resident
Salton Sea Coalition
Supervisor Perez

II. BOARD MEMBER COMMENTS

- A. Director O’Dowd attended the SSMP in Mecca. He found it to be very informative and commends the State in getting this out to the communities. He looks forward to hearing their presentation today.
- B. Director Perez was going to present a proclamation to Bruce Wilcox on behalf of the County of Riverside, but Bruce was not in the audience. He stated that Bruce has been in this struggle and fight for a long time and wanted to make sure that he was recognized for the work he has done.

III. PUBLIC COMMENTS

- A. Mr. Parker is commenting on agenda item #6 and asked if he should speak now or wait. Director Cardenas asked that they wait to defer to that item.
- B. Sylvia Montenegro, spoke about the sense of urgency of the impacts of asthma in the surrounding communities.
- C. Mr. Terry, commenting on agenda item #6, asked if he should speak now or wait. Director Cardenas asked that they wait to defer to that item.
- D. Mr. Lakic requested to be invited back to the board to continue his presentation from prior board meeting. Director Cardenas will refer this consideration to Chairman Estrada.
- E. Linda Salas asked the board why presentations on water importation proposals to the State are not addressed in SSA board meetings. Director Cardenas will defer to Chairman Estrada regarding a future presentation.
- F. Kerry Morrison requested formal letter of support for phase 1 restoration of the West Shores starting at Desert Shores. He also mentioned that they will be having their 5th Annual Earth Day event at Desert Shores, April 25. Director Cardenas asked Mr. Rosentrater if he could address the letter of support during his report to the board.
- G. Matt Dessert stood up and commented that is has been a busy past 5 days, the County of Imperial and the Air Pollution District had 3 community meetings in Bombay Beach, Mecca and Salton City in regard to the Salton Sea Plan.
- H. Susan St Louis spoke in favor of ocean water import and urged action now.
- I. Carlene Ness Honorary Mayor of Salton City spoke of losses in real estate value due to the declining Sea and requested support for Desert Shores Phase 1.
- J. Robert Mueller, spoke in favor of ocean water import.
- K. Stone James, representing the City of Cathedral City. Stated that the city recognizes that there is an issue with the Salton Sea and the city council is in support of an immediate resolution.

Director Hanks brought this up a couple of years ago and would like to bring to the board's attention again. He feels that the board comments should come after the public comments so that he or the board can respond back. Director Hanks asked if he could respond to the public comments now and Director Cardenas said yes, if it was ok with the board.

Director O'Dowd responded back asking if it would be ok with counsel, and whether it presents Brown Act issues.

Bob Hargreaves, Best Best & Krieger responded back and said that the Brown Act discourages or prohibits prolong discussions on items that are not on the agenda. If the public wants to go into detail on an item, it can be added to a future meeting agenda. Brief responses are fine.

Hanks referred to General Manager, Phil Rosentrater that the following be addressed on the next agenda.

1. Sea to Sea water import.
2. Status of proposals to provide water frontage for all communities.
3. Perimeter Lake review and update

IV. CONSENT CALENDAR – Receive, Approve, and File

- A. Minutes of October 24,2019
- B. Minutes of November 20, 2019
- C. Warrant Register Ratification for October 2019
- D. Warrant Register Ratification for November 2019
- E. Internal Financial Report for: 7/01/2018 – 10/31/2019

*Director Hanks **moved** that the Consent Calendar be approved. **Seconded** by Director Perez.*

Director Plancarte, prior to approval requested that the minutes from both the October and November meetings be updated with the Board Member rolls to reflect current assignments.

*GM, Phil Rosentrater, responded **Duly noted**.*

*Director Hanks **amended** the motion to reflect that change. **Seconded** by Director Perez. **Unanimously carried**.*

V. PRESENTATIONS

- A. Pre-Qualified bidding process – Matt Schroder, Gordian, Sourcewell ezIQC gave a presentation on a procurement tool, ezIQC, which is utilized through a co-op formerly known as National Joint Powers Alliance. They have over 50K members in the U.S. and over 4 thousand members in California. Sourcewell creates national cooperative contract purchasing opportunities and solutions on behalf of its members which include all government, education and non-profit agencies nationwide. These cooperative contract purchasing opportunities can achieve time and money savings for their users by consolidating numerous individually prepared solicitations to one cooperatively shared process and by the aggregation of demand from members nationwide

Director Hanks asked if SSA follows the Davis-Bacon Act.

Legal Counsel Bob Hargreaves responded: yes.

Director Perez asked GM/Exec Director Phil Rosentrater if this was useful for SSA.

GM/ Exec Director Rosentrater responded, “we see this as an advantageous tool in the future. Our concern is to gain time, savings and potentially cost savings and to make sure we are compliant in all respects. With a fairly skinny staff at the SSA we

are looking for additional opportunities to tap into resources that offer efficient service delivery without creating additional burden long term for the SSA.”

Perez suggested that staff take a closer look at this in the next 6 months. Maybe useful sooner than later.

- B. Strategic Planning review and report – Debra Williams, President, Higher Ground International gave an update on the Salton Sea Authority Strategic Planning Session that was held on November 20, 2019. The board complimented the staff and facilitators for a successful start of this process and supported to effort to move forward with strategic planning.
- C. WRI Archives: Salton Basin Maps – Water Resources Institute - Suzie Earp, Director and Archivist – presented maps from 1899 to present of the Salton Sea.

VI. ACTION ITEMS

A. Legislative Platform Ratification

GM/Executive Director Rosentrater introduced the 2020 Draft Legislation platform for both State and Federal. The platform builds on the highly successful SSA platform approved by the SSA board and executed by staff and consultants in the prior year based on unified and coordinated efforts among Salton Sea member agencies.

Director Hanks called attention to the following SSA draft Legislative Platform language as it offers a unified path for all stakeholders to cooperate effectively in addressing state obligations, federal liabilities and local needs:

“Coupled with the SSMP is a stipulated State Water Board Order between the State and the parties of the QSA establishing accountable performance to implement the SSMP. The SSA, along with every county, city, water agency and tribe in the Salton Basin, are united in supporting a Perimeter Lake strategy that will accomplish all of these State obligations in a manner that builds opportunity for economic development that can help sustain a healthier, more prosperous Sea.”

Director Perez asked that Chuck Parker comment on water import as a potential addendum to the SSA platform. Mr. Parker stated that nearly eight cities have supported a resolution to import water. Perez recommended approval of the platform now and inviting the state to share information gathered about water import and ask the State when they plan to take action.

GM/ exec Director Rosentrater stated the SSA board could adopt a platform for this meeting and include the water addendum as an amendment in a subsequent meeting. Director Cardenas made a motion to move item #8 to the next meeting.

Director Perez so moved. Seconded by Director O’Dowd. Unanimously carried.

B. Amendments to SSA Procurement Policy

GM/Executive Director Rosentrater introduced this item. As a JPA, SSA has broad authorities that are vested in its member agencies. The SSA purchasing

policies and JPA structures are modeled after the authorities established member agency CVWD.

Director Cardenas made a motion to approve the Amendments to the SSA Procurement.

Director Santillanes so moved. Seconded by Director Plancarte. Unanimously carried.

C. Consideration of Resolution of Support for Imperial County Declaration of Local Emergency at the Salton Sea

GM/Executive Director Rosentrater introduced this item.

Mr. Parker. Spoke in favor of the Emergency Declaration, adding that Ocean Water is the best way to control the air pollution.

Director Perez of the County of Riverside and Director Santillanes of Torres Martinez Desert Cahuilla Indians stated support for the Emergency Declaration.

Director Cardenas asked GM/Exec Director Rosentrater about the New River and would it be in support of this declaration.

GM/exec Director Rosentrater responded that SSA requested language from Imperial County after the Strategic meeting to draft the Resolution and as a point of unity, SSA included the Perimeter Lake as a set of solutions that can be enacted now to help solve the Emergency. New language on the New River can be incorporated if that is the boards desire.

Director Cardenas asked if the board would like to add the new language to support the declaration of the New River.

Director O'Dowd responded that this matter has not been addressed by the CVWD board but as a member of the Salton Sea Authority he did review and have raised some questions and concerns. The issue is that this Declaration may cause confusions and concerns by disproportionately prioritizing projects at the Sea. O'Dowd stated he is comfortable in supporting this if the SSA is not misdirecting all the problems around the Sea as a result.

Director Perez asked if SSA had received any response back from DWR or Natural Resources. GM Rosentrater responded that no official response has been received.

Director Cardenas thanked the SSA, this is a very critical item and thanked the community for all their advocacy efforts.

Chairman Cardenas invited a motion to approve.

Director Plancarte so moved. Seconded by Director Hanks. Unanimously carried.

VII. REPORTS

A. General Manager's Report on Activities

Phil Rosentrater, GM/Executive Director of the Salton Sea Authority, included in the agenda packet a written report on activities conducted on behalf of Salton Sea Authority since the last meeting.

In addition, he responded back to Vice Chair's request on the status of the Desert Shore for their support on their project. SSA has held the letter pending response from the board. This project is in development, there is a legal agreement that needs to be worked out between Imperial County people and their staff. Resources Agency does not appear to have adopted the project yet as part of the SSMP. SSA will be able to consider action as long as it is duly noticed within the Brown Act Laws and with full input from the State.

B. Standing Reports from Federal and State Partners

1. FEDERAL:

a) US Bureau of Reclamation (BOR)

Genevieve Johnson, BOR's Program Manager for the Salton Sea, reported that SSA GM Rosentrater has most of the updates on the projects that we have been working on with the SSA. Hopefully we will have the Federal Budgets approved soon and we can update you at the next meeting.

2. STATE:

a) Salton Sea Management Program – (Arturo Delgado, Assistant Secretary for Salton Sea Policy). Arturo Delgado, Assistant Secretary for Salton Sea Policy, introduced himself and that this is his first SSA meeting since being sworn in at the beginning of October. He gave an update on the recent public meetings and is aware that the public is generally frustrated at the lack of progress at the Salton Sea. His goal is to move the projects forward and at the end of the day trying to address the very serious air quality issues that are down there. With the help of the Army Corp of Engineers they have entered an agreement to dedicate their staff to streamline the environmental review process.

He also gave an SSMP overview of the Planning and Timelines

- 1. Species Conservation Habitat, with an estimated time of completion for the end of 2023.**
- 2. SSMP Dust Suppression Bruchard Road Project, estimated time of completion in the coming weeks.**
- 3. SSMP 10-Year Planning National Environmental Policy Act (NEPA)**
 - Winter 2019/2020 - Public Scoping**
 - Summer/Fall – Release Draft NEPA document**
 - Winter Spring 2021 – Finalize NEPA Document and Printing**

- b) Lisa Moore commented to Arturo that in regards to the dust suppression program, a number of provisions that the SSA secured and supported are in the Farm Bill, would marry quite well with that type of work and SSA would be interested to work with the State to bring those Federal resources to accomplish objectives shared by the SSA, state and federal partners.
- C. Salton Sea State Recreation Area Update on Activities – (Steve Quartieri, Acting District Superintendent, California State Parks) – Steve was not able to attend, due to being ill.
- D. Salton Sea Action Committee – (Juan DeLara, President), Chuck Tobin spoke on behalf of Juan DeLara. The Salton Sea Summit was a success. UCR is doing a 5 lecture series in 2020. UCR has an intensive research program on dust, compensation of the water and any changes at the Salton Sea. USC is also stepping up with more of a similar research program. Chuck asked if the SSA could invite them to speak at a future meeting.

There has been a lot of discussion with the public of whether the Perimeter Lake is part of the 10-Year Plan or not. Director Cardenas asked that GM/Executive Director Rosentrater clarify this at the next meeting.

Additional Public Comments were made in regards to item #6 by Sylvia Montenegro, Kerry Morrison, Mr. Lakic and Matt Dessert.

VIII. ADJOURNMENT

There being no further business, Director Cardenas adjourned the meeting at 1:05 p.m.

NEXT MEETING TIME & LOCATION:

The regularly-scheduled meeting will be held

Thursday, January 23, 2020

10:00 a.m.

Imperial Irrigation District

Bill Condit Auditorium

1285 Broadway Avenue

El Centro, CA 92243

(760) 482-9618

Checking Account Activity

December 1, 2019 through December 31, 2019



Warrant Date	Warrant Number	Vendor Name	Amount
		Beginning Cash	\$ 730,634.54
12/12/2019	1040	Petty Cash	(168.77)
12/16/2019	EFT	AMEX	(3,930.96)
12/16/2019	EFT	Rabobank Visa	(988.12)
12/16/2019	EFT	Pitney Bowes	(88.09)
12/17/2019	1041	Best, Best & Krieger	(2,585.43)
12/17/2019	1042	Cultivating Conservation	(5,019.40)
12/17/2019	1043	VOID	-
12/17/2019	1044	OfficeTeam	(5,454.00)
12/17/2019	1045	Platinum Consulting Group LLC	(7,633.32)
12/17/2019	1046	Printer Copier Guys	(602.91)
12/17/2019	1047	Rosentrater, Phil	(606.10)
12/17/2019	1048	SystemGo IT LLC	(699.50)
12/17/2019	1049	VOID	-
12/17/2019	1050	Higher Ground International	(2,812.50)
12/17/2019	1051	V John White & Associates	(598.18)
12/18/2019	1052	V John White & Associates	(4,000.00)
12/26/2019	EFT	Verizon Wireless	(267.97)
		Net Activity	(35,455.25)
		Ending Cash	\$ 695,179.29

Salton Sea Authority
Statement of Revenues, Expenditures, and Fund Balance
(Unaudited)

Year to Date through November 30, 2019

	General Fund	Wetlands 2	NSBYC Grant	TOTAL
1 INCOME				
2 Local Government/Member Assessments	\$ 610,000	\$ -	\$ -	\$ 610,000
3 Grant Funding	-	-	-	-
4 State of California Grants	-	-	-	-
5 Pooled Cash Allocated Interest	1,508	-	-	1,508
6 Miscellaneous Revenue	356	-	-	356
7 TOTAL INCOME	611,864	-	-	611,864
8 EXPENSE				
9 SSA Administration				
10 Salaries				
11 Salaries - GM / Executive Director	44,169	-	901	45,071
12 Grant Support	40,035	-	-	40,035
13 Admin Support A	19,940	-	63	20,002
14 Admin Support B	12,846	-	-	12,846
15 Total Salaries	116,991	-	964	117,955
16 Employee Benefits				
17 Employee Benefits - GM / Exec. Dir.	13,460	-	270	13,730
18 Employee Benefits - Other SSA Staff	20,021	-	35	20,056
19 Total Employee Benefits	33,481	-	305	33,786
20 Audit/Accounting	7,806	-	-	7,806
21 Contract Attorney	13,288	-	-	13,288
22 Equipment Maintenance	2,798	-	-	2,798
23 Capital Equipment	-	-	-	-
24 Equipment Lease	-	-	-	-
25 Insurance	3,894	-	-	3,894
26 Office Exp/Operating Supplies	851	-	-	851
27 Office Exp/Online Services	677	-	-	677
28 Postage, Mail	226	-	-	226
29 Printing Services	-	-	-	-
30 Dues, Subscriptions	6,165	-	-	6,165
31 Communications	1,685	-	-	1,685
32 Travel/Mileage	37,028	-	-	37,028
33 Technical Support - Consultant	-	-	-	-
34 Technical Support - Engineering	-	-	-	-
35 Technical Support - General	-	-	-	-
36 Contract Svc / Website	-	-	-	-
37 Technical Support - Enviromental	-	-	-	-
38 Technical Support - Fiscal	-	-	-	-

Salton Sea Authority
Statement of Revenues, Expenditures, and Fund Balance
(Unaudited)

Year to Date through November 30, 2019

	General Fund	Wetlands 2	NSBYC Grant	TOTAL
39 Communications & Outreach	1,500	-	-	1,500
40 Utilities	-	-	-	-
41 Grants & Advocacy	55,325	-	-	55,325
42 Project Manager	-	-	-	-
43 Total SSA Administration	281,713	-	1,269	282,982
44 Wetlands Grant Administration				
45 Contract Svcs/Attorney	-	114	-	114
47 Total Wetlands Grant Administration	-	114	-	114
48 Wetlands Grant Technical				
49 Contract Svcs/LCP	-	-	-	-
50 Contract Svcs/Construction	-	-	-	-
51 Transfer In/Out Grant Administration	3,724	-	-	3,724
52 Total Wetlands Grant Technical	3,724	-	-	3,724
53 TOTAL EXPENSE	285,437	114	1,269	286,820
54 NET INCOME	\$ 326,427	\$ (114)	\$ (1,269)	\$ 325,044

**No assurance is provided on these financial statements. The financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the U.S. are not included.*

Salton Sea Authority
Balance Sheets
(Unaudited)

As of November 30, 2019

	General Fund	Wetlands 2	702 Fish Clean Up Trust	NSBYC Grant	TOTAL
1 ASSETS					
2 Local Government/Member Assessments					
3 Checking/Savings					
4 Cash - PW Checking	712,564	(2,920)	20,991	-	730,635
5 Cash - RivCo Fund	35,240	-	-	(97)	35,142
6 RivCo investment fund	4,115	-	-	-	4,115
7 Cash - Petty Cash	321	-	-	-	321
8 Total Checking/Savings	752,239	(2,920)	20,991	(97)	770,213
9 Other Current Assets					
10 Prepaid Items	6,238	-	-	-	6,238
11 Total Other Current Assets	6,238	-	-	-	6,238
12 TOTAL ASSETS	758,477	(2,920)	20,991	(97)	776,451
13 LIABILITIES & EQUITY					
14 Liabilities					
15 Current Liabilities					
16 Accounts Payable	15,570	-	-	1,172	16,742
17 Credit Cards					
18 Credit Card Payable (Visa)	942	-	-	-	942
19 Credit Card Payable (AE)	15,565	-	-	-	15,565
20 Total Credit Cards	3,741	-	-	-	3,741
21 Other Current Liabilities					
22 Accrued Expenditures	12,500	-	-	-	12,500
23 Accrued Payroll	3,685	-	-	-	3,685
24 Accrued Vacation	6,852	-	-	-	6,852
25 Total Other Current Liabilities	23,037	-	-	-	23,037
26 Total Current Liabilities	42,348	-	-	1,172	43,520
27 Total Liabilities	42,348	-	-	1,172	43,520
28 Equity					
29 Fund Balance	389,702	(2,806)	20,991	-	407,887
30 Net Income	326,427	(114)	-	(1,269)	325,044
31 Total Equity	716,129	(2,920)	20,991	(1,269)	732,931
32 TOTAL LIABILITIES & EQUITY	\$ 758,477	\$ (2,920)	\$ 20,991	\$ (97)	\$ 776,451

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: January 23, 2020
Re: Discussion of CNRA commitments to Salton Sea revitalization in coordination and consultation with SSA
CM No. V.A – 01-23-2020

BACKGROUND:

In keeping with state law (AB 71), SSA is pursuing cooperation and consultation with the California Natural Resources Agency (CNRA), to implement the SSMP Revitalization Plan for the Salton Sea as defined in the 10-Year Plan.

The SSA Board of Directors at its December 2019 meeting approved a state legislative platform consistent with board-adopted Guiding Principles, as well as a Resolution supporting Imperial County Declarations of Emergency.

Subsequent to those actions, state officials responded to the Emergency Declaration and also released a draft state budget that warrant further discussion between the CNRA and members of the SSA. In addition, SSA board members at the December 2019 board meeting raised questions regarding state positions and commitments on various issues of concern to the SSA. Accordingly, the January 2020 SSA board agenda affords additional special focus on this conversation in order to ensure all parties maximize opportunities to work productively together as 2020 begins.

In preparation for the deeper discussions, SSA staff and consultants initiated discussion with counterparts at CNRA on January 7 to affirm the priorities in the SSA Board-approved state legislative platform with particular focus on the state budget commitments necessary to move SSMP projects forward. SSA remains committed to working with CNRA in a manner consistent with SSA board-approved priorities that are outlined in the SSA board-approved resolutions supporting the Perimeter Lake and subsequent urgency items in the SSA Resolution supporting Imperial County's Emergency Declarations. Earlier that day, the State Secretaries for Natural Resources and Environment jointly responded to Imperial County officials regarding the State's position on Emergency Declaration. A copy of that response is attached to this report. Follow up staff discussion focused on state commitments of \$220 million to address these issues with suggestion from CNRA that SSA develop an MOU for purposes of defining SSA/State roles and responsibilities in drawdown and expenditure of state funding.

The SSA appreciates and is thankful for a pledge in the Governor's Climate budget for future bond allocation of \$220 Million to address critically important needs and state obligations and the Sea. SSA Board adoption in Dec 2019 of a Resolution in support of an Emergency Declaration by Imperial County raises concern that the state's response to the emergency declarations calling for immediate action at the Sea is to provide funding deferred by at least two years. Bond proposed for passage November 2020, but dollars won't be appropriated and made available until the following year's budget cycle in 2021.

In accord with SSA Board direction, SSA has engaged with CNRA to develop guidance regarding the process for defining projects eligible for state funding (\$30 Million) designated to the SSA for direct oversight role in implementing SSMP projects, including \$10 million designated to improvements on the New River. The draft Governor's budget would allocate \$18 Million for New River projects but is silent on appropriations for SSMP priorities.

Given the centrality of state role in partnering with the SSA to resolve these issues and concerns, staff for SSA and CNRA discussed the value of raising the profile of CNRA staff participation in SSA board meetings to a level more prominent than the current Standing Report for state and federal representatives that was established in consultation between SSA and CNRA and BOR (respectively), and subsequently ratified by SSA board.

As previously noted, SSA Directors also raised issues in the December 2019 board meeting that require state coordination of information and consultation on next steps for implementation of the SSMP's immediate, intermediate, and long term components.

The SSA Board has also requested an exact accounting of the new positions to be filled at DWR/CNRA for support of SSMP and the budget for build-out of the state roster.

RECOMMENDED DISCUSSION POINTS:

The Salton Sea Authority staff has invited CNRA staff to address the SSA board areas of interest in a discussion of state commitments to the Salton Sea in recognition of the state law (AB 71) requirement for CNRA to develop Salton Sea revitalization plans and projects "*in coordination and consultation with the Salton Sea Authority*".

SSA has offered CNRA staff expanded opportunity on the January 2020 SSA Board agenda for presentation/report/ discussion as may be necessary to help the SSA Board understand state positions in respect to the following items that have been broached by the State officials and SSA Directors in previous meetings:

- 1) State response to Emergency Declaration -- specific follow up actions to be taken in harmony with the state response letter to Imperial County and how these actions relate to implementation of the SSMP;

- 2) State budget commitment to the SSMP – Administration’s commitments involving general fund allocations to Sea projects (including but not limited to SCH, New River cleanup, Sea access restoration and Northern Perimeter Lake), particularly the timing and priorities for expending existing and proposed bond funding, especially the immediate drawdown of Prop 68 funding approved by voters for SSA activities to complement CNRA actions;
- 3) Status of Northern Perimeter Lake in the development of the SSMP 10-Year Plan.
- 4) Status of dust control projects in coordination with local and regional AQ agencies; and,
- 5) Status of state process for Long Range plans and projects, especially evaluations of water import proposals.

Respectfully submitted,

Phil Rosentrater
GM/Executive Director

January 6, 2020

The Honorable Ryan E. Kelley
Imperial County Board of Supervisors
940 West Main Street, Suite 209
El Centro, CA 92243

Subject: Response to Letter of November 4, 2019 to Governor Gavin Newsom

Dear Chairman Kelley:

We are writing in response to the County of Imperial's November 4, 2019 letter to Governor Gavin Newsom identifying specific resource and equipment needs related to the county's Proclamation of Local Emergency for Air Pollution at the Salton Sea.

Our agencies agree that the receding Salton Sea poses an urgent public health challenge for communities surrounding the Sea that already suffer from poor air quality. We are actively discussing with the Governor's Office of Emergency Services (State OES) the possibility of securing hazard mitigation funding for the county's resource and equipment needs and encourage you to continue your dialogue with the State OES.

We are pleased to inform you that Governor Newsom's proposed 2020-21 budget to be released later this week will add to the State's commitment to improving conditions at the Sea by proposing an additional \$220 million for the Salton Sea Management Program (SSMP). This proposed funding would bring the State's total financial commitment to \$891 million for important work at the Salton Sea in the near future.

Since taking office, Governor Newsom has directed us to break through bureaucratic barriers that have hampered progress stabilizing conditions at the Sea. State agencies are advancing several projects outlined in the 10-Year SSMP, which will improve conditions by constructing 30,000 acres of dust suppression and habitat projects around the sea. The State has already started the federally-required National Environmental Policy Act (NEPA) environmental planning process for the SSMP that will facilitate permitting for the full 30,000 acres of SSMP projects. This work will start to show results in coming months as important projects break ground.

State agencies have worked with the Imperial Irrigation District (IID) to move beyond years of stalled progress on complete site access and water supply agreements that allow for the 3,770-acre Species Conservation Habitat (SCH) project at the southern end of the Sea to move forward. These agreements will serve as a template for future projects at the Sea. A design-build contractor for the SCH project will be selected this coming summer, and the project will break ground shortly thereafter.

Concurrent with this large project, state agencies are working intensely to accelerate dust suppression projects that limit the exposed lakebed from worsening existing dust

and contaminants in the air around the Sea. In coming weeks, a dust mitigation project will be completed at the southern end of the Sea that involves tilling to create furrows on the surface of exposed playa on 150 to 200 acres along Bruchard Road to physically trap dust and soil particles that enter the area from upwind sources. We are also accelerating planning and approvals that enable another 9,000 acres of dust suppression projects to be built in areas of the receding sea that are most emissive. These dust suppression projects will begin breaking ground this year. Looking forward, our agencies are developing a Dust Suppression Action Plan to prioritize and implement dust suppression projects over a three-year period in coordination with local, state, and federal partners and stakeholders.

Additional near-term priorities for Salton Sea improvements include:

- Working with local partners to further refine and incorporate the North Lake project concept into the SSMP. The concept envisions construction of a 3,680-acre horseshoe-shaped lake at the north end of the Sea to control dust and create habitat for fish and birds.
- Providing funding support for the Red Hill Bay project, which is constructing 530 acres of shallow wetland habitat to reduce dust on exposed playa and benefit various bird species on the southern end of the Sea.
- Establishing a unified website for information on state actions at the Salton Sea and distributing a regular electronic newsletter with updates.
- Continuing to add capacity to the state team focused on Salton Sea projects, building from the Governor's recent appointment of Arturo Delgado as Assistant Secretary for Salton Sea Policy at the California Natural Resources Agency.

The State is also committed to addressing a range of other factors that are primarily responsible for current air quality challenges including soot from sources in Mexico, unmitigated dirt roads and open lots, agricultural burning, and particulate matter from diesel trucks. Accordingly, we are committed to working with the Imperial County Air Pollution Control District and the South Coast Air Quality Management District, which have primary authority to reduce dust sources near the Sea. The California Environmental Protection Agency is coordinating with our counterparts in the federal government and Mexico to reduce the impacts of pollution coming across the border. In addition, the California Air Resources Board, in coordination with transportation agencies and others, is moving aggressively to reduce pollution from trucks that move freight through the region.

In addition, air quality monitoring data in 2017 and 2018 indicates that dunes to the west of the Salton Sea currently generate many times more wind-driven emissions of particulate matter than exposed playa at the Sea. We are committed to working with others to address these conditions in any feasible way in parallel with actions to mitigate dust from exposed playa.

In addition to air quality mitigation projects underway by parties as part of the Quantification Settlement Agreement, state agencies have undertaken the following actions:

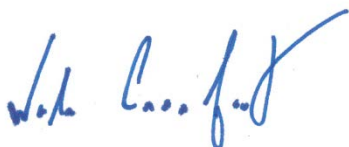
- Designed the Salton Sea shoreline air monitoring network consisting of six sites operated by IID that provides publicly available hourly particulate matter air quality data.
- Provided \$270,000 in grant funding to Imperial County Air Pollution Control District and IID to measure desert soil emissivity and quantify the levels of toxic metals in windblown playa dust.
- Identified emissions and controls for exposed playa for the Ecosystem Restoration Program.
- Designed a Compliance Monitoring Plan for use by the California Department of Water Resources (DWR) in constructing and maintaining playa dust control projects.
- Provided \$185,000 in grant funding and technical support for IVAN air monitoring network operated by Comité Cívico del Valle's IVAN network in Imperial Valley and Coachella Valley.

Finally, your November 4 letter requested the State undertake an epidemiological health study. We are glad to report that a study funded by the National Institute of Health is currently underway to determine the health effects of childhood exposure to particulate matter and inform public health action in the Imperial Valley. "The Salton Sea and Children's Health: Assessing Imperial Valley Respiratory Health and the Environment" study is being completed by researchers from the University of Southern California and the University of Washington in coordination with the California Department of Public Health. More information about the study is available at <https://www.niehs.nih.gov/research/supported/translational/peph/prog/rta/cfg/usc/index.cfm>.

As outlined above, significant work is underway to address the concerns outlined in your letter, and more will be done in the future. The State intends to remain an active and committed partner with Imperial County and other local and federal agencies in addressing Salton Sea-related air quality challenges.

We look forward to continued collaboration and communication with Imperial County, the Salton Sea Authority and other local partners in the future. Please work directly with Assistant Secretary for Salton Sea Policy Arturo Delgado as the State agencies' key local leader on this work. He can be reached at Arturo.delgado@resources.ca.gov.

Sincerely,



Wade Crowfoot
Secretary for Natural Resources



Jared Blumenfeld
Secretary for Environmental Protection

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: January 23, 2020
Re: Consideration of SSA Board support for Lithium Recovery Initiative Proposal
CM No. VII.A – 01-23-2020

BACKGROUND:

The Salton Sea Authority (SSA) legislative platform and numerous policy positions adopted by the board in the past five years has consistently endorsed development of renewable energy and strategic mineral extraction as important components of a strategy to create a healthier and more prosperous Salton Sea.

The California Energy Commission, and agency operating under auspices of the CNRA, has recognized the value of strategic mineral resources in the geothermal brines that may be developed in a manner that helps the SSA and its member agencies develop resources and revenue streams that can become part of the future for a better Salton Sea.

As a Joint Powers Authority empowered to work in cooperation and consultation with the California Natural Resources Agency on matters of restoring the Salton Sea, the SSA has been approached by a private sector proponent of geothermal + development/mineral extraction with a request to send a letter of support for design, build, and operate an integrated, pre-commercial geothermal brine pre-treatment and lithium recovery system at an existing geothermal power plant in Calipatria, California as proposed by BHE Renewables Minerals, LLC—a wholly owned subsidiary of Berkshire Hathaway Energy.

BHE Renewables, the parent company of BHE Renewables Minerals, is an independent power producer with approximately 4,000 megawatts of generation capacity, including 350 megawatts at 10 geothermal power plants in California's Imperial Valley.

Specifically, the proposal calls for development of a one-tenth commercial-scale demonstration facility will use an innovative solution developed by Lilac Solutions to process 100 gallons per minute (g/m) of geothermal brine, recovering lithium chloride for conversion into one of the world's most valuable commodities: lithium carbonate for use in electric vehicle (EV) batteries, as well as batteries for cell phones, computers, tablets, and numerous other battery-powered devices so prevalent around the world today.

If successful, the proposed closed-loop demonstration system would immediately become the world's most environmentally friendly lithium recovery plant. Critically, it would serve as the foundation for a near-term scale-up to a 1,000 g/m system and, ultimately, for the construction of a regional network of

Berkshire Hathaway Energy lithium recovery facilities by 2025 that would produce up to 90,000 metric tons of high-quality lithium carbonate per year—making the Imperial Valley the foremost lithium production center in the world.

Lilac Solutions has developed a new ion exchange technology that is fundamentally different from other lithium recovery technologies that have been deployed around the Salton Sea. At its laboratory in Oakland, California, Lilac has demonstrated this innovative solution on more than 30 brines from around the world, including brines from underneath the Salton Sea packaged in 1/10-commercial-scale modules. When commercialized, this modular technology may enable lithium producers to cut capital and operating costs, accelerate project startup, and unlock new resources, all in an environmentally-friendly and sustainable fashion.

Of critical note, the proposed demonstration project could open the door to private investment in lithium recovery from geothermal brine—investment that has been lacking to date because the technology has not yet been proven on a commercial scale. When fully commercialized, the project will deliver multiple direct benefits to an area categorized as both a low-income and disadvantaged community with one of the highest unemployment rates in the nation. These benefits include preferential hiring for residents of the surrounding low-income and disadvantaged community, the creation of about 400 high-paying jobs with generous benefits packages, extensive workforce training, \$1.8 billion in construction activity, and the annual generation of approximately \$20 million in taxes due to Imperial County.

RECOMMENDATION:

The Salton Sea Authority Staff recommends expressing support for the proposal to help launch the Lithium Recovery Initiative at the Salton Sea.

Respectfully submitted,

Phil Rosentrater
GM/Executive Director

January 23, 2020

Kevyn Piper
California Energy Commission
1516 Ninth Street, MS-18
Sacramento, California 95814

RE: Salton Sea Authority support for Salton Sea Geothermal Lithium Recovery Demonstration

Dear Mr. Piper,

The Salton Sea Authority (SSA), a Joint Powers Authority empowered to work in cooperation and consultation with the California Natural Resources Agency on matters of restoring the Salton Sea, hereby expresses its support for the proposal to design, build, and operate an integrated, pre-commercial geothermal brine pre-treatment and lithium recovery system at an existing geothermal power plant in Calipatria, California as proposed by BHE Renewables Minerals, LLC—a wholly owned subsidiary of Berkshire Hathaway Energy.

The SSA is comprised of the counties of Riverside and Imperial, Coachella Valley Water District, Imperial Irrigation District and the Torres Martinez Band of Desert Cahuilla Indians. The SSA legislative platform and numerous policy positions adopted by the board in the past five years has unequivocally endorsed development of renewable energy and strategic mineral extraction as important components of a strategy to create a healthier and more prosperous Salton Sea through the responsible development of local resources.

In addition to its legacy as a major nesting ground on the Pacific Flyway, communities around the Salton Sea are categorized as both a low-income and disadvantaged community. The site where the proposed BHE facility would be located is one of those areas.

Powered by renewable energy, the proposed one-tenth commercial-scale demonstration facility will use an innovative solution developed by Lilac Solutions to process 100 gallons per minute (g/m) of geothermal brine, recovering lithium chloride for conversion into one of the world's most valuable commodities: lithium carbonate for use in electric vehicle (EV) batteries, as well as batteries for cell phones, computers, tablets, and numerous other battery-powered devices so prevalent around the world today.

The efficient recovery of lithium from brine resources represents a significant technological and financial challenge, but also a tremendous opportunity for California. Traditional lithium recovery from brine resources relies on inefficient and environmentally destructive open-pit mining (in Australia) or evaporation ponds. These evaporation ponds make financial sense only for a few, anomalously high-quality brine resources in South America.

If successful, the proposed closed-loop demonstration system—which eliminates the need for evaporation ponds—would immediately become the world’s most environmentally friendly lithium recovery plant. Critically, it would serve as the foundation for a near-term scale-up to a 1,000 g/m system and, ultimately, for the construction of a regional network of Berkshire Hathaway Energy lithium recovery facilities by 2025 that would produce up to 90,000 metric tons of high-quality lithium carbonate per year—making the Imperial Valley the foremost lithium production center in the world.

The Applicant and the project team are exceptionally well qualified to lead the project, with a seasoned leadership team, experienced engineers, proven technology, and strong financial backing. BHE Renewables, the parent company of BHE Renewables Minerals, is an independent power producer with approximately 4,000 megawatts of generation capacity, including 350 megawatts at 10 geothermal power plants in California’s Imperial Valley.

Lilac Solutions has developed a new ion exchange technology that is fundamentally different from other lithium recovery technologies that have been deployed around the Salton Sea. At its laboratory in Oakland, California, Lilac has demonstrated this innovative solution on more than 30 brines from around the world, including brines from underneath the Salton Sea packaged in 1/10-commercial-scale modules. When commercialized, this modular technology will enable lithium producers to cut capital and operating costs, accelerate project startup, and unlock new resources, all in an environmentally-friendly and sustainable fashion.

Of critical note, the proposed demonstration project could open the door to private investment in lithium recovery from geothermal brine—investment that has been lacking to date because the technology has not yet been proven on a commercial scale. When fully commercialized, the project will deliver multiple direct benefits to an area categorized as both a low-income and disadvantaged community with one of the highest unemployment rates in the nation. These benefits include preferential hiring for residents of the surrounding low-income and disadvantaged community, the creation of about 400 high-paying jobs with generous benefits packages, extensive workforce training, \$1.8 billion in construction activity, and the annual generation of approximately \$20 million in taxes due to Imperial County.

For these reasons the SSA supports the proposed project and urges you to award it funding in this year’s grant funding round. If you have any questions at all about my support, please contact me at the points of contact below.

Yours for a healthy and more prosperous Salton Sea,

Phil Rosentrater
GM/ Executive Director
Salton Sea Authority

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: January 23, 2020
Re: Consideration of SSA Board support for Desert Shores Restoration Project - Phase 1
CM No. VII.B – 01-23-2020

BACKGROUND:

Proponents of a Desert Shores harbor refill project have requested an SSA letter of support for their application to secure state funding for phase 1 of their project, pending approval of a Draft MOU agreement between Imperial County and CNRA.

The project proposes use of state grant funds to seal the harbor entrance to the Salton Sea and to use a pump to draw seawater into the five inlets of the closed marina as a means to manage water quality and reduce emissive exposed soils as water recedes and evaporates from the former marina.

RECOMMENDATION:

The Salton Sea Authority Staff recommends that, pending signing of a draft MOU between Imperial County and CNRA to resolve project planning and implementation issues, SSA will provide a letter of support for the Desert Shores Restoration Project - Phase 1.

Respectfully submitted,

Phil Rosentrater
GM/Executive Director

Salton Sea Authority

General Manager/Executive Director Progress Report to the Board of Directors

January 23, 2020

PURPOSE:

- 1) Provide Salton Sea Authority (SSA) Board of Directors with an executive summary of progress toward essential objectives; and,
- 2) Provide accountability and perspective for staff performance.

MISSION-CRITICAL OBJECTIVES FOR SSA (NEXT 6 MONTHS TO 1 YEAR):

Time is extremely short, funding limited, and staff focus is finite. While the SSA GM/Executive Director is committed to seizing every opportunity, and maximizing Return on Investment (ROI) on every dollar and all time invested, we recognize we cannot do everything in this complex assignment. Accordingly, the following top priority imperatives must be accomplished within this fiscal year:

- **ASSERT LOCAL LEADERSHIP: MAINTAIN LOCAL PRIORITIES IN STATE/FEDERAL PARTNERSHIPS**
- **INTEGRITY/PERFORMANCE: DEVELOP & DELIVER PROJECTS ON TIME, UNDER BUDGET**
- **SECURE SIGNIFICANT FUNDING TO IMPROVE CONDITIONS IN/AROUND THE SEA:**
- **LAUNCH SELF-HELP REVENUE STRATEGIES: Develop projects and partnerships (local/state/federal and public/private) that will generate new investments/revenues from Enhanced Infrastructure Financing District (EIFD) and Renewable Energy.**

LEADERSHIP

Administration

The Salton Sea Authority Board of Directors and staff continue to work with stakeholders and staff from partner agencies and counterparts at state and federal levels to ensure technical coordination is happening as the SSMP plans take shape.

SSA staff have successfully identified additional talented university interns for SSA project support. The Cal State University program through Water Resources Institute (SSA is a supporter for the WRI Salton Sea Archives). SSA staff is also working with CNRA to secure state funding for local staff to support interagency coordination and implementation of SSMP projects.

SSA staff have been working diligently with contract CPA firm to complete the annual independent audit earlier than has been the case in past year. The auditors will be prepared to

present findings to the SSA Board of Directors at the next meeting in February 2020. The SSA has been recognized in the annual independent audit for consistently operating at the highest standards in the industry and for its open, transparent and accurate accounting of public funds entrusted to the SSA.

SSA staff are also working to develop internal capacity for swift, transparent and efficient procurement procedures to streamline bidding for contracts associated with project development associated with funds to be allocated to the SSA from the Prop 68 State Bond.

The SSA purchasing policy is modeled after the broad authorities and policies of the Coachella Valley Water District, one of the member agencies of the Joint Powers Authority. In review of the SSA policy, staff explored the feasibility of contracting with previously pre-qualified firms to save both time and money for upcoming SSA projects. This common practice, known as “piggybacking”, allows public agencies to “piggyback” on contracts that have already been competitively bid and awarded by other public agencies. In effect, the public agencies that competitively bid the services perform procurement services and then all other public agencies can utilize those services without having to go through the same procurement process. These types of services are allowed by CVWD and other local public agencies.

Following SSA Board action to update SSA purchasing policy at the December 2019 board meeting, piggybacking is now authorized in the SSA purchasing policy. SSA staff is seeking Board authorization to engage EZIQ in a free service offering access to competitive, pre-qualified bidding services.

SSA continues to coordinate interagency meetings for staff at local, state and federal levels to ensure a unified local voice is maintained in efficient and effective advocacy for funding as well as project implementation.

DEVELOP REALISTIC REVITALIZATION STRATEGY

Salton Sea Management Plan (SSMP) / 10-Year Plan / Stipulated Order

In keeping with State Law (AB 71), SSA is pursuing cooperation and consultation with the California Natural Resources Agency (CNRA), to implement the SSMP Revitalization Plan for the Salton Sea as defined in the 10-Year Plan.

Staff and consultants met with counterparts at CNRA on January 7 to discuss the priorities in the SSA Board-approved state legislative platform with special focus on the state budget commitments necessary to move SSMP projects forward in a manner consistent with SSA board-approved priorities outlined in the SSA board-approved resolutions supporting the Perimeter Lake and subsequent urgency items in the SSA Resolution supporting Imperial County’s Emergency Declarations. Earlier that day, the state Secretaries for Natural Resources and Environment jointly responded to Imperial County officials regarding the state position on the Emergency Declaration. A copy of that response is attached to this report. Followup staff

discussion focused on state commitments of \$220 million to address these issues with suggestion from CNRA that SSA develop an MOU for purposes of defining SSA/State roles and responsibilities in drawdown and expenditure of state funding.

Given the centrality of the state's role in partnering with the SSA to resolve these issues and concerns, staff for SSA and CNRA discussed the value of raising the profile of CNRA staff participation in SSA board meetings to a level more prominent than the current Standing Report for state and federal representatives that was established in consultation between SSA and CNRA and BOR (respectively), and subsequently ratified by the SSA board.

In addition to the funding coordination pursued by SSA staff, SSA Directors also raised issues in the December 2019 board meeting that require state coordination of information and consultation on next steps for implementation of the SSMP's immediate, intermediate and long term components.

In recognition of the state law (AB 71) requirement for CNRA to develop Salton Sea revitalization plans and projects *"in coordination and consultation with the Salton Sea Authority"*, SSA has offered CNRA staff expanded opportunity on the January 2020 SSA Board agenda for presentation/report/ discussion as may be necessary to help the SSA board understand state positions in respect to the following items that have been broached by the state and SSA in previous meetings:

- 1) State response to Emergency Declaration -- specific followup actions to be taken in harmony with the state response letter to Imperial County and how these actions relate to implementation of the SSMP
- 2) State budget commitment to the SSMP – Administration's commitments involving general fund allocations to Sea projects (including but not limited to SCH, New River cleanup, Sea access restoration and Northern Perimeter Lake), particularly the timing and priorities for expending existing and proposed bond funding, especially the immediate drawdown of Prop 68 funding approved by voters for SSA activities to complement CNRA actions
- 3) Status of Northern Perimeter Lake in the development of the SSMP 10-Year Plan.
- 4) Status of dust control projects in coordination with local and regional AQ agencies; and,
- 5) Status of state process for long range plans and projects, especially evaluations of water import proposals.

The SSA Board has requested an exact accounting of the new positions to be filled at DWR/CNRA for support of SSMP and the budget for build-out of the state roster.

The SSA has also requested information on state funds expended from Props 1 and 68 to date. Assistant Secretary Delgado has provided a link to report on funds still unspent in Prop 1 Bond funds, however the site does not provide detail on the amounts expended to date in the various categories.

State efforts to launch Species Conservation Habitat (SCH), a 3,770-acre wetlands project located at the New River have reached a key milestone with project design-build criteria sufficiently developed to allow RFP responses from bidders by May, 2020. This project is the most nearly shovel-ready of all the projects identified in the state's priority list. As this Southern Perimeter Lake component approaches its RFP launch into design-build, the state is preparing to develop feasible designs for a Northern Perimeter Lake offering a recreational, deep-water, habitat lake in the northern part of the Sea. While the state continues to invest in SCH and the draft Governor's budget includes \$18 Million toward implementation of New River improvement projects, the Governor's budget is silent on funding other portions of SSMP – as listed in the state response letter to the Emergency Declaration. A subsequent statement from the Administration suggests that a future, yet-to-be developed and approved state bond, may possibly be the source for funding these priorities at the Salton Sea.

SSA staff continue to meet with numerous community organizations and stakeholder groups to provide updates consistent with SSA board policy. SSA staff report strong consensus on the shared conceptual project of the Perimeter Lake. The SSA and all its member agencies, as well as cities and tribes across the Salton basin, have also adopted Resolutions of Support for this collaborative approach.

This support is reinforced by advancement of the local commitments for investment in infrastructure around the Sea that can accelerate and sustain progress. Specifically, the counties are moving forward with EIFD proposals that can reinforce and accelerate public-private partnership investment at the Sea, leveraging the public infrastructure investments anticipated with the SSMP.

The EIFD rules call for investment in a specific defined infrastructure that establishes a clear nexus of benefit to the community or district that funds the infrastructure. The infrastructure associated with the Perimeter Lake, to be built in a manner that complements the state priorities and investment in SSMP, is identified as the primary project to be supported by the SSA, and all counties, cities and tribes throughout the Imperial and Coachella Valleys. This is fully consistent with the letter and spirit of state law as expressed in AB 71 (Perez). The Perimeter Lake is also internally consistent with the SSMP 10-Year Plan which includes the SCH on the New River and Northern Perimeter Lake on Whitewater, respectively as the first and second major projects that can anchor a series of additional SSMP projects. The objective is to establish a stable shoreline covering dusty playa and restoring aquatic habitat in a manner that enhances economic opportunity in recreation and renewable energy development -- keys to yielding a healthier and more prosperous Salton Sea in the long term.

These SSMP 10-Year Plan first-phase projects have been proposed by the state with the expectation that they can be constructed quickly, delivering multiple benefits of air quality improvement through playa coverage and habitat restoration, while also enhancing economic development potential that builds long-term financial sustainability into the projects across the watershed. Throughout the Summer and Fall of 2019, SSA engaged with CNRA staff to sufficiently

outline projects to expedite drawdown of funds from Prop 68 (\$10 M for New River and \$20 M for Northern Perimeter Lake) to advance these projects in the next year. Unfortunately, it appears that the Governor's draft budget does not include any funding specifically allocated to SSA to expedite progress in these areas.

As noted in discussion at the December 2019 Board meeting on the SSA state legislative platform: ***“Coupled with the SSMP is a stipulated State Water Board Order between the state and the parties of the QSA establishing accountable performance to implement the SSMP. The SSA, along with every county, city, water agency and tribe in the Salton Basin, are united in supporting a Perimeter Lake strategy that will accomplish all of these State obligations in a manner that builds opportunity for economic development that can help establish a healthier, more prosperous Sea.”***

SSMP inclusion of the stable shoreline anticipated in a Perimeter Lake represents a significant step toward establishing viable EIFD's in the respective county jurisdictions. Properly configured and expeditiously timed in coordination with SSA and member agencies, the state funding deployed in Sea projects designed to create a stable shoreline would enhance economic benefits on shore; thus, stimulating an otherwise nonexistent revenue stream that can be harnessed locally in partnership with the state and federal governments to address shared concerns at the Sea.

At the federal level, SSA launched the New Year with a series of briefings with federal partner agency staff on the SSA Board-approved federal legislative platform for 2020. The platform generally calls for federal agency investments commensurate with property ownership and public trust and tribal trust responsibilities at the Sea.

In demonstration of progress toward these shared objectives, the US Bureau of Reclamation and SSA are working together in an executed project funding agreement to re-establish research vessel access needed for that agency to fulfill its mandated responsibilities. This effort has provided a feasible approach for other mandated state and federal activities to proceed as well as research institutions needing access to the Sea for monitoring and reporting activities. A similar funding agreement with Coachella Valley Mountains Conservancy was executed with the SSA. The state CNRA, faced with similar mandated duties to monitor and report on Sea conditions, has publicly pledged support to fund a share of this project. SSA staff have shared budget, scope and draft agreements with state staff since last summer and will continue to follow up to ensure state has full opportunity to participate as a valuable partner and contributor to the rehabilitation of the harbor with Sea access, as contemplated by the signatories of the QSA.

SSA is committed to do its utmost to facilitate local, state and federal success in performance of the Stipulate Order SSMP 10-Year Plan as the first steps prerequisite to maintaining water security in California, in the southwestern US and in Mexico.

PERFORMANCE

Making good on grants for projects at the Sea

North Shore Yacht Club Harbor Rehabilitation: Research Vessel Access for mandated activity:

Progress to restore access to the Salton Sea via the existing launch ramp facilities at the North Shore Beach and Yacht Club is moving forward according to schedule. Harbors that once provided access to the Sea are now unable to continue that function due to lowered Sea elevations and silt drift that has blocked ingress/egress from the harbors. For more than a year, there has been no functional point of access anywhere around the Sea for launching boats.

As of the first week in January, SSA is pleased to report that work is completed – on time and on budget – on this joint project to repair damage from erosion and flash flood impacts that prevented safe access for vehicles and equipment to engage in further restoration work on the ramp and marina of a key access point on the Sea. This work is prerequisite to launching work on the larger project to restore Sea access at the North Shore Yacht Club,

Federal and state agencies with mandated responsibilities to monitor and report on conditions at the Salton Sea have previously requested help at SSA board meetings to re-establish Sea access for research vessels. University research teams have approached the SSA with similar requests. This issue was pointedly raised by state partner agencies in a Salton Sea roundtable discussion held June 26 last year in the Governor's conference room, organized by Assemblymember Garcia. SSA offered to assist in coordinating a solution beneficial to all parties involved.

SSA with property owner Riverside County duly coordinated and consulted with state and federal agencies, as well as a critical local partner, the Coachella Valley Mountains Conservancy, to develop and scope to re-establish research vessel access needed for state and federal agencies to fulfill their mandated responsibilities.

Staff from US Bureau of Reclamation are working diligently with SSA and the Project Management Office at the Economic Development Agency of Riverside County (property owner) to complete the preliminary work to allow dredging necessary to meet the critical need for federal and state research vessels that are mandated to sample, monitor and report environmental conditions in the water and wildlife at the Sea. Both agencies have executed cooperative agreements for their share of the project that were ratified by the SSA board at the September board meeting. Coachella Valley Mountains Conservancy has also contributed funding to restore research vessel access needed to monitor the habitat health that is central to their mission. Although the state has verbally committed to support this project which helps the state fulfill its mandated responsibilities for monitoring and reporting on Sea conditions, formal documentation remains a work in progress

The North Shore Beach and Yacht Club is a highly desirable option for restoration of Sea access. The North Shore Yacht Club offers optimal access and a combination of amenities for this purpose found nowhere else around the Sea: safe and swift public access via state highway; an attractive, historically significant landmark facility offering clean restrooms, running water, air-conditioned meeting areas and ample parking. In addition to the existing launch ramp and marina with a short fetch to the open Sea, the yacht club grounds feature an architectural attraction with picnic areas offering unparalleled views of the vast Salton Sea.

While the Yacht Club functions as an active community center today, launch ramp access is compromised from accumulation of mud and silt blocking the ramp and marina area. The first phase of the proposed North Shore Beach and Yacht Club rehabilitation project consists of cleaning debris from the ramp and clearing silt from the marina channel leading to the Salton Sea.

The North Shore Beach and Yacht Club is only two blocks from Highway 111, south of the community of Mecca in the former bustling recreational area of North Shore. This project will contribute to a restoration of mandated environmental functions of state and federal agencies while also encouraging a general revitalization of the Sea and land area around the North Shore Beach and Yacht Club owned by Riverside County.

The immediate goal of the project is to restore accessible boat launching to the Salton Sea for public agencies that must work on the Sea. There is potential, with other added investments, to improve public access to the Sea for local communities and tourists who wish to experience the Salton Sea by either boat or safe, accessible picnic viewing areas on public land and facilities located at the historic North Shore Beach and Yacht Club.

DWR-Funded Grant -- Torres Martinez Wetlands Project (Phase 2)

New interim administrators at the Torres Martinez tribe are working with SSA and the state to re-energize this project that has been on hiatus for the past year after an impressive completion of Phase 1, which was built according to spec and delivered on time and under budget. Progress to move forward on implementing the Phase 2 proposal for expansion of the TM Wetlands is pending project manager action to demonstrate continuous functionality of the project by flooding cells that are part of Phase 1. At that point, installation of a seepage barrier requested by the TM project managers for both Phase 1 (retrofit) and Phase 2 may commence.

SSA has confirmed available surplus seepage barrier material at Owens Lake that can be made available at very low cost for the tribe. The seepage barrier, while costly up front, should reduce potential pumping burden required to offset seepage and evaporation losses.

Meanwhile, with the exception of the additional seepage barrier installation, the project at Phase 1 level has been found to be fully functional as designed and built.

FUNDING

State:

- In accord with SSA Board direction, SSA has engaged with CNRA to develop guidance regarding the process for defining projects eligible for state funding (\$30 Million) designated to the SSA for direct oversight role in implementing SSMP projects, including \$10 million designated to improvements on the New River. The draft Governor's budget would allocate \$18 Million for New River projects but is silent on appropriations for SSMP priorities.
- The SSA appreciates and is thankful for a pledge in the Governor's Climate budget for future bond allocation of \$220 Million to address critically important needs and state obligations and the Sea. SSA Board adoption in December 2019 of a Resolution in support of an Emergency Declaration by Imperial County raises concern that the state's response to the emergency declarations calling for immediate action at the Sea is to provide funding deferred by at least two years (Bond proposed for passage November 2020, but dollars won't be appropriated and made available until the following year's budget cycle in 2021).

Federal:

- In response to SSA Board direction to staff to raise the profile of Salton Sea issues in the context of federal roles, responsibilities and partnership opportunities, the SSA is working with its federal consultant to confirm commitments for additional hearings in Washington, DC, likely in the spring of 2020.
- US Department of Agriculture – Through the unified efforts among the SSA, its partner agencies and key stakeholders, existing programs in USDA are now successfully aligned to allow partnership with tribes, irrigation districts and the state to deploy and expand federal match funds in projects at the Salton Sea that would help the agricultural community weather Sea changes in a manner that protects the environment. This enormous progress was achieved in part because every SSA director, along with leaders from stakeholder groups and the CNRA, signed a series of joint letters to help reinforce successful passage of the Farm Bill last year. Now that funding has been secured, SSA and partner agencies are focused upon development and promotion of projects in the SSMP that will meet the eligibility requirements for this funding.
- Army Corps of Engineers (ACOE) – In accord with SSA board direction, the SSA has requested ACOE cooperation in expediting permit processing for the larger series of SSMP projects based upon the existing federal permits approved as part of the State's

SCH project (the first major project moving ahead in the SSMP 10-Year Plan list). SSA is pursuing placement and funding for the ACOE Work Plan for upcoming budgets, and eventual access to WRDA authorization (\$30 million). The SSA is working with the Torres Martinez Tribe in support of the Tribal Partnership Program that may provide Army Corps engagement in projects in the Salton Sea watershed on Torres Martinez tribal lands.

- Environmental Protection Agency (EPA) – SSA is supporting policies that empower local partner agencies to maximize state and federal investments at the Salton Sea in a WIFIA strategy. WIFIA provides a federal loan and guarantee program that aims to accelerate investment in the nation’s water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects, including many county water infrastructure projects. Prospective borrowers seeking WIFIA credit assistance must submit a letter of interest (LOI) to EPA to initiate the process. Discussions are on-going among potential local partners in EIFD strategies for application in subsequent rounds of WIFIA.

SELF HELP STRATEGIES

IFD/EIFD

SSA initiated preliminary action on IFD strategies by completing its contract – on time, and under budget – with the California Natural Resources Agency (as a result of AB 71) to identify potential revenue generated by improved property values and economic activity around the Sea due to stable shoreline allowing recreation and renewable energy development. This data has been shared with the two counties as partner agencies of the SSA in order to expedite progress within their respective taxing jurisdictions.

The IFD concept in the SSA Financial Feasibility Action Plan assumes the primary benefits to the property values would be derived from infrastructure built in the sea that would create a stable shoreline with water distribution for dust control and deep-water habitat in addition to restored recreational value for marina communities and renewable energy development. A subsequent report by Tourism Economics, based on far more conservative assumptions, still supports the findings that significant revenues may be generated from a project that creates deep water habitat on the north end of the Sea.

The report assumes the in-sea infrastructure would: 1) protect existing and future communities from an emissive lakebed exposed by a shrinking Sea and an otherwise receding shoreline; and 2) provide a shoreline with aquatic recreation on a scale that would draw tourists, recreationists, and additional residential or commercial investment that could meet a growing demand for services and amenities related to a recreational lake.

Riverside County and Imperial County are both advancing strategies to generate local capital through EIFD scenarios that may jump-start infrastructure investments consistent with the SSMP. The counties, who are member agencies of the SSA, recognize the value of coordinating projects within the shared watershed that may be funded in part with locally leveraged finances.

Riverside County Board of Supervisors authorized creation of an EIFD for the Salton Sea Area in October 2018, and its newly appointed Finance Authority Board recently held a workshop at North Shore Yacht Club (Oct 15, 2019). The District is a Riverside County portion surrounding a northern section of a Perimeter Lake extending into Imperial County. A follow-up workshop to explain EIFD projects in the Riverside County portion of the Sea will be held in the spring of 2020.

Imperial County has commissioned a feasibility analysis with the Southern California Association of Governments (SCAG). This preliminary report was unveiled for public review at a workshop held prior to the SSA Board meeting in April, in conjunction with the Energy Summit sponsored by the Imperial Valley Economic Development Corporation. A more robust follow-up analysis by SCAG on renewable energy opportunities and land value improvement in Imperial County is anticipated.

The SSA Board approved a resolution to recognize this historic level of local unity on the Perimeter Lake concept at the May 2019 Board of Director's meeting. The Perimeter Lake concept – which includes SCH and North Lake projects as the first and second steps (respectively) toward a series of additional projects providing the benefits of a stable shoreline – is universally supported by local governments around the Salton Sea. Both counties, all SSA member agencies, all cities in both Imperial and Coachella Valleys plus all major Tribal nations have approved letters or resolutions of support for the Perimeter Lake. As noted, the CNRA has officially included Perimeter Lake concepts of the SCH and North Lake in the SSMP 10-Year Plan. This unified action provides a major boost toward establishing viable EIFD's around the Salton Sea.

A Perimeter Lake designed to create a stable shoreline would deliver the essential state mitigations for environmental protection and habitat while enhancing economic development that can provide a more financially sustainable Sea in the future. Over time, EIFD's are expected to harness local revenues that would otherwise dissipate to the general fund of each county. A Salton Sea EIFD would instead direct a portion of these improved revenues to productive projects at the Salton Sea in potential partnership with private sector, as well as state and federal governments.

The SSA will continue to cooperate and consult with county officials for the purpose of outlining a coordinated strategy and timeline for next steps that can accelerate local priorities in a manner consistent with state obligations and resources under the SSMP.