



Salton Sea Authority Board of Directors Meeting

Thursday, May 21, 2020
10:00 a.m.

via Zoom Webinar



AGENDA: BOARD OF DIRECTORS MEETING
DATE: Thursday, May 21, 2020, 10:00 a.m.
LOCATION: Via Zoom Webinar

In the interest of public health, and in cooperation with government COVID-19 meeting recommendations, this meeting will be conducted via Zoom Webinar. The public will be able to view the meeting live at 10:00 May 21. Please see the meeting login information at <http://saltonseaauthority.org/ssa-board-of-directors-meeting-14>.

I. CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL

A copy of the complete agenda packet is available for viewing or download at: <http://saltonseaauthority.org/ssa-board-of-directors-meeting-14/>

II. PUBLIC COMMENTS

To ensure that members of the public have an opportunity to be heard before the Salton Sea Authority Board pursuant to State Law, a Public Comment period is included at the beginning of every agenda. This Public Comments time is reserved for matters not already on the agenda. Any member of the public may address and ask questions of the Board relating to any matter within the Authority's jurisdiction.

Additionally, citizens are invited to comment on any item listed on the agenda, after the presentation of that item. Comments will be read at the presentation of that item.

Please email your public comment c/o SSA's Board Secretary at info@ssajpa.org (subject line "Public Comment, 5/21/20 SSA board meeting"), or hand-deliver your comment, in an envelope addressed to "Board Secretary, Salton Sea Authority" to the security officer at the public defenders' office at 82995 Highway 111, Suite 200, Indio, CA 92201 (downstairs, glass entry next to the statue of justice at the west end of the building) by Wednesday morning, May 20, to be read aloud during the board meeting. A mail slot is available at the above address for dropping off comments before or after office hours.

In your comment, please include your name and address (addresses will be redacted), and the agenda item number and topic to which your question or comment applies – or whether it is for this general public comment section. (Anonymous comments will not be read.)

The law prohibits members of the Board from taking action on matters not on the agenda.

Remarks are 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 April 23, 2020
- B. Warrant Register Ratification for April 2020
- C. Internal Financial Report for: 7/01/2019 – 3/31/2020

V. PRESENTATIONS

- A. New River Improvement Plan (Miguel Figueroa, Assistant City Manager, Calexico)
- B. Federal funding & actions on New River and Border Infrastructure (Lisa Moore Lehman, Cultivating Conservation and Lowry Crook, BB&K)
- C. Status of EIFD in Riverside County portion of Salton Sea (Brian Nestande, Deputy CEO, Riverside County)

VI. ACTION ITEMS

- A. Consider draft SSA budget for 2020-21

VII. 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. STATE:
 - a. Salton Sea Management Program – (Gail Sevens, Salton Sea Program Manager, California Dept. of Fish & Wildlife)
 - b. State Advocacy Report – (Oracio Gonzalez, Principal, Ollin Strategies)
 - 2. FEDERAL:
 - a. US Bureau of Reclamation – (Genevieve Johnson, Program Manager for the Salton Sea)
 - b. Federal Activities – (Lisa Lehman, Partner, Cultivating Conservation)

VIII. ADJOURNMENT

NEXT MEETING TIME & LOCATION:

Thursday, June 25, 2020, 10:00 a.m.

If COVID-19 gathering restrictions allow:

Coachella Valley Water District
Steve Robbins Administration Building
75515 Hovley Lane East
Palm Desert, CA 92260
(760) 398-2651

Otherwise, via Zoom

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
April 23, 2020

10:00 a.m. regularly scheduled meeting of the Salton Sea Authority (“Authority” or “SSA”) Board of Directors held via Zoom webinar.

I. CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL:

DIRECTORS PRESENT

Cástulo R. Estrada, President
Alex Cardenas, Vice President
Luis A. Plancarte, Secretary
V. Manuel Perez, Treasurer
James C. Hanks, Director
G. Patrick O’Dowd, Director
Jeff Hewitt, Director
Arturo Delgado, Ex-Officio Member

AGENCY

Coachella Valley Water District
Imperial Irrigation District
Imperial County
Riverside County
Imperial Irrigation District
Coachella Valley Water District
Riverside County
California Natura Resources Agency

Director Hanks was present by phone from before the start of the meeting through the first presentation, but due to technical difficulties was not able to communicate with those present and lost connection during the presentation.

Director Cardenas was in attendance and, due to technical difficulties, was not able to participate verbally until during the presentation.

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

Thomas Tortez, Director
Ryan E. Kelley, Director
Altrena Santillanes, Director

AGENCY

Torres Martinez Desert Cahuilla Indians
Imperial County
Torres Martinez Desert Cahuilla Indians

SALTON SEA AUTHORITY STAFF PRESENT

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

MEMBERS OF THE PUBLIC PRESENT

Forty-four members of the public attended anonymously via Zoom.

II. PUBLIC COMMENTS

With the meeting being held remotely via Zoom in cooperation with government COVID-19 meeting recommendations, the public was invited, via pre-meeting email and via posting of the agenda publicly at the office and on the saltonseaauthority.org website, to comment via email or by dropping off their comments at the office. One comment was received by email:

- A. Rob Simpson, Director of Development, Agess Inc., expressed concern about the impact on the region of reduced water vapor creation due to reduction in local irrigation and the reduced size of the Salton Sea.

III. BOARD MEMBER COMMENTS

- A. Chairman Estrada encouraged the directors to watch the community documentary *Estamos Aquí*, and to participate in an upcoming Cal Poly Pomona webinar of student engineering solutions for the Alamo River.
- B. Director Hewitt offered to help any way he can in southeast California.
- C. Director Perez encouraged continuing to work together to move forward on the whole lake to help the local community around the Salton Sea.
- D. Director O'Dowd first acknowledged the pain and suffering people are enduring during the COVID-19 crisis, then, as Chairman of Federal Affairs for ACWA, invited the board members to give their thoughts on ways to better inform the federal process and, if eligible, to participate in the ACWA work group.
- E. Director Plancarte encouraged all to take inspiration from the forefathers who built communities in this desert to make the communities even better than what they are today despite the challenges that face us.

IV. CONSENT CALENDAR – Receive, Approve, and File

- A. Minutes of February 20, 2020
- B. Warrant Register Ratification for February 2020
- C. Warrant Register Ratification for March 2020
- D. Internal Financial Report for: 7/1/2019 – 2/29/2020

*Director Perez moved that the Consent Calendar be approved. **Seconded** by Director Plancarte. Roll call vote was taken: **Unanimously carried** by Directors Hewitt, Perez, Estrada, O'Dowd, and Plancarte.*

V. PRESENTATIONS

A. UCR Briefing on National Institutes of Health epidemiology research at Salton Sea

David Lo, M.D., Ph.D, is Professor of Biomedical Sciences in the UC Riverside School of Medicine, Senior Associate for Research, Director of the UCR BREATHE Center (Bridging Regional Ecology, Aerosolized Toxins, and Health Effects), and Director of the Center for Health Disparities Research. Dr. Lo provided a thorough overview of types of research conducted by UCR researchers at the BREATHE Center, particularly their work at the Salton Sea and the relationship of the Salton Sea and childhood asthma. He also commented on the need for epidemiology in the Salton Sea region and for assembling a common website for community outreach and engagement as well as a site as a resource for the various researchers who are doing work in this region.

- * *Director Perez left during Dr. Lo's presentation*
- * *Director Hanks lost connection during this presentation.*
- * *Director Cardenas was able to connect and be heard.*

VI. ACTION ITEMS

A. Consideration of Letter of Support for Action on New River

This item was brought back from last meeting with a letter draft for consideration and approval to be sent to Commissioner Jayne Harkins of the International Boundary Commission affirming SSA support for the Imperial County emergency declaration and requesting IBWC action to address disparities in water quality standards on the New River.

*Chairman Estrada made a **motion** to approve; **seconded** by Director Cardenas.*

Director Cardenas asked for assurance that discussions are taking place to verify that monies set aside for the New River are staying on task and are not being redirected to the COVID-19 crisis. Chairman Estrada asked Consultant Oracio Gonzales to address that question when he gives his report.

*Roll call vote was taken: **Unanimously carried** by Directors Estrada, Plancarte, O'Dowd, Hewitt, and Cardenas.*

VII. REPORTS

A. General Manager's Report on Activities

SSA GM/Executive Director Phil Rosentrater referred the directors to his written report, and responded to Director Cardenas' question to assure the board that, yes, SSA staff and consultants are pursuing defense of New River commitments with their

counterparts at the state. The directors had no questions, but Chairman Estrada thanked staff for proceeding with the work on the North Shore Yacht Club ramp.

B. Standing Reports from Federal and State Partners

1. STATE:

a) Salton Sea Management Program

Gail Sevrens, Salton Sea Program Manager, CA Dept. of Fish & Wildlife, provided an overview of the Salton Sea Management Program Strategic Plan Phase 1 and the Long-Term Plan. Their new website is saltonsea.ca.gov.

b) State Advocacy Report

Oracio Gonzalez, Principal at Ollin Strategies, reminded the directors that early this year the governor announced significant investments for the Salton Sea as part of his Budget, but now state finances are negatively impacted by the COVID-19 crisis and there is no certainty that the funding for the Salton Sea will be included in the updated state budgets. He gave an update on the various funds that are anticipated from the state and on the crisis' impact on the opportunity to draw down funds.

Directors Cardenas, O'Dowd, and Hewitt commented. CNRA Assistant Secretary Delgado gave his assurance that he is seriously committed to following through on the commitments that the state has made and to do what they can with the funding they have. The budget situation is very fluid and he continues to work with the SSA on the Prop 68 funds.

** Director Hewitt left at this point in the proceedings.*

2. FEDERAL:

a) US Bureau of Reclamation (BOR)

Genevieve Johnson, BOR Program Manager for the Salton Sea, reported that they are in the process of allocating their \$2M addition funds for fiscal year 2020 for dust suppression and habitat. They are working closely with Department of Water Resources, Imperial Irrigation District (IID), and Audubon Society around the Sea specifically to target areas of higher dust emissions such as San Felipe and Bombay Beach. The BOR is also working with the state of California, SSA, and IID to identify projects that could be submitted for the federal economic stimulus package, and they are working with the Army Corps of Engineers to be a cooperating agency for the SSMP.

b) Federal Activities Update

Lisa Moore, Partner at Cultivating Conservation, gave a brief overview of federal activities early this year and the process of selecting funds that could apply to the Salton Sea. She reported that, no matter what happens with the current budget, there is already a fair amount of money on the table for the Salton Sea from past bonds - the challenge is coming up with matching funds.

During discussion, Ms. Moore gave recommendations regarding funding that is available if certain steps are taken.

VIII. ADJOURNMENT

There being no further business, Chairman Estrada invited a motion to adjourn.

*Director Plancarte so **moved**; Director O’Dowd **seconded**.*

Meeting adjourned at 12:15 p.m.

NEXT MEETING TIME & LOCATION:

The next regular SSA Board meeting is scheduled to be held:
Thursday, May 21, 2020, 10:00 a.m.

If COVID-19 gathering restrictions allow:

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

Otherwise, via Zoom

Checking Account Activity

April 1, 2020 through April 30, 2020



Warrant Date	Warrant Number	Vendor Name	Amount
		Beginning Cash	\$ 468,680.72
04/10/2020	Deposit	CVMC Grant Receipt	26,072.23
04/16/2020	EFT	American Express	(319.49)
04/16/2020	EFT	Pitney Bowes	(88.09)
04/20/2020	1086	Allied	(11,449.00)
04/20/2020	1087	Best, Best & Krieger	(5,497.00)
04/20/2020	1088	VOID	-
04/20/2020	1089	Cultivating Conservation	(7,000.00)
04/20/2020	1090	OfficeTeam	(9,180.00)
04/20/2020	1091	Ollin Strategies	(5,000.00)
04/20/2020	1092	Printer Copier Guys	(353.06)
04/20/2020	1093	RivCo EDA	(25,000.00)
04/20/2020	1094	Rosentrater, Phil	(394.98)
04/20/2020	1095	V John White & Associates	(4,000.00)
04/20/2020	1096	County of Riverside Facilities Management	(22,387.23)
04/20/2020	1097	Eide Bailly LLP	(3,089.14)
04/21/2020	Deposit	CVMC Grant Receipt	4,160.81
04/23/2020	EFT	Pitney Bowes	(100.00)
04/23/2020	EFT	Verizon Wireless	(267.71)
04/23/2020	EFT	Rabobank Credit Card	(168.58)
04/23/2020	Deposit	BOR Grant Receipt	68,449.97
		Net Activity	4,388.73
		Ending Cash	\$ 473,069.45

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

Year to Date through March 31, 2020

	General Fund	Wetlands 2	NSBYC Grant	TOTAL
1 INCOME				
2 Local Government/Member Assessments	\$ 610,000	\$ -	\$ -	\$ 610,000
3 Grant Funding	-	-	118,223	118,223
4 State of California Grants	-	-	-	-
5 Pooled Cash Allocated Interest	2,108	-	-	2,108
6 Miscellaneous Revenue	721	-	-	721
7 TOTAL INCOME	612,829	-	118,223	731,052
8 EXPENSE				
9 SSA Administration				
10 Salaries				
11 Salaries - GM / Executive Director	81,880	-	6,460	88,340
12 Grant Support	50,069	-	21,089	71,157
13 Admin Support A	36,215	-	153	36,368
14 Admin Support B	25,401	-	84	25,485
15 Total Salaries	193,564	-	27,787	221,350
16 Employee Benefits				
17 Employee Benefits - GM / Exec. Dir.	24,773	-	1,938	26,711
18 Employee Benefits - Other SSA Staff	37,129	-	136	37,265
19 Total Employee Benefits	61,902	-	2,074	63,976
20 Audit/Accounting	26,974	-	2,982	29,956
21 Contract Attorney	50,634	-	-	50,634
22 Equipment Maintenance	5,596	-	-	5,596
23 Capital Equipment	-	-	-	-
24 Equipment Lease	100	-	-	100
25 Insurance	9,567	-	-	9,567
26 Office Exp/Operating Supplies	2,467	-	-	2,467
27 Office Exp/Online Services	1,340	-	-	1,340
28 Postage, Mail	426	-	-	426
29 Printing Services	-	-	-	-
30 Dues, Subscriptions	8,642	-	-	8,642
31 Communications	3,100	-	-	3,100
32 Travel/Mileage	53,585	-	-	53,585
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 March 31, 2020

	General Fund	Wetlands 2	NSBYC Grant	TOTAL	
39	Communications & Outreach	1,500	-	-	1,500
40	Utilities	-	-	-	-
41	Grants & Advocacy	110,391	-	-	110,391
42	Project Manager	-	-	-	-
43	Total SSA Administration	529,786	-	32,843	562,629
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	North Shore Grant				
54	EDA Salaries	-	-	26,501	26,501
55	Grant Expenses - Contractors	-	-	59,527	59,527
56	Total North Shore Grant	-	-	86,028	86,028
57	TOTAL EXPENSE	533,510	114	118,870	652,495
58	NET INCOME	\$ 79,319	\$ (114)	\$ (648)	\$ 78,557

**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 March 31, 2020

	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	\$ 468,103	\$ (2,920)	\$ 20,991	\$ (17,493)	\$ 468,681
5 Cash - RivCo Fund	48,253	-	-	(373)	47,879
6 RivCo investment fund	4,715	-	-	-	4,715
7 Cash - Petty Cash	490	-	-	-	490
8 Total Checking/Savings	521,560	(2,920)	20,991	(17,866)	521,765
9 Other Current Assets					
10 Prepaid Items	6,180	-	-	-	6,180
11 Grant Receivable	-	-	-	109,762	109,762
12 Total Other Current Assets	6,180	-	-	109,762	115,942
13 TOTAL ASSETS	527,740	(2,920)	20,991	91,896	637,706
14 LIABILITIES & EQUITY					
15 Liabilities					
16 Current Liabilities					
17 Accounts Payable	38,408	-	-	8,205	46,613
18 Credit Cards					
19 Credit Card Payable (Visa)	169	-	-	-	169
20 Credit Card Payable (AE)	113	-	-	-	113
21 Total Credit Cards	282	-	-	-	282
22 Other Current Liabilities					
23 Accrued Expenditures	9,492	-	-	3,008	12,500
24 Accrued Payroll	3,685	-	-	-	3,685
25 Due to EDA for NSBYC Grant	-	-	-	81,331	81,331
26 Accrued Vacation	6,852	-	-	-	6,852
27 Total Other Current Liabilities	20,030	-	-	84,338	104,368
28 Total Current Liabilities	58,719	-	-	92,543	151,263
29 Total Liabilities	58,719	-	-	92,543	151,263
30 Equity					
31 Fund Balance	389,702	(2,806)	20,991	-	407,887
32 Net Income	79,319	(114)	-	(648)	78,557
33 Total Equity	469,021	(2,920)	20,991	(648)	486,444
34 TOTAL LIABILITIES & EQUITY	\$ 527,740	\$ (2,920)	\$ 20,991	\$ 91,896	\$ 637,706

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, General Manager
Date: May 21, 2020
Re: Review Salton Sea Authority Draft Budget FY 2020-2021
CM No. VIA - 05-21-2020

BACKGROUND:

The Salton Sea Authority is wrapping up a year during which finances have been managed in a stable and fully accountable manner. The SSA was given the highest professional audit rating possible from the firm that conducts the annual independent audit of SSA's finances. The Authority is heading into what is anticipated to be an extremely challenging year and presents a draft budget for FY 2020-2021 that supports aggressive funding procurement and coordination.

The draft FY 2020-21 budget was presented for review and discussion at the SSA *ad hoc* Financial Committee meeting. It was noted that member agency contributions remain constant at \$150,000 each for Imperial and Riverside Counties, IID and CVWD, and \$10,000 for the Torres Martinez.

The SSA anticipates receiving grant funding in the coming fiscal year from new grants applied to SSMP projects coordinated with local, regional, state and federal partners. The draft proposed budget for FY 2020-21 remains conservative in counting only those grant sources authorized, committed or approved by California voters specifically for SSA oversight.

Careful stewardship of funds budgeted in the current year has resulted in a carryover of \$345,000 to the proposed FY 2020-2021 budget. The SSA *ad hoc* Financial Committee supported the staff proposal to budget a modest portion of this funding toward preparations of robust activity, with the expectation that these activities will be reimbursable under Proposition 68 (with up to \$30 Million in funds approved by California voters for direct distribution to the SSA for implementation of SSMP projects under oversight by the Salton Sea Authority).

The proposed budget for General Office Staff compensation (Executive Director, Board Secretary and Administrative Assistant) will remain essentially status quo from prior year. On a positive note, the burden to General Fund is already reduced by reimbursements from grant sources that account for staff work on specific projects, allowing a partial offset to salary and benefit expenses. A contract grants manager has been highly productive, managing and coordinating several grants that help offset costs related to SSA staff efforts to implement projects specifically funded through these grants. In addition, contract positions for project management, environmental compliance, communication and

outreach are budgeted but not filled, pending execution of project contracts with the state and other granting entities. The FY 2020-21 budget reflects this contingency.

The proposed budget for expenses is reduced overall by 10 percent from the previous year. Professional Services in FY 2020-21 will be reduced as well as Postage & Mail and Printing Services and Office Equipment and supplies.

A proposed budget item of \$5,000 for WRI will resume SSA's support of the CSU archives project which provides a home for and increases access to the plethora of Salton Sea documents from all sources, as well as the new GIS mapping overlay which facilitates map requirements for Salton Sea management planning and other purposes.

As previously noted, the proposed budget calls for a careful drawdown of Contingency Reserve which starts the FY 2020-21 with a \$345,000 carryover from prior year. SSA *ad hoc* Financial Committee concurred with budget to accomplish robust outreach with clear objectives in order to effectively coordinate and manage state and federal grant funds flowing through the SSA for SSMP projects at the Salton Sea.

Even after addressing these needs, the projected ending cash balance for FY 2020-21 is expected to be \$313,402, which will be on reserve for any contingent expenses. This contingency is consistent with SSA board direction to provide for prudent reserve.

The overall budget reflects SSA staff's anticipation of increased projects and activity stemming from the management planning now in progress. New projects are expected to include recovery of project management costs.

RECOMMENDATION:

The Salton Sea Authority *ad hoc* Financial Committee has reviewed and approved the draft budget for FY 2020-21. Staff hereby submits the draft budget to the Salton Sea Authority Board for review at this May 21 SSA Board meeting and recommends consideration of adoption at the June 25 SSA Board meeting.

Respectfully submitted,

Phil Rosentrater
GM / Executive Director



SALTON SEA AUTHORITY
DRAFT FY 20/21 BUDGET

	A	B	C=A+B	D	E	F=D+E	G=F-C	H=G/C
	FY 19/20 Grant Funding for Project Management	FY 19/20 Gen. Fund Projections	FY 19/20 Total Budget	FY 20/21 Grant Funding for Project Management	FY 20/21 Gen. Fund Budget	FY 20/21 Total Draft Budget	Gen. Fund Budget Variance (\$)	Gen. Fund Budget Variance (%)
1 INCOME								
2 Local Gov/Member Assessments	\$ -	\$ 610,000	\$ 610,000	\$ -	\$ 610,000	\$ 610,000	\$ -	0%
3 Grant Funding for Project Management	38,237	-	115,900	79,701	-	79,701	(36,199)	-31%
4 State of California Grants	-	-	425,000	-	425,000	425,000	-	0%
5 Pooled Cash Allocated Interest	-	1,500	1,500	-	1,500	1,500	-	0%
6 Miscellaneous Revenue	-	700	1,000	-	700	700	(300)	0%
7 TOTAL INCOME	38,237	612,200	1,153,400	79,701	1,037,200	1,196,602	43,202	4%
8 EXPENSE								
9 Salaries								
10 Salaries - GM/Executive Director	7,139	125,000	125,000	20,321	104,679	125,000	(20,321)	-16%
11 ED Support/Temporary Labor	-	-	-	-	15,600	15,600	15,600	-16%
12 Grant Manager	29,792	93,200	45,000	49,521	45,979	95,500	979	0%
13 Admin. Support A	791	43,600	48,700	4,345	44,355	48,700	(4,345)	-9%
14 Admin. Support B	515	29,900	38,200	5,514	33,586	39,100	(4,614)	-12%
15 Total Salaries	38,237	291,700	256,900	79,701	244,199	323,900	(12,701)	-5%
16 Total Employee Benefits		76,300	115,800		89,700	89,700	(26,100)	-23%
17 Contract Services / Professional								
18 Finance / CPA	-	70,000	80,000	-	70,000	70,000	(10,000)	-13%
19 Attorney - General	-	67,500	80,000	-	80,000	80,000	-	0%
20 Audit	-	10,250	11,700	-	11,700	11,700	-	0%
21 Total Contract Services / Professional		147,750	171,700		161,700	161,700	(10,000)	-6%
22 Equipment Maintenance	-	8,400	11,000	-	8,400	8,400	(2,600)	-24%
23 Capital Equipment <\$5,000	-	-	5,000	-	5,000	5,000	-	0%
24 Equipment Lease	-	100	-	-	-	-	-	0%
25 Insurance	-	8,300	8,300	-	8,900	8,900	600	7%
26 Office Exp./Operating Supplies	-	3,100	5,000	-	3,100	3,100	(1,900)	-38%
27 Office Exp./Online Services	-	1,400	1,400	-	1,400	1,400	-	0%
28 Postage & Mail	-	600	2,000	-	600	600	(1,400)	-70%
29 Printing Services	-	-	8,000	-	8,000	8,000	-	0%
30 Dues & Subscriptions	-	13,000	13,000	-	13,000	13,000	-	0%
31 Communications	-	5,500	5,500	-	5,500	5,500	-	0%
32 Travel/Mileage	-	63,500	90,000	-	90,000	90,000	-	0%
33 Utilities	-	-	3,000	-	3,000	3,000	-	0%
34 Contract Services / WRI & Archive Mgmt.	-	-	5,000	-	5,000	5,000	-	0%
35 Grants & Advocacy	-	147,200	100,000	-	76,000	76,000	(24,000)	-24%
36 TOTAL EXPENSE	38,237	766,850	801,600	79,701	723,499	803,200	(78,101)	-10%
37 North Shore Grant								
38 Contingency/DeMinimus	-	-	-	-	-	-	-	0%
39 CNRA Contractual Expenses	-	-	-	-	-	-	-	0%
40 EDA Salaries/Contractors	-	-	-	-	-	-	-	0%
41 EDA Grant Expenses	-	-	-	-	-	-	-	0%
42 Grant Funded Projects								
43 Project Management	-	-	100,000	-	100,000	100,000	-	0%
44 Technical Support - Engineering	-	-	60,000	-	60,000	60,000	-	0%
45 Technical Support - Environmental	-	-	60,000	-	60,000	60,000	-	0%
46 Technical Support - Fiscal	-	-	60,000	-	60,000	60,000	-	0%
47 Communications & Outreach	-	1,500	60,000	-	60,000	60,000	-	0%
48 Technical Support - General	-	-	45,000	-	45,000	45,000	-	0%
49 Technical Support - Consultant	-	-	40,000	-	40,000	40,000	-	0%
50 TOTAL GRANT EXPENSES	-	1,500	425,000	-	425,000	425,000	-	0%
51 NET ADDITION (USE) OF RESERVES	\$ -	\$ (156,150)	\$ (73,200)	\$ -	\$ (111,299)	\$ (31,598)		

	90 days
Projected Beginning Cash 7/1/20	\$ 345,000
Use of Reserves for FY 20/21 Budget	\$ (31,598)
Projected Ending Cash 6/30/20	\$ 313,402
90 Days Operating Reserve Target	\$ 283,000
(Under)/Over Reserves	\$ 30,402

DEPARTMENT OF WATER RESOURCES

The May Revision maintains the following critical flood and water quality projects proposed in the Governor's Budget:

- American River Common Features Flood Control Project—\$46 million one-time General Fund for the 2020-21 cost associated with a Sacramento region flood control project that leverages \$1.5 billion in federal funding. The total state share for

NATURAL RESOURCES

this project is \$277 million, and the remaining state share will be considered for inclusion in future infrastructure investments.

- New River Improvement Project—\$18 million one-time General Fund and \$10 million Proposition 68 bond funds to support the New River Improvement Project, which will address solid waste and pollution exposure challenges in the City of Calexico, and support health, recreation, and economic benefits in the area.
- Salton Sea Management Plan—\$19.3 million Proposition 68 bond funds to address the air quality and habitat restoration objectives at the Salton Sea through implementation of the North Lake Pilot Project.

Salton Sea Authority

General Manager/Executive Director Progress Report to the Board of Directors May 21, 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; and,**
- **LAUNCH SELF-HELP REVENUE STRATEGIES: Develop projects and partnerships (local/state/federal & public/private) that will generate new investments/revenues from Enhanced Infrastructure Financing District (EIFD) and Renewable Energy.**

LEADERSHIP

Administration

SSA staff, consultants and member agency counterparts have continued to coordinate and consult remotely over the past month. Work schedules have been staggered and technical capabilities adjusted to accomplish essential work while continuing to build momentum in support of SSA objectives at the Sea. The new SSA working protocols are allowing SSA to continue to meet all critical deadlines in spite of COVID-19 limitations.

SSA staff, consultants and finance contractors have developed a draft FY 2020-21 budget for SSA Board consideration that builds upon the success achieved in this past year. The SSA finances were submitted for an independent audit by an outside firm, as required under laws governing public agencies in California. The auditors determined the SSA is operating in accord with best management practices in accounting and the highest level of accountability and transparency. With firm state funding commitments to the Salton Sea Authority remaining in the Governor's May Revision of the state budget for the coming year, the SSA budget is appropriately structured to support aggressive funding procurement and coordination.

The draft FY 2020-21 budget was presented for review and discussion at the SSA *ad hoc* Financial Committee meeting. It was noted that member agency contributions remain constant at \$150,000 each for Imperial and Riverside Counties, IID and CVWD, and \$10,000 for the Torres Martinez. Since that meeting, the May revised version of state budget has been released, with \$28 Million for New River Improvement Projects (\$18 M from state general fund and \$10 M in Prop 68 funds thru SSA) as well as \$19.3 Million for Perimeter Lake projects on the north end of the Sea.

Careful stewardship of funds budgeted in the current year has resulted in a carryover of \$385,000 to the proposed FY 2020-2021 budget. The SSA *ad hoc* Financial Committee concurred with recommendation to budget some of this funding toward preparations for robust activity, with the expectation that these activities will be reimbursable under Proposition 68 (with up to \$30 Million in funds approved by California voters for direct distribution to the SSA for implementation of SSMP projects under oversight by the Salton Sea Authority).

The overall budget reflects SSA staff's anticipation of increased projects and activity stemming from the planning to secure federal match for state funding commitments, as supported by the SSA Board. . New projects are expected to include recovery of project management cost. A more detailed discussion of budget proposals is included in the Board memo for this item to be considered by the SSA board in the May 21 meeting.

In other important SSA board meetings coming up, SSA staff are working to reset the follow-up session of SSA Board Strategic Planning that was interrupted due to COVID-19 social distancing requirements. In hopes that distancing protocols will be lifted by late May, staff is targeting dates in early to mid-July for this timely exercise.

SSA continues to coordinate interagency meetings – via conference call – 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.

SSA continues to initiate discussions with counterparts at CNRA to improve situational awareness and to adjust targeting for shared funding strategies for SSMP. In keeping with SSA board priorities and recently stated budget commitments from the state, SSA work has focused on defining the path for drawdown of Prop 68 funds designated to the SSA for deployment on SSMP projects (i.e., New River and North Lake portion of Perimeter Lake).

In response to anticipated federal stimulus opportunities, SSA is also coordinating discussions between consultants for SSA and CNRA to develop strategies for federal match for state funding. SSA is working with both state and federal staff and consultants to effectively position the Salton Sea for budget consideration in appropriate budgets for Army Corps, US Bureau of Reclamation, EPA, Dept. of Energy, Dept. of Defense, and USDA. Since stimulus funding will be targeted to projects that can generate economic recovery by creating new jobs and expanded revenue streams in local communities hardest hit by the economic downturn caused by COVID-19 virus, the Salton Sea could be in a prime position to leverage federal funding for SSMP projects that are already in line for state funding through Prop 68 such as SCH, North Lake and New River.

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 bid response by summer 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 portion of the Sea.

SSA staff also continue to confer with CNRA staff to solidify joint project funding agreements that will allow the state to participate as a partnering contributor toward the SSA joint agency project to re-establish access to the Salton Sea. SSA staff and counsel have reviewed the interagency agreements and are very close to providing a final draft to SSA Board Chair for signature in accord with SSA Board action in February to approve agreements that meet SSA board approved objectives.

Reinforcing the efficiencies of the SSA/CNRA funding agreements will be a higher profile for CNRA participation as an ex officio member of SSA at board meetings, starting with the SSA board meeting set for April 23, 2020. This action is in keeping with 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 staff continue to meet with numerous community organizations and stakeholder groups to provide updates consistent with SSA Board policy. SSA staff reports 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.

SSA is committed to do its utmost to facilitate local, state and federal success in performance of the Stipulate Order, with the 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

SSA's joint agency project to restore access to the Salton Sea via North Shore Yacht Club continues to march forward in spite of COVID-19 slowdown. Project team members continue to meet remotely to coordinate next steps required to clean up the existing launch ramp and dredge the marina at the North Shore Yacht Club.

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 from safe, accessible picnic viewing areas on public land and facilities located at the historic North Shore Yacht Club. The access restoration can also extend into additional phases of SSMP in North Lake.

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 budget and scope for the project 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 Riverside County Facilities Management (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.

The state is reviewing final draft agreements for their portion of contribution to this interagency project. At its February 2020 meeting, the SSA board authorized the SSA board Chairman to sign the funding agreement for this project, subject to legal counsel approval as to form, to expedite the progress of this project toward completion.

While the major portion of this project is prepping for launch, significant preliminary work has been completed, including cleanup of the boat ramp and prep of environmental reports required for permits. As of this writing, the ramp is cleaned and grubbed, ready for the next phases of the project.

This project is an example of the progress that can be replicated at other points of access around the Sea. 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.

The North Shore 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.

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

Administrators at the Torres Martinez tribe are working with SSA and the state to re-energize this project that has been on hiatus after an impressive completion of Phase 1, which was built according to specifications 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:

- The Governor's May revision of the state budget provides welcome news for the SSA in terms of the Administration's commitment to the Salton Sea. The state budget released on May 14 proposes the following Salton Sea funding through Department of Water Resources:
 - \$28 M for New River Improvement Plan – this retains the original apportionment from the Governor's January draft: \$18M from general fund and \$10M from Prop 68 to SSA.
 - \$19.3 M for North Lake development – Prop 68 funds would flow to SSA thru DWR's local assistance program

Also, the Governor's budget would fund an additional 10 full-time state staff positions dedicated to the Salton Sea, with 8 of the 10 positions located in the local Salton Sea office. Two of the positions – an executive support position and legal counsel – will be located in Sacramento.

The SSA with its partner agencies will continue to coordinate advocacy in Sacramento and Washington to ensure these budget proposals remain intact as the budget navigates the legislative process in the months ahead.

Federal:

- At the federal level, the SSA Board-approved legislative platform for 2020 calls for federal agency investments commensurate with its property ownership and public trust and tribal trust responsibilities at the Sea.
- US Department of Agriculture – SSA and its member agencies, working in concert with the CNRA, are focusing on the opportunity to secure additional funding (\$500 million annually) for USDA programs that could be matched with non-federal funding to accelerate the SSMP. SSA staff have conferred with CNRA counterparts recently to affirm SSA's intent to secure the maximum return on this opportunity, starting with the completion of a prerequisite Watershed Plan that is compatible with SSMP. SSA has already secured federal funding to complete this planning step and is coordinating further with CNRA to assure timely progress on this item for the benefit of all concerned. 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 in 2018.
- Among the areas where there is tangible evidence of progress in partnership with federal agencies is the SSA joint agency funded project to restore Salton Sea access at the North Shore Yacht Club. Funded in large part by US Bureau of Reclamation and Coachella Valley Mountains Conservancy, the cleanup and dredging of this important marina is already moving forward with visible improvements on the ground. A ravine separating the launch ramp from the main parking lot, due to flash flood erosion, is now repaired and the sediments and invasive plants clogging the ramp access to the marina have been cleared.

SSA staff is pleased to report that funding partners US Bureau of Reclamation (BOR) and Coachella Valley Mountains Conservancy are working well with SSA and its project management team from Riverside County. The state Department of Water Resources (DWR) is reviewing a final draft funding agreement for their cost share to this project. Even more encouraging is the shared success among the participating agencies like US BOR who are demonstrating that funds channeled into the SSA to coordinate and administer contracts (such as project management through SSA member agencies) is proving to be an effective means to accomplish progress at the Salton Sea.

- Army Corps of Engineers (ACOE) – In accord with SSA board direction, the SSA and partner agencies are focused upon development and promotion of projects in the SSMP that will meet the eligibility requirements for ACOE funding. SSA staff and consultants are also working on proposals consistent with the SSA board-adopted legislative platform that will allow placement and funding for the ACOE Work Plan for upcoming budgets, and the 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 Water Infrastructure Finance and Innovative Act (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 member agencies have taken historic steps to support financial strategies that can generate new and sustainable local investment in infrastructure around the Sea that can accelerate and sustain progress in partnership with the state and federal governments. 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.

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 held a workshop at the North Shore Yacht Club (Oct 15, 2019). Riverside County remains committed to moving forward with

the EIFD which will provide a powerful new financing strategy for economic recovery benefiting the Salton Sea, California and the federal government, provided public investments in infrastructure at the Sea are configured in a manner that integrates economic development (recreation, renewable energy) with projects delivering dust control and habitat restoration.

The Perimeter Lake concept, promoted by the SSA and endorsed by all of the SSA member agencies plus all tribal councils and city councils throughout both Imperial Valley and Coachella Valley, is the concept that most thoroughly embraces this multi-benefit strategy while accomplishing SSMP objectives for the state.

Initial observations find that unless COVID-19 impacts on the regional economy become permanent, the pandemic does not appear to hinder the viability of this long term financing tool. EIFD plans are designed to generate revenue over 40 years, long after an economic downturn has had opportunity to recover. Because revenue streams from EIFD are determined by the creation of improved property value from infrastructure investment, a lower base value of property can actually create a higher ultimate yield as property values improve as a result of EIFD investments from the public sector. Additionally, lower interest rates for bonds aligned with an EIFD may be secured.

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.

The SSA state legislative platform states:

“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 concept of 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 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. This is a critical finding in published economic benefit analyses that has become critically important in the emerging federal and state stimulus discussion.

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 Directors 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.

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.

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.

