



Salton Sea Authority Board of Directors Meeting

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



AGENDA: BOARD OF DIRECTORS MEETING
DATE: Thursday, June 25, 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 June 25. Please see the meeting login information at <http://saltonseaauthority.org/ssa-board-of-directors-meeting-15>.

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-15/>

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, 6/25/20 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 Tuesday evening, June 23, 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

- A. Minutes of May 21, 2020
- B. Warrant Register Ratification for May 2020
- C. Internal Financial Report for: 7/01/2019 – 4/30/2020
- D. Consider changing date of September 24 SSA board meeting due to ACWA conflict

V. PRESENTATIONS

- A. Overview of Perimeter Lake Concept – Bill Brownlie, Tetra Tech

VI. ACTION ITEMS

- A. Consider request for state EPA action on planning for New River
- B. Consideration of approval of FY 2020-21 budget
- C. SSA Board Consideration of Appointments for FY 2020-2021
 - 1. Officers of the SSA Board (effective July 1, 2020)
 - Election of President of Board
 - Election of Vice-President of Board
 - Election of Secretary of Board
 - Election of Treasurer of Board
 - 2. Ad Hoc Committee Assignments
- D. Consider approval of resolutions updating signatories on SSA’s bank accounts
 - 1. Res. No. 20-01 Pacific Western Bank
 - 2. Res. No. 20-02 Local Agency Investment Fund (LAIF)

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 Moore Lehman, Partner, Cultivating Conservation)

C. Salton Sea Action Committee – (Juan DeLara, President)

VIII. ADJOURNMENT

NEXT MEETING TIME & LOCATION:

Wednesday, July 15, 2020, 12:00-5:00 p.m.
Strategic Planning Session, Location TBD



Thursday, September 24, 2020, 10:00 a.m.
Imperial Irrigation District, El Centro or 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

May 21, 2020

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 Castulo Estrada, President, at 10:05 a.m., Thursday, May 21, 2020, via Zoom webinar.

PLEDGE OF ALLEGIANCE

Chairman Estrada led the 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
Ryan E. Kelley, Director
Thomas Tortez, Director*
G. Patrick O’Dowd, Director
Altrena Santillanes, Director*
Jeff Hewitt, Director
Arturo Delgado, Ex-Officio Member

AGENCY

Coachella Valley Water District
Imperial Irrigation District
Imperial County
Riverside County
Imperial Irrigation District
Imperial County
Torres Martinez Desert Cahuilla Indians
Coachella Valley Water District
Torres Martinez Desert Cahuilla Indians
Riverside County
California Natura Resources Agency

** Directors Tortez and Santillanes were noted present after the vote to add the May Revise Letter to the reports section of the agenda.*

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

SALTON SEA AUTHORITY STAFF PRESENT

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

MEMBERS OF THE PUBLIC PRESENT

Thirty-two members of the public attended via Zoom.

*****ADDITION TO AGENDA, UNDER REPORTS*****

Chairman Estrada sought legal counsel's advice on adding an item to the agenda:

It was learned after the agenda was posted that a key state budget subcommittee handling the SSA requests for Prop 68 funding at the Salton Sea would be meeting at the same time as the SSA board meeting. SSA staff had drafted a letter to the budget subcommittee in support of the "May Revise" Budget, and the SSA wished for the SSA Board to discuss and authorize submittal of the letter to the subcommittee. The letter needed to be acted on immediately because the subcommittee was currently in session and the letter had to be sent to them while they were still in session.

*Chairman Estrada **moved** to add the "May Revise" Letter (letter from the SSA Board to the state's budget subcommittee) to the agenda as the first item under reports. **Seconded** by Director Perez. **Unanimously carried** by roll call vote: Directors Estrada, Cardenas, Plancarte, Perez, Hanks, Kelley, O'Dowd, and Hewitt.*

Director Estrada moved the new item to the front of the agenda in order to submit the letter before the end of the subcommittee meeting that started at 10:00, and opened discussion by stating the purpose of the letter.

**Directors Tortez and Santillanes were noted present after start of this discussion.*

The directors discussed at length. Chairman Estrada summarized the requests as agreement to send the letter after removing reference to "all of its member agencies" and "tribal councils" from the next-to-last paragraph.

*With those revisions, Director O'Dowd **moved** that the Board take the proposed action on this item. **Seconded** by Director Perez. **Unanimously carried** via roll call vote: Directors Estrada, O'Dowd, Cardenas, Hanks, Tortez, Santillanes, Plancarte, Kelley, Perez, and Hewitt.*

Chairman Estrada checked with legal counsel and proceeded with the rest of the agenda in the order posted.

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. Three comments were received by email – one for this section, the other two for item 5C (EIFD).

- A. The board secretary read three minutes of (and provided highlights of the remainder as invited by the chairman to wrap it up in one minute) a public comment letter by Nikola Lakic, Geothermal Worldwide, Inc.

III. BOARD MEMBER COMMENTS (none)

IV. CONSENT CALENDAR – Receive, Approve, and File

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

*Director Perez moved that the Consent Calendar be approved. **Seconded** by Director Cardenas. **Unanimously carried** by roll call vote: Directors Estrada, Cardenas, Plancarte, Perez, Hanks, Kelley, Torte, O’Dowd, Santillanes, and Hewitt*

V. PRESENTATIONS

A. New River Improvement Plan

Miguel Figueroa, Assistant City Manager, Calexico, shared a matrix of the process and the agencies involved to develop the New River Improvement Plan.

He reviewed the “reaches” (segments) of the project to be funded by the \$28 million proposed in the Governor’s “May Revise” Budget (\$18 million of general fund from the state of California for fiscal year 20/21 and through the \$10 million from monies allotted to SSA in Prop 68). Specific improvements from this proposed state budget appropriation would include trash screen/diversion structure, bypass encasement, and pump back system.

The original plan adopted in 2012 included a disinfection facility. In January 2016, the Regional Water Quality Control Board recommended dropping the disinfection facility due to lack of funding for capital and long-term O&M. Subsequently, the California-Mexico Border Relations Council (the group that adopted the plan) decided to modify the plan in the Calexico Reach. As a result, the current plan in place proposes an encasement pump-back system and defers the disinfection facility inclusion in the plan, reducing the cost by \$60 million.

Should this regional planning group seek to incorporate a disinfection facility in future stages that will treat and improve water quality, it may be done by following the same process as in 2016: the project committee can request through the Regional Water Quality Control Board that the California-Mexico Relations Council consider inclusion of the disinfection facility once again in future phases of the expanded New River Improvement Plan.

The City of Calexico will be lead agency for a small portion of the CEQA work: Through funding acquired in the early 2000s, Calexico has designed a New River Parkway project that is CEQA approved, has gone through the environmental process

already, preliminary engineering and planning has been done on which they expended \$2 million, in collaboration with the aforementioned state agencies. \$2 million more will be invested that are not yet available for construction of Phase 1B. The Parkway project is broken down into 3 phases: Phase 1A, Phase 1B, and Phase 2; Phase 1B will be started first.

The monies for the parkway are separate from the infrastructure monies that the general fund is considering from the state and from Prop 68.

Preliminary schedule for Phase 1B: Advertised in April 2020, hoping to approve the contract during the summer, and hoping the project will be completed in 2021.

Calexico has executed an MOU between the City of Calexico, the County of Imperial, and the Imperial Irrigation District in which they agreed to work collaboratively. This benefited them in March and the Assembly and Senate subcommittees approved the governor's budget requests of \$18 million from general funds and \$10 million from Prop 68 funds to support the New River Improvement Project.

Chairman Estrada commented that he shared water quality concerns on New River with Assemblymember Garcia and Yana Garcia of Cal EPA. Ms. Garcia was open to discussion on possible steps to prepare a proposal for a treatment in future state bonds.

Director Perez observed that the New River Improvement Project provides a case study of how to deal with the perimeter lake concepts going forward. At the time they approved AB 1079, proponents didn't know exactly what the final New River Improvement Project would look like, just as one doesn't really know exactly what the north lake concept will look like. The group secured \$4 million to enable the strategic planning to move from concept to what it will look like in brick and mortar. There were many lessons learned and victories along the way.

B. Federal Funding & Actions on New River and Border Infrastructure

Lisa Moore Lehman, of Cultivating Conservation, reported that the SSA is engaged with Calexico on New River, including briefings last week with Calexico staff, the SSA GM/Executive Director, and federal consultants. The SSA federal consultant team has invested a lot of time with the SSA federal delegation on the topic of investments in New River – the project that is now, hopefully, fully funded by the state – and then on the question of the next steps for the New River, including the constructed wetlands, aeration, proposals that were in the original plan, and the potential of a wastewater treatment facility. Moore noted the success in Calexico to arrive at a new consensus recommendation through the existing process that was established for the New River. There is some familiarity on Capitol Hill with the 2016 Revise that dropped the wastewater treatment plant. As with all progress at the Sea, mobilizing funding (federal in this case) to support a proposal will be successful to the extent SSA agencies can achieve consensus internally and among other key partners at state and federal levels. SSA understands it has a role to support this process without getting in the way of local agencies who need to serve as lead role in a working group for this project.

Ms. Moore answered Director Santillanes' question regarding the wastewater treatment plant. It was removed from the plan in 2016 at the recommendation of the RWQCB and moving forward with the rest of the project that now looks to be funded by the state. What she believes Mr. Figueroa is suggesting is that SSA essentially petition to have the wastewater treatment plant added back in as a consensus recommendation from the New River Advisory Committee. In response to Chairman Estrada's question whether the New River Advisory Committee still exists, Ms. Moore suggested she could follow up with Mr. Figueroa on how, procedurally, that would work.

In response to Chairman Estrada's question, Mr. Rosentrater confirmed that SSA member agencies were not involved in the original committee, but what the JPA can do is support the reformulation or reinvigoration of the existing council and support its efforts to address the 2016 decisions/recommendations for the removal of the disinfection component. The SSA can work with local agencies to focus on opportunities to expand on current investment from the state, leverage additional federal matches, and bring real solutions that are beyond what is currently available. The SSA could act in support of Calxico as the lead agency and Imperial County and IID as strong partners in the local project.

Chairman Estrada asked whether it was better to put the \$10 million allocated to SSA for the New River into the existing plans or to do something different? Mr. Rosentrater replied that the \$10 million is coming from state funds in Prop 68 as approved by the voters in June 2018 and will be invested in the New River Improvement Plan. Mr. Rosentrater clarified that these funds are part of the \$28 million for the New River that are still going through the governor's proposed "May Revise" Budget process and are not yet in hand. A process that can deliver on the initial proposal and make modifications for future proposals with the SSA in partnership with our local agencies, not necessarily as the lead agency, offers the best path to make that happen.

Director O'Dowd asked about the release of those funds to the project. Until the state legislature approves the final budget with those funds, it would be premature for the SSA to release funds; however, the expectation is that those funds will be channeled into this project as part of the New River proposal that went to the state for their consideration. Director O'Dowd wants the SSA to assert its authority – be prepared to act when the time comes – and not let that authority be taken for granted or usurped. The SSA should make the monies available as The Authority.

C. Status of EIFD in Riverside County portion of Salton Sea

Mr. Brian Nestande, Deputy CEO, Riverside County reported that about 3.5 years ago the SSA put forth a study for an enhanced infrastructure finance district (EIFD) to look at helping to fund the perimeter lake. Approximately a year later Riverside County commissioned its own study. SSA: \$1.5 billion potential revenue over 50 years. RivCo: \$1.2 billion covering county (not cities) from the county line from the Sea up to the cities.

He clarified an EIFD is not a new increment tax, but a portion of improvement (investment to improve an area typically results in an increase in the value of the property that yields improved flow of property tax and sales tax without creating any new tax or changing the tax rate) and an incremental finance district directs a portion of that improvement value to help pay back a bond that financed the improvements.

The Riverside County Transportation Land Management Agency will be implementing the EIFD. They will commission another study in about 30 days with a new consultant to refresh the data and look at variations of size of the EIFD and, if they were to implement it in stages, what would be the effect of staging it in coordination with the building of the lake.

The Board Secretary read the public comments regarding the EIFD:

Patricia Leal, of Alianza Coachella Valley, asked about plans for EIFD and pointed out the need for community engagement as the process proceeds.

Rebecca Zaragoza, of Leadership Counsel for Justice and Accountability, also called for community engagement regarding the EIFD, which she thought had already been approved by Riverside County, and the Perimeter Lake Project.

Mr. Nestande clarified that the authorization to create an EIFD has been approved but a specific district has not been created and that the October 15, 2019 workshop to which Ms. Zaragoza referred was a hearing to introduce the EIFD concept to the public so they would know what it is. Supervisor Perez appointed a Finance Authority board for eventual oversight of the EIFD, and the board had a meeting to define the EIFD concept. There are still many steps to take to create an EIFD. Public input will happen along the way throughout the process. There will be a series of meetings as it goes forward. But first they want to update the financial data.

VI. ACTION ITEMS

A. Consider draft SSA budget for 2020-21

SSA GM/Executive Director, Phil Rosentrater, reported that a proposed budget for 2020-21 (included in today's board meeting packet) was presented to the Ad Hoc Finance Committee for review. The Ad Hoc Finance Committee recommended that it be moved forward as presented for further discussion and review by the board for preliminary adoption in the June SSA board meeting.

The Chairman opened the floor to comments. During lengthy discussion representatives of several agencies shared that their agencies have been hit hard by increased costs and revenue losses and are having to reduce expenses. They sent the budget back to committee to consider options that would allow membership fees to be reduced.

*Director Hanks moved to send the budget back to the finance committee. **Seconded** by Director O'Dowd. **Unanimously carried** by roll call vote: Directors Estrada, Cardenas, Plancarte, Perez, Hanks, Kelley, Tortez, O'Dowd, and Hewitt. (Director Santillanes was no longer present.)*

VII. REPORTS

A “May Revise” Letter was added, by unanimous vote, to the agenda under reports for discussion and moved to the start of the meeting.

A. General Manager’s Report on Activities

The board members had no questions or comments on Mr. Rosentrater’s written report.

B. Standing Reports from Federal and State Partners

1. STATE:

a) Salton Sea Management Program

Gail Sevens, Salton Sea Program Manager with the California Department of Fish and Wildlife, gave updates on the Salton Sea Management Program. The Species Conservation Habitat contract is anticipated to be awarded by the end of summer with mobilization in the fall.

Revisions on the previous public review draft of the dust suppression action plan continue, incorporating comments received from the public and stakeholders. The team is working on first stages of permit applications and land access strategies.

Ten new positions were proposed in the governor’s “May Revise” proposal – eight locally (at Wister or Bermuda Dunes office) and two in Sacramento.

**Director Plancarte had to leave at the end of this report.*

Director Kelley commented for the record that, although he was happy that the state’s new Salton Sea employees would be local, he has concerns about how far away from El Centro they will be stationed (which he has already shared with Mr. Delgado).

Mr. Delgado replied that they intend to hire these people quickly, so they are looking for a quick solution to provide an immediate office in Imperial County, which he views as a short-term solution. As they move forward, they will consider other options for a longer-term, local office.

b) State Advocacy Report (none)

Oracio Gonzalez, Principal, of Ollin Strategies, left the meeting before this point in the proceedings. SSA GM Rosentrater stated that Mr. Gonzales was involved on SSA’s behalf in the concurrent hearing of the state budget subcommittee.

2. FEDERAL:

a) US Bureau of Reclamation (BOR) Report (none)

Genevieve Johnson, BOR’s Program Manager for the Salton Sea, left the meeting before this point in the proceedings.

b) Federal Activities

SSA federal advocate Lisa Moore (Partner, Cultivating Conservation) reported on their efforts in response to the SSA directors' desire, expressed at the last board meeting, to ensure that the state of California takes action to move forward on the opportunities in the USDA Farm bill that were developed largely through the efforts of SSA and its member agencies in partnership with CNRA. \$650,000 in federal funding is pending CNRA action enabling creation of a Watershed Plan that will open the doors to major funding from federal program in concert with SSMP projects around the Sea.

Lowry Crook of BB&K reported on SSA work on the Water Resources Development Act (WRDA) legislation that is moving in Congress. WRDA legislation is a vehicle that can reauthorize the Army Corp of Engineers involvement in SSMP projects.

VIII. ADJOURNMENT

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

Director O'Dowd so moved, seconded by Director Kelley.

There being no objection, the meeting was adjourned at 1:00 p.m.

NEXT MEETING TIME & LOCATION:

The next regular SSA board meeting is scheduled to be held:
Thursday, June 25, 2019, 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

Checking Account Activity

May 1, 2020 through May 31, 2020



Warrant Date	Warrant Number	Vendor Name	Amount
		Beginning Cash	\$ 473,069.45
05/01/2020	Deposit	CVMC Grant Receipt - March	7,237.47
05/06/2020	EFT	Pitney Bowes	(303.99)
05/18/2020	EFT	AMEX Payment	(236.29)
05/18/2020	EFT	Visa Payment	(60.95)
05/19/2020	1098	Best, Best & Krieger	(6,835.40)
05/19/2020	1099	Columbia Books, Inc.	(120.00)
05/19/2020	1100	County of Riverside Facilities Management	(52,941.52)
05/19/2020	1101	Cultivating Conservation	(7,000.00)
05/19/2020	1102	VOID	-
05/19/2020	1103	OfficeTeam	(7,344.00)
05/19/2020	1104	Ollin Strategies	(10,000.00)
05/19/2020	1105	Printer Copier Guys	(554.03)
05/19/2020	1106	Riverside County	(75,000.00)
05/19/2020	1107	SystemGo IT LLC	(699.50)
05/19/2020	1108	V John White & Associates	(4,000.00)
05/19/2020	1109	Eide Bailly LLP	(4,888.55)
05/26/2020	EFT	Pitney Bowes	(100.00)
05/26/2020	EFT	Verizon Wireless	(267.71)
		Net Activity	(163,114.47)
		Ending Cash	\$ 309,954.98

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

Year to Date through April 30, 2020

	General Fund	NSBYC Grant	TOTAL
1 INCOME			
2 Local Government/Member Assessments	\$ 610,000	\$ -	\$ 610,000
3 Grant Funding	-	137,260	137,260
4 State of California Grants	-	-	-
5 Pooled Cash Allocated Interest	2,175	-	2,175
6 Miscellaneous Revenue	786	-	786
7 TOTAL INCOME	612,960	137,260	750,220
8 EXPENSE			
9 SSA Administration			
10 Salaries			
11 Salaries - GM / Executive Director	95,710	7,037	102,747
12 Grant Support	52,949	23,717	76,665
13 Admin Support A	39,817	188	40,005
14 Admin Support B	28,248	274	28,521
15 Total Salaries	216,724	31,215	247,938
16 Employee Benefits			
17 Employee Benefits - GM / Exec. Dir.	30,869	2,391	33,259
18 Employee Benefits - Other SSA Staff	41,740	269	42,010
19 Total Employee Benefits	72,609	2,660	75,269
20 Audit/Accounting	29,702	3,344	33,045
21 Contract Attorney	50,634	-	50,634
22 Equipment Maintenance	5,596	-	5,596
23 Capital Equipment	-	-	-
24 Equipment Lease	-	-	-
25 Insurance	12,251	-	12,251
26 Office Exp/Operating Supplies	2,764	-	2,764
27 Office Exp/Online Services	1,527	-	1,527
28 Postage, Mail	426	-	426
29 Printing Services	-	-	-
30 Dues, Subscriptions	9,911	-	9,911
31 Communications	3,453	-	3,453
32 Travel/Mileage	53,939	-	53,939
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 April 30, 2020

	General Fund	NSBYC Grant	TOTAL
39 Communications & Outreach	1,500	-	1,500
40 Utilities	-	-	-
41 Grants & Advocacy	119,391	-	119,391
42 Project Manager	-	-	-
43 Total SSA Administration	580,426	37,218	617,644
44 Wetlands Grant Administration			
45 Contract Svcs/Attorney	-	-	-
47 Total Wetlands Grant Administration	-	-	-
48 Wetlands Grant Technical			
49 Contract Svcs/LCP	-	-	-
50 Contract Svcs/Construction	-	-	-
51 Transfer In/Out Grant Administration	6,644	-	6,644
52 Total Wetlands Grant Technical	6,644	-	6,644
53 North Shore Grant			
54 EDA Salaries	-	29,287	29,287
55 Grant Expenses - Contractors	-	71,902	71,902
56 Total North Shore Grant	-	101,189	101,189
57 TOTAL EXPENSE	587,070	138,408	725,478
58 NET INCOME	\$ 25,890	\$ (1,148)	\$ 24,742

**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 April 30, 2020

	General Fund	702 Fish Clean Up Trust	NSBYC Grant	TOTAL
1 ASSETS				
2 Checking/Savings				
3 Cash - PW Checking	\$ 403,092	\$ 20,991	\$ 48,986	\$ 473,069
4 Cash - RivCo Fund	7,413	-	(4,768)	2,645
5 RivCo investment fund	4,782	-	-	4,782
6 Cash - Petty Cash	490	-	-	490
7 Total Checking/Savings	415,776	20,991	44,218	480,986
8 Other Current Assets				
9 Prepaid Items	11,109	-	-	11,109
10 Grant Receivable	-	-	29,292	29,292
11 Total Other Current Assets	11,109	-	29,292	40,401
12 TOTAL ASSETS	426,885	20,991	73,510	521,387
13 LIABILITIES & EQUITY				
14 Liabilities				
15 Current Liabilities				
16 Accounts Payable	459	-	54,319	54,778
17 Credit Cards				
18 Credit Card Payable (Visa)	61	-	-	61
19 Credit Card Payable (AE)	236	-	-	236
20 Total Credit Cards	297	-	-	297
21 Other Current Liabilities				
22 Accrued Expenditures	-	-	-	-
23 Accrued Payroll	3,685	-	-	3,685
24 Due to EDA for NSBYC Grant	-	-	20,339	20,339
25 Accrued Vacation	6,852	-	-	6,852
26 Total Other Current Liabilities	10,537	-	20,339	30,877
27 Total Current Liabilities	11,294	-	74,658	85,952
28 Total Liabilities	11,294	-	74,658	85,952
29 Equity				
30 Fund Balance	389,702	20,991	-	410,693
31 Net Income	25,890	-	(1,148)	24,742
32 Total Equity	415,592	20,991	(1,148)	435,436
33 TOTAL LIABILITIES & EQUITY	\$ 426,885	\$ 20,991	\$ 73,510	\$ 521,387

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: June 25, 2020
Re: Consideration of alternate SSA Board meeting date
CM No. IV.D – 06-25-2020

GENERAL:

The Board of Directors for the Salton Sea Authority typically sets its schedule for the coming calendar year at the last meeting of the year (held in December of the prior year). The meetings are usually held on the third or fourth Thursday of the month, based upon the availability of member agency Directors who are surveyed in advance to determine optimal meeting times.

The SSA Board has on occasion held special meetings and workshops or modified the meeting calendar in order to adjust to a schedule conflict with other Salton Sea related activities such as participation in events or responsibilities with agencies where Salton Sea interests are addressed.

One such schedule conflict has arisen for an upcoming SSA Board meeting on September 24, 2020, where the Board for the Association of California Water Agencies is also holding a budget workshop. The SSA General Manager and SSA Director O’Dowd both serve on the board of this organization. In order to allow opportunity for Salton Sea interests to be represented in those discussions, staff is requesting that the SSA board consider holding the September SSA board meeting one week earlier, on September 17. SSA staff have surveyed this date with the Board secretaries and schedulers of the respective SSA member agencies to determine whether this potential move would pose schedule conflicts for any of the Directors or agencies. SSA Directors responding to the question affirmed that the 17th poses no schedule conflict.

RECOMMENDATION:

The Salton Sea Authority Staff recommends that the Salton Sea Authority Board approve a change in the SSA Board meeting calendar to move the September 24 board meeting to September 17, 2020.

Respectfully submitted,

Phil Rosentrater
GM/Executive Director

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: June 25, 2020
Re: **SSA Consideration of letter requesting state EPA actions in coordination with the New River Project Technical Advisory Committee to provide the California-Mexico Border Relations Council with revised New River recommendations to include updated infrastructure and related elements that will provide for the full treatment of polluted New River waters.**

CM No. VI.A – 06-25-2020

GENERAL:

The SSA acknowledges that through the efforts of many parties, and the support from state legislators and the Governor, nearly \$28 million in Proposition 68 is now approved in the state budget for expenditure to implement the New River Improvement Plan. Of this amount, \$10 million will be directed to the New River through the SSA from Proposition 68 funding, as approved by the voters of California.

The SSA Board of Directors, in joining SSA member agencies in declaring a state of emergency exists on the New River, have continued to engage additional partners in the effort to advance the New River Improvement Plan. The board generally agrees that while the \$28 million investment is a worthwhile and long-awaited launch of projects on the New River, it is not the final answer. The SSA board is working with partner agencies to determine how this plan can be updated to include future investments necessary to address unacceptable environmental conditions that are dangerous to health and damaging to the economy.

SSA staff is recommending that the SSA Board consider elevating the New River issue to the attention of the California Secretary of Environment with a letter requesting that he direct the Colorado River Basin Regional Water Quality Control Board to reconvene the New River Improvement Project Technical Advisory Committee and provide the California-Mexico Border Relations Council (Council) with revised New River recommendations to include updated infrastructure and related elements that will provide for the full treatment of polluted New River waters.

The SSA letter would be delivered in advance of the next meeting of the Council on July 14, 2020, The specific “Ask” in the letter is for action at that meeting to establish a process and timeline for securing such revised recommendations for New River improvements.

Cross border pollution and raw sewage bypasses from Mexicali continue to severely pollute the New River, posing an unacceptable public health threat and undermining water quality in the imperiled Salton Sea. Imperial County is now struggling with the highest rate of COVID-19 in all of California,

and exposure to the bacteria, viruses and other pathogens in the New River may increase residents' susceptibility to this new disease.

As discussed in recent SSA board meetings, in 2009, Assembly Bill 1079 (Assemblyman Perez) required the Council to develop a strategic plan to address the significant pollution problems affecting the New River. In 2012, the New River Improvement Project Technical Advisory Committee appointed by the Council recommended the construction of a trash screen, conveyance system, a wastewater/disinfection facility, aeration structures and wetlands. In 2016, these recommendations were amended to delete the wastewater treatment facility, based principally on cost rather than public health and environmental considerations.

In 2017, the city of Calexico, Imperial County and Imperial Irrigation District (IID) agreed to a Memorandum of Understanding providing for their mutual agreement to advance the trash screen, conveyance and pump back system elements of the New River Improvement Project. As a result of this collaborative effort, full funding for that project is now provided for in the state of California's most recent budgets and revisions. This work has the full support of the SSA Board.

While this important milestone in the New River Improvement Project is achieved, it is critical to ensure that the remaining and significant pollution problems affecting the New River are expeditiously addressed. Since the 2016 revised recommendations, there has been an average of one bypass of raw sewage per month from Mexicali into the New River ranging in magnitude from 1-13 million gallons per day. This has caused an increase in pathogens in the New River and an increase in harmful nutrients to the Salton Sea.

To address this continuing public health and environmental threat, the SSA supports a revision of the New River Improvement Project recommendations to provide for infrastructure and other improvements to address these concerns, including recommendations concerning wastewater treatment facility capacity needs, most effective treatment technology, estimated costs/funding sources and facility location sites. The SSA is also asking to be included in these discussions.

Given that Congress is actively considering infrastructure stimulus legislation which may provide near-term funding opportunities, the SSA Board is seeking expedited actions based upon the provision of these recommendations. Prioritizing investment in infrastructure and other improvements for the New River could both reduce the pollution burden of and provide economic stimulus to heavily COVID-19-impacted communities like those in Imperial County.

RECOMMENDATION:

The Salton Sea Authority Staff recommends that the SSA Board authorize staff to send a letter to the California Secretary of Environmental Protection requesting actions in coordination with the New River Project Technical Advisory Committee that will provide the California-Mexico Border Relations Council with revised New River recommendations to include updated infrastructure and related elements that will provide for the full treatment of polluted New River waters.

Respectfully submitted,

Phil Rosentrater GM/Executive Director



June XX, 2020

The Honorable Jared Blumenfeld
Secretary for Environmental Protection
Chairman, California-Mexico Border Relations Council
California Environmental Protection Agency
1001 I Street
Sacramento, California 95814

Dear Secretary Blumenfeld:

We are writing to ask that you request that the Colorado River Basin Regional Water Quality Control Board provide the California-Mexico Border Relations Council (Council) with revised New River recommendations to include updated infrastructure and related elements that will provide for the full treatment of polluted New River waters. We understand that the Council intends to meet on July 14, 2020, and we ask that you establish a process and timeline for securing such revised recommendations at that meeting.

Cross border pollution and raw sewage bypasses from Mexicali continue to severely pollute the New River, posing an unacceptable public health threat and undermining water quality in the imperiled Salton Sea. Imperial County is now struggling with the highest rate of COVID-19 in all of California, and exposure to the bacteria, viruses and other pathogens in the New River may increase residents' susceptibility to this new disease.

In 2009, Assembly Bill 1079 (Assemblyman Perez) required the Council to develop a strategic plan to address the significant pollution problems affecting the New River. In 2012, the New River Improvement Project Technical Advisory Committee appointed by the Council recommended the construction of a trash screen, conveyance system, a wastewater/disinfection facility, aeration structures and wetlands. In 2016, these recommendations were amended to delete the wastewater treatment facility, based principally on cost rather than public health and environmental considerations.

In 2017, the city of Calexico, Imperial County and Imperial Irrigation District (IID) agreed to a Memorandum of Understanding providing for their mutual agreement to advance the trash screen, conveyance and pump back system elements of the New River Improvement Project. As a result of this collaborative effort, full funding for that project is now provided for in the state of California's most recent budgets and revisions. This work has our full support.

As this important milestone in the New River Improvement Project is achieved, however, it is critical to ensure that the remaining and significant pollution problems affecting the New River

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Phone: 760.863.2695 Fax: 760.262.3008
info@ssajpa.org  <http://saltonseauthority.org>

are expeditiously addressed. Since the 2016 revised recommendations, there has been an average of one bypass of raw sewage per month from Mexicali into the New River ranging in magnitude from 1-13 million gallons per day. This has caused an increase in pathogens in the New River and an increase in harmful nutrients to the Salton Sea.

To address this continuing public health and environmental threat, we ask that you seek the revision of the New River Improvement Project recommendations to provide for infrastructure and other improvements to address these concerns, including recommendations concerning wastewater treatment facility capacity needs, most effective treatment technology, estimated costs/funding sources and facility location sites. We also ask to be included in discussions concerning such a revision.

Given that Congress is actively considering infrastructure stimulus legislation which may provide near-term funding opportunities, we ask that you expedite the provision of these recommendations. Prioritizing investment in infrastructure and other improvements for the New River could both reduce the pollution burden of and provide economic stimulus to heavily COVID-19-impacted communities like those in Imperial County.

Thank you for your attention to this matter.

Sincerely,

Castulo Estrada
Chairman

Alex Cardenas
Vice Chairman

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, General Manager
Date: June 25, 2020
Re: Salton Sea Authority Budget proposal FY 2020-2021
CM No. VLB – 06-25-2020

BACKGROUND:

The Salton Sea Authority is celebrating substantial progress in the effort to draw down state funding designated for SSA oversight and match to federal sources to implement long-awaited projects in both the southern and northern areas of the Sea. At the same time, the SSA is concluding a year during which the agency finances have been managed in a stable and fully accountable manner.

The SSA earned 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, while at the same time reducing overhead burden for SSA member agencies that are facing financials constraints due to COVID-19 impacts.

The draft FY 2020-21 budget was presented for review and discussion at the SSA Board meeting on May 21 after receiving a favorable review from the SSA Board *ad hoc* Finance Committee. 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. SSA Directors noted that their agencies are facing tough budget decisions due to new expenses and lowered revenues due to COVID-19. The SSA board requested staff to revise the proposed budget to recognize these hardships.

The good news is there are grant funds that appear likely to begin flowing through SSA in the next several years as the SSA helps facilitate SSMP projects in the southern and northern areas of the Sea. The SSA has secured legislative approval, and Governor signature expected, for a state budget that includes nearly \$30 million to flow through SSA for implementation of SSMP projects. The budget, consistent with voter approvals in Proposition 68, designates nearly \$30 million from Prop 68 for SSA to implement SSMP projects in coordination 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 reconvened following the May SSA Board meeting to consider alternative budget scenarios that expend a modest portion of this

funding toward preparations of robust activity. The revised budget scenarios considered by the SSA *ad hoc* Financial Committee also account for the influx of funding from grant sources to offset some staff expenses, with the expectation that these activities will be reimbursable under Proposition 68 funds that are now included in the final official state budget awaiting the Governor's signature.

In keeping with SSA board and *ad hoc* Financial Committee recommendations, staff and contracted CPA developed budget scenarios that accomplish a reduction in annual SSA member agency dues by 10 % and 25 %, respectively. SSA *ad hoc* Financial Committee concurred with budget priorities to accomplish robust coordination of project development with corresponding program support necessary to assure flow of state and federal grant funds administered by the SSA for SSMP projects.

The SSA *ad hoc* Financial Committee expressed support for the SSA budget scenario that will substantially reduce expense burdens from the General Fund to provide a 10% reduction in SSA member dues. The *ad hoc* Financial Committee also expressed support for a budget that recognizes the need to accelerate staff and contracting activity in light of the pending release of state bond funding approved for SSA implementation of SSMP projects at the New River and North Lake. The current state budget pending the Governor's signature does indeed provide grant funds directly to the SSA that may be applied as an appropriate offset to SSA activities directly involved with implementing specific SSMP plans, designs, and projects.

As previously noted, the proposed budget calls for a careful stewardship to reduce drawdown of the Contingency Reserve which starts the FY 2020-21 with a \$345,000 carryover from prior year. The preferred (10% dues reduction) budget alternative projects an improvement to reserves by \$95,800 for an ending cash balance in FY 2020-21 of \$440,800. This contingency is consistent with SSA board direction to provide for prudent reserve and a 90 day operating reserve.

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

RECOMMENDATION:

The Salton Sea Authority *ad hoc* Financial Committee has reviewed the draft SSA budget for FY 2020-21 and recommends adoption of the scenario providing 10% reduction in member agency dues. Staff hereby submits the draft budget to the Salton Sea Authority Board 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 - 10% REDUCTION IN MEMBER DUES

	A	B	C	D=C-B	E=D/B
	FY 19/20 General Fund Projections	FY 19/20 General Fund Budget	FY 20/21 General Fund Budget	Gen. Fund Budget Variance (\$)	Gen. Fund Budget Variance (%)
1 INCOME					
2 Local Gov/Member Assessments	\$ 610,000	\$ 610,000	\$ 558,000	\$ (52,000)	-10%
3 Grant Funding for Project Management	-	115,900	-	(115,900)	-100%
4 Pooled Cash Allocated Interest	1,500	1,500	1,500	-	0%
5 Miscellaneous Revenue	700	1,000	700	(300)	-30%
6 TOTAL INCOME	612,200	728,400	560,200	(168,200)	-23%
7 EXPENSES					
8 Salaries					
9 Salaries - GM/Executive Director	125,600	125,000	57,700	(67,300)	-54%
10 ED Support/Temporary Labor	-	-	8,200	8,200	-54%
11 Grants Manager	63,400	45,000	-	(45,000)	-100%
12 Admin. Support A	42,900	48,700	14,600	(34,100)	-70%
13 Admin. Support B	29,400	38,200	11,700	(26,500)	-69%
14 Total Salaries	261,300	256,900	92,200	(164,700)	-64%
15 Total Employee Benefits	89,800	115,800	46,500	(69,300)	-60%
16 Contract Services / Professional					
17 Finance / CPA	70,000	80,000	70,000	(10,000)	-13%
18 Attorney - General	67,500	80,000	70,000	(10,000)	-13%
19 Audit	10,250	11,700	11,700	-	0%
20 Total Contract Services / Professional	147,750	171,700	151,700	(20,000)	-12%
21 Equipment Maintenance	8,400	11,000	8,400	(2,600)	-24%
22 Capital Equipment <\$5,000	-	5,000	2,500	(2,500)	-50%
23 Equipment Lease	100	-	-	-	0%
24 Insurance	8,300	8,300	8,900	600	7%
25 Office Exp./Operating Supplies	3,100	5,000	3,000	(2,000)	-40%
26 Office Exp./Online Services	1,400	1,400	1,400	-	0%
27 Postage & Mail	600	2,000	1,800	(200)	-10%
28 Printing Services	-	8,000	4,000	(4,000)	-50%
29 Dues & Subscriptions	13,000	13,000	10,000	(3,000)	-23%
30 Communications	5,500	5,500	5,000	(500)	-9%
31 Travel/Mileage	63,500	90,000	56,000	(34,000)	-38%
32 Utilities	-	3,000	3,000	-	0%
33 Contract Services / WRI & Archive Mgmt.	-	5,000	5,000	-	0%
34 Policy and Program Support	147,200	100,000	65,000	(35,000)	-35%
35 TOTAL EXPENSES	749,950	801,600	464,400	(337,200)	-42%
36 NET ADDITION (USE) OF RESERVES	\$ (139,250)	\$ (73,200)	\$ 95,800		

90 days			
<i>Projected Beginning Cash 7/1/20</i>	\$ 345,000	Member Dues \$	135,000
<i>Addition to Reserves for FY 20/21 Budget</i>	\$ 95,800		
Projected Ending Cash 6/30/21	\$ 440,800		
<i>90 Days Operating Reserve Target</i>	\$ 116,000		
(Under)/Over Reserve Target	\$ 324,800	Tribe Dues \$	9,000



SALTON SEA AUTHORITY
DRAFT FY 20/21 BUDGET - 25% REDUCTION IN MEMBER DUES

	A	B	C	D=C-B	E=D/B
	FY 19/20 General Fund Projections	FY 19/20 General Fund Budget	FY 20/21 General Fund Budget	Gen. Fund Budget Variance (\$)	Gen. Fund Budget Variance (%)
1 INCOME					
2 Local Gov/Member Assessments	\$ 610,000	\$ 610,000	\$ 465,000	\$ (145,000)	-25%
3 Grant Funding for Project Management	-	115,900	-	(115,900)	-100%
4 Pooled Cash Allocated Interest	1,500	1,500	1,500	-	0%
5 Miscellaneous Revenue	700	1,000	700	(300)	-30%
6 TOTAL INCOME	612,200	728,400	467,200	(261,200)	-36%
7 EXPENSES					
8 Salaries					
9 Salaries - GM/Executive Director	125,600	125,000	57,700	(67,300)	-54%
10 ED Support/Temporary Labor	-	-	8,200	8,200	-54%
11 Grants Manager	63,400	45,000	-	(45,000)	-100%
12 Admin. Support A	42,900	48,700	14,600	(34,100)	-70%
13 Admin. Support B	29,400	38,200	11,700	(26,500)	-69%
14 Total Salaries	261,300	256,900	92,200	(164,700)	-64%
15 Total Employee Benefits	89,800	115,800	46,500	(69,300)	-60%
16 Contract Services / Professional					
17 Finance / CPA	70,000	80,000	70,000	(10,000)	-13%
18 Attorney - General	67,500	80,000	70,000	(10,000)	-13%
19 Audit	10,250	11,700	11,700	-	0%
20 Total Contract Services / Professional	147,750	171,700	151,700	(20,000)	-12%
21 Equipment Maintenance	8,400	11,000	8,400	(2,600)	-24%
22 Capital Equipment <\$5,000	-	5,000	2,500	(2,500)	-50%
23 Equipment Lease	100	-	-	-	0%
24 Insurance	8,300	8,300	8,900	600	7%
25 Office Exp./Operating Supplies	3,100	5,000	3,000	(2,000)	-40%
26 Office Exp./Online Services	1,400	1,400	1,400	-	0%
27 Postage & Mail	600	2,000	1,800	(200)	-10%
28 Printing Services	-	8,000	4,000	(4,000)	-50%
29 Dues & Subscriptions	13,000	13,000	10,000	(3,000)	-23%
30 Communications	5,500	5,500	5,000	(500)	-9%
31 Travel/Mileage	63,500	90,000	56,000	(34,000)	-38%
32 Utilities	-	3,000	3,000	-	0%
33 Contract Services / WRI & Archive Mgmt.	-	5,000	5,000	-	0%
34 Policy and Program Support	147,200	100,000	65,000	(35,000)	-35%
35 TOTAL EXPENSES	749,950	801,600	464,400	(337,200)	-42%
36 NET ADDITION (USE) OF RESERVES	\$ (139,250)	\$ (73,200)	\$ 2,800		

90 days			
Projected Beginning Cash 7/1/20	\$ 345,000	Member Dues \$	112,500
Addition to Reserves for FY 20/21 Budget	\$ 2,800	Tribe Dues \$	7,500
Projected Ending Cash 6/30/21	\$ 347,800		
90 Days Operating Reserve Target	\$ 116,000		
(Under)/Over Reserve Target	\$ 231,800		



**SALTON SEA AUTHORITY
DRAFT FY 20/21 BUDGET - GRANT FUNDS**

- 1 **INCOME**
- 2 **Local Gov/Member Assessments**
- 3 **Grant Funding for Project Management**
- 4 **State of California Grants**
- 5 **Pooled Cash Allocated Interest**
- 6 **Miscellaneous Revenue**
- 7 **TOTAL INCOME**
- 8 **EXPENSES**
- 9 **Salaries**
- 10 **Salaries - GM/Executive Director**
- 11 **ED Support/Temporary Labor**
- 12 **Grants Manager**
- 13 **Admin. Support A**
- 14 **Admin. Support B**
- 15 **Total Salaries**
- 16 **Total Employee Benefits**
- 17 **Contract Services / Professional**
- 18 **Finance / CPA**
- 19 **Attorney - General**
- 20 **Audit**
- 21 **Total Contract Services / Professional**
- 22 **Equipment Maintenance**
- 23 **Capital Equipment <\$5,000**
- 24 **Equipment Lease**
- 25 **Insurance**
- 26 **Office Exp./Operating Supplies**
- 27 **Office Exp./Online Services**
- 28 **Postage & Mail**
- 29 **Printing Services**
- 30 **Dues & Subscriptions**
- 31 **Communications**
- 32 **Travel/Mileage**
- 33 **Utilities**
- 34 **Contract Services / WRI & Archive Mgmt.**
- 35 **Policy and Program Support**
- 36 **TOTAL EXPENSES**
- 37 **GRANT EXPENSES**
- 37 **Grant Funded Projects**
- 38 **Project Management**
- 39 **Technical Support - Engineering**
- 40 **Technical Support - Environmental**
- 41 **Technical Support - Fiscal**
- 42 **Communications & Outreach**
- 43 **Technical Support - General**
- 44 **Technical Support - Consultant**
- 45 **Contingency**
- 46 **TOTAL GRANT EXPENSES**
- 47 **TOTAL EXPENSES**
- 48 **NET ADDITION (USE) OF RESERVES**

	FY 19/20 Grant Funding for Project Management	FY 20/20 Prop. 68 Implementation Funds	FY 20/21 Grant Funding for Project Management	FY 20/21 Total Grant Funding Budget
1				
2	\$ -	\$ -	\$ -	\$ -
3	38,237	-	79,600	79,600
4	-	750,000	-	750,000
5	-	-	-	-
6	-	-	-	-
7	38,237	750,000	79,600	829,600
8				
9				
10	7,139	78,100	20,300	98,400
11	-	19,100	-	19,100
12	29,792	46,000	49,500	95,500
13	791	29,800	4,300	34,100
14	515	21,900	5,500	27,400
15	38,237	194,900	79,600	274,500
16		66,700	-	66,700
17				
18	-	5,000	-	5,000
19	-	5,000	-	5,000
20	-	10,000	-	10,000
21	-	20,000	-	20,000
22	-	-	-	-
23	-	-	-	-
24	-	-	-	-
25	-	-	-	-
26	-	-	-	-
27	-	-	-	-
28	-	-	-	-
29	-	-	-	-
30	-	-	-	-
31	-	-	-	-
32	-	-	-	-
33	-	-	-	-
34	-	-	-	-
35	-	85,000	-	85,000
36	38,237	366,600	79,600	446,200
37				
37				
38	-	60,000	-	60,000
39	-	60,000	-	60,000
40	-	60,000	-	60,000
41	-	50,000	-	50,000
42	-	40,000	-	40,000
43	-	40,000	-	40,000
44	-	40,000	-	40,000
45	-	33,400	-	33,400
46	-	383,400	-	383,400
47	38,237	750,000	79,600	829,600
48	\$ -	\$ -	\$ -	\$ -

Memorandum

To: Salton Sea Authority Board of Directors
From: Robert Hargreaves, General Counsel
Date: June 25, 2020
Re: Election of Salton Sea Authority Officers (effective July 1, 2020)
CM No. VI.C.1 – 06-25-2020

The following guidelines are provided from the Salton Sea Authority Joint Exercise of Powers Bylaws (December 2016 update):

- 3.1 **Officers:** The officers of the Authority shall consist of the President, Vice-President Secretary, and Treasurer, each of whom shall be selected from the voting members of the Board of Directors.
- 3.2 **Term of Office:** The term for all officers shall be one (1) year.
- 3.3 **Election of Officers:** The Authority shall elect, by a majority vote of the Board of Directors, its officers at its last meeting of the fiscal year, and at such other times as there may be a vacancy in any office.
- 3.4 **Rotation of Officers:** It shall be a policy of the Board to encourage rotation of the offices among the Board members.

- 8.1 **The fiscal year of the Authority shall be from July 1 to June 30, following.**

Currently-seated officers are:

	<u>Current:</u>	<u>Agency:</u>	<u>Assumed Office:</u>
President	Cástulo R. Estrada	CVWD	July 1, 2019
Vice President	Alex Cardenas	IID	July 1, 2019
Secretary	Luis A. Plancarte	Imperial County	July 1, 2019
Treasurer	V. Manuel Perez	Riverside County	July 1, 2019

Dear Salton Sea Authority Director,

This worksheet is provided for your use in preparing for the reorganization of officers:

<u>Office:</u>	<u>Current:</u>	<u>Agency:</u>	<u>Assumed Office:</u>	<u>Nominee:</u>
President	Cástulo R. Estrada	CVWD	July 1, 2019	_____
Vice President	Alex Cardenas	IID	July 1, 2019	_____
Secretary	Luis A. Plancarte	Imperial County	July 1, 2019	_____
Treasurer	V. Manuel Perez	Riverside County	July 1, 2019	_____

Selection Pool:

Luis A. Plancarte, Secretary	Imperial County
Ryan E. Kelley, Director	Imperial County
Alex Cardenas, Vice-President	Imperial Irrigation District
James C. Hanks, Director	Imperial Irrigation District
Thomas Tortez, Director	Torres Martinez Desert Cahuilla
Altrena Santillanes, Director	Torres Martinez Desert Cahuilla
Cástulo R. Estrada, President	Coachella Valley Water District
G. Patrick O'Dowd, Director	Coachella Valley Water District
V. Manuel Perez, Treasurer	Riverside County
Jeff Hewitt, Director	Riverside County

By-laws Policy:

- Rotation of Officers: It shall be a policy of the Board to encourage rotation of the offices among the Board members.

Traditional Practice:

- Office of President alternates between North and South representation annually
- Each director moves up one step, President steps down
- At least one signatory for SSA checks and bank transactions is typically located in the Coachella Valley to facilitate the conduction of routine business.

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: June 25, 2020
Re: Ad Hoc Committee Assignments
CM No. VI.C.2 – 06-25-2020

Salton Sea Authority Ad Hoc Committees FY2020-2021

The SSA JPA states: “The Commission or the Chairman may establish such committees as from time to time are deemed necessary as good for the Authority.”

- ❖ **Executive: Chair – President _____, Vice-President _____**
 - Review policies and procedure as requested by staff.
 - Review legislative proposals (Federal/State platforms).
 - Review new programs and projects initiated by staff.
 - Confer with General Manager regarding general activities of the Authority, as required.
- ❖ **Finance: Chair – Treasurer _____, members Vice-President _____, and Director _____.**
 - Review the budget (proposed and current mid-year and yearly).
 - Periodic review of bank statements, accounts payable and receivable, etc., and insurance and contractual commitments.
 - Review procedures and practices of accounting.
 - Review of audits and reports.
- ❖ **Personnel: Chair – Secretary _____, members President _____, and Director _____.**
 - Review updated employee manual and procedures.
 - Review employee labor compliance and contractual commitments.
 - Review and suggest alternative solutions to personnel issues – as requested by Board and General Manager.
 - Review job descriptions, employee needs, and compensation with General Manager.
- ❖ **Projects Committee: Chair - President _____, Vice-Chair – Vice-President _____, members Director _____, and Director _____.**
 - Review current projects including their status, pending contracts or identified issues of concern.
 - Coordinate interagency cooperative planning to assure project outcomes are beneficial to all concerned.
 - As requested or appropriate, attend outside meetings.
 - Review and advise staff of member agencies of the impacts Authority projects may have in relation to member agencies’ programs and operations.

Memorandum

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: June 25, 2020
Re: SSA Resolutions Updating Signatories on SSA Bank Accounts
CM No. VLD – 06-25-2020

BACKGROUND:

At the June 25, 2020, Salton Sea Authority (SSA) Board meeting, appointment of officers to the SSA Board are being considered. If changes are made, this will necessitate a corresponding change in signatories on the SSA bank accounts. The banks that hold SSA accounts require a copy of a resolution from the Board to authorize the new signatories on Salton Sea Authority's accounts and to remove all prior signatories.

SSA's bylaws state that the Treasurer shall be the depository of funds. Traditionally the President, Vice-President, and GM/Executive Director have additionally been designated as signatories to ensure availability of two signatories, as required, at any given time.

The attached proposed resolutions include the President _____, the Vice-President _____, the Treasurer _____, and GM/Executive Director Phil Rosentrater as signatories, and the removal of any others who might remain in the bank's records. *(Names to be written in on the resolutions, as these positions will have been filled at this same SSA Board meeting.)*

Attached please find proposed Salton Sea Authority Resolutions number 20-01, and 20-02 (one for each bank) entitled, "Resolution of the Board of Directors of the Salton Sea Authority Designating Officials Authorized to Sign Warrants and Checks, Transfer Funds, and Access Safe Deposit Box," for your consideration, which update the signatories to show the new President, Vice-President, Treasurer, and the GM/Executive Director as signatories.

RECOMMENDATION:

The Salton Sea Authority Staff recommends that the Salton Sea Authority Board approve SSA Resolutions No. 20-01 and 20-02 entitled, "Resolution of the Board of Directors of the Salton Sea Authority Designating Officials Authorized to Sign Warrants and Checks, Transfer Funds, and Access Safe Deposit Box."

Respectfully submitted,

Phil Rosentrater
GM/Executive Director



**SALTON SEA AUTHORITY
RESOLUTION NO. 20-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SALTON SEA AUTHORITY DESIGNATING OFFICIALS
AUTHORIZED TO SIGN WARRANTS AND CHECKS,
TRANSFER FUNDS, AND ACCESS SAFE DEPOSIT BOX**

BE IT RESOLVED by the Board of Directors of the Salton Sea Authority (Authority), assembled in regular meeting this 25th day of June 2020, that Pacific Western Bank is instructed to honor Authority warrants or checks written on accounts in the name of the Salton Sea Authority executed by any two of the following designated officials:
_____, President; _____, Vice-President;
_____, Treasurer; and Phil Rosentrater, General Manager/Executive Director; and

BE IT FURTHER RESOLVED that Pacific Western Bank is instructed to honor any transfer of funds by means of written instructions by order of any two designated officials:
_____, President; _____, Vice-President;
_____, Treasurer; and Phil Rosentrater, General Manager/Executive Director; and

BE IT FURTHER RESOLVED that all warrants and checks, and instructions to transfer funds will require at least one original signature of those persons herein defined; and

BE IT FURTHER RESOLVED that the second signature for warrants and checks, and instructions to transfer funds may be an original signature or a facsimile signature (stamp); and

BE IT FURTHER RESOLVED that Pacific Western Bank is instructed to honor access to safe deposit box(es) executed by any two of the following designated officials:
_____, President; _____, Vice-President;
_____, Treasurer; and Phil Rosentrater, General Manager/Executive Director; and

BE IT FURTHER RESOLVED that prior authorizations to sign warrants and checks, transfer funds and access safe deposit box(es) are hereby rescinded; and

BE IT FINALLY RESOLVED that the Secretary is hereby directed to furnish a certified copy of this resolution to Pacific Western Bank.



**SALTON SEA AUTHORITY
RESOLUTION NO. 20-02**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SALTON SEA AUTHORITY DESIGNATING OFFICIALS
AUTHORIZED TO SIGN WARRANTS AND CHECKS,
TRANSFER FUNDS, AND ACCESS SAFE DEPOSIT BOX**

BE IT RESOLVED by the Board of Directors of the Salton Sea Authority (Authority), assembled in regular meeting this 25th day of June 2020, that Local Agency Investment Fund (LAIF) is instructed to honor Authority warrants or checks written on accounts in the name of the Salton Sea Authority executed by any two of the following designated officials:
_____, President; _____, Vice-President;
_____, Treasurer; and Phil Rosentrater, General Manager/Executive Director; and

BE IT FURTHER RESOLVED that LAIF is instructed to honor any transfer of funds by means of written instructions by order of any two designated officials:
_____, President; _____, Vice-President;
_____, Treasurer; and Phil Rosentrater, General Manager/Executive Director; and

BE IT FURTHER RESOLVED that all warrants and checks, and instructions to transfer funds will require at least one original signature of those persons herein defined; and

BE IT FURTHER RESOLVED that the second signature for warrants and checks, and instructions to transfer funds may be an original signature or a facsimile signature (stamp); and

BE IT FURTHER RESOLVED that LAIF is instructed to honor access to safe deposit box(es) executed by any two of the following designated officials:
_____, President; _____, Vice-President;
_____, Treasurer; and Phil Rosentrater, General Manager/Executive Director; and

BE IT FURTHER RESOLVED that prior authorizations to sign warrants and checks, transfer funds and access safe deposit box(es) are hereby rescinded; and

BE IT FINALLY RESOLVED that the Secretary is hereby directed to furnish a certified copy of this resolution to LAIF.

Salton Sea Authority

General Manager/Executive Director Progress Report to the Board of Directors June 25, 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 (IFD/EIFD) and Renewable Energy.**

LEADERSHIP

Administration

SSA staff, consultants and member agency counterparts have continued to coordinate and consult remotely over the past month as COVID-19 restrictions have begun to ease. The SSA board meetings continue to be held remotely as well.

Despite the COVID-19 limitations resulting in staggered work schedules and adjustments to technical capabilities for SSA staff, the SSA team continues to accomplish essential work while continuing to build momentum in support of SSA objectives at the Sea.

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 Salton Sea Authority is celebrating substantial progress in the effort to draw down state funding designated for SSA oversight and match to federal sources in order to implement long-awaited projects in both the southern and northern areas of the Sea. At the same time, the SSA is concluding a year during which the agency finances have been managed in a stable and fully accountable manner.

The SSA earned 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 2020-0221 that supports aggressive funding procurement and coordination, while at the same time reducing overhead burden for SSA member agencies that are facing financial constraints due to COVID-19 impacts.

The draft FY 2020-21 budget was presented for review and discussion at the SSA Board meeting on May 21 after receiving a favorable review from the SSA Board *ad hoc* Finance Committee. 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 Torres Martinez. SSA Directors noted that their agencies are facing tough budget decisions due to new expenses and lowered revenues due to COVID-19. The SSA board requested staff to revise the proposed budget to recognize these hardships.

The good news is there are grant funds that appear likely to begin flowing through SSA in the next several years as the SSA helps facilitate the Salton Sea Management Plan (SSMP) projects in the southern and northern areas of the Sea. The SSA has secured legislative approval, and Governor signature is expected, for a state budget that includes nearly \$30 million to flow through SSA for implementation of SSMP projects. The budget, consistent with voter approvals in Proposition 68, designates nearly \$30 million from Prop 68 for SSA to implement SSMP projects in coordination 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 reconvened following the May SSA Board meeting to consider alternative budget scenarios that expend a modest portion of this funding toward preparations of robust activity. The revised budget scenarios considered by the SSA *ad hoc* Financial Committee also account for the influx of funding from grant sources to offset some staff expenses, with the expectation that these activities will be reimbursable under Proposition 68 funds that are now included in the final official state budget awaiting the Governor's signature.

In keeping with SSA board and *ad hoc* Financial Committee recommendations, staff and the contracted CPA developed budget scenarios that accomplish a reduction in annual SSA member agency dues by 10 % and 25 %, respectively. The SSA *ad hoc* Financial Committee concurred with budget priorities to accomplish robust coordination of project development with corresponding program support necessary to assure flow of state and federal grant funds administered by the SSA for SSMP projects.

The SSA *ad hoc* Financial Committee expressed support for the SSA budget scenario that will substantially reduce expense burdens from the General Fund in order to provide a 10% reduction in SSA member dues. The *ad hoc* Financial Committee also expressed support for a budget that recognizes the need to accelerate staff and contracting activity in light of the pending release of state bond funding approved for SSA implementation of SSMP projects at the New River and North Lake. The current state budget pending the Governor's signature does, indeed, provide grant funds directly to the SSA that may be applied as an appropriate offset to SSA activities directly involved with implementing specific SSMP plans, designs, and projects.

As previously noted, the proposed budget calls for a careful stewardship to reduce drawdown of Contingency Reserve which starts the FY 2020-21 with a \$345,000 carryover from prior year. The preferred (10% dues reduction) budget alternative projects an improvement to reserves by \$95,800 for an ending cash balance in FY 2020-21 of \$440,800. This contingency is consistent with SSA board direction to provide for prudent reserve and a 90-day operating reserve.

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

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). This work appears to be bearing fruit, as the state legislature approved a state budget with approximately \$28 million for New River and \$19.3 million for SSMP projects to include a North Lake project consistent with a Perimeter Lake concept. The state budget with the SSA provisions as noted, awaits the Governor's signature.

SSA staff remains engaged with numerous community organizations and stakeholder groups to provide updates consistent with SSA board policy.

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, Department of Energy, Department 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 the 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.

The New River is receiving special attention from SSA in light of the fact that the New River Improvement Plan is well advanced with designs and permits plus substantial funding pending from the current state budget. After the May 2020 SSA board meeting, SSA staff and consultants followed up with New River partner agencies and stakeholders to develop a coordinated message to reconvene a technical working group for the New River for purposes of revising the plan to address future treatment strategies.

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.

SSA is committed to do its utmost to facilitate local, state and federal success in performance of the Stipulated 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 Beach and Yacht Club Harbor Rehabilitation: Research Vessel Access for mandated activity

SSA's joint agency project to restore access to the Salton Sea via the North Shore Beach and Yacht Club continues to march forward despite 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 Beach and Yacht Club.

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.

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 Beach and 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 the US Bureau of Reclamation are working diligently with the 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.

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 & grubbed, ready for the next phases of the project.

State partner, Department of Water Resources (DWR), has produced draft agreements for their portion of contribution to this interagency project. SSA staff are in final steps of review prior to SSA board consideration of approval.

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.

FUNDING

State:

- The final state budget approved by the legislature and submitted to the Governor provides significant new momentum for the SSA in terms of the Administration's commitment to the Salton Sea. The state budget proposes the following Salton Sea funding through Department of Water Resources:
 - \$28 million for New River Improvement Plan – this retains the original apportionment from the Governor's January draft: \$18 million from general fund and \$10 million from Prop 68 to SSA.
 - \$19.3 million 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 Beach and 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) has been 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.

SSMP inclusion of the concept of stable shoreline anticipated in a Perimeter Lake concept 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.

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 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.”

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 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.





May 20, 2020

The Honorable Richard Bloom, Chair
Assembly Budget Sub 3
State Capitol, Room 2003

The Honorable Bob Wieckowski, Chair
Senate Budget Sub 2
State Capitol, Room 4085

Re: Support for Governor Newsom’s Proposal to provide significant funding to Salton Sea Restoration Activities

Dear Assemblymember Bloom and Senator Wieckowski:

On behalf of the Salton Sea Authority, a Joint Powers Authority (JPA) consisting of the Coachella Valley Water District, the Imperial Irrigation District, Imperial County, Riverside County and the Torres Martinez Desert Cahuilla Indians, we write in enthusiastic support of the Governor’s proposed investments for the Salton Sea. Specifically, the Governor’s May Revision calls for:

1. 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.
2. 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.

These critical investments will go a long way toward helping California meet its moral and legal obligations to the Salton Sea. In this time of Covid distress, these crucial economic investments will help anchor the economic recovery in one of California’s most economically distressed regions.

The New River is a dangerously polluted waterway that flows north across the United States-Mexico border, through the city of Calexico, and then empties into the Salton Sea, some 60 miles away. Water flowing across the border often contains raw sewage, industrial, domestic and agricultural wastes, trash and other solid pollutants, owing mostly to Mexicali’s overburdened

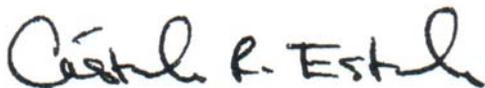
and deteriorated infrastructure. In August 2019 levels of fecal coliform at the New River were found at levels 790 times above the legal federal limit. Once at the Salton Sea, contaminants in the river continue to degrade the state's ability to protect and restore the Salton Sea's ecosystem as required under the Quantification Settlement Agreement, and further hinders the economic revitalization of Imperial and Riverside Counties.

With this historic investment, the State will be taking a monumental step toward addressing this unacceptable situation. With respect to the New River, the investment of \$28 million will support the New River Improvement Project, a comprehensive proposal that protects vulnerable residents living in communities bypassed by the river by installing a trash screen, encasing and piping dirty river flow around the City of Calexico, and enabling the pumping of a portion of water treated by the City of Calexico back into the channel to restore some of the River's flows.

On the northern end the Salton Sea, the investment of \$19 million will launch the first northern phase of the Perimeter Lake, a concept proposal supported by the SSA. This northern component of the larger Perimeter Lake, will be designed to provide deep-water habitat along the perimeter shoreline of the sea to support fish and bird populations while covering exposed playa and suppressing fugitive dust emissions. In addition, the lake will also enable the revitalization of shoreline communities that were the number-one recreational tourist destination in California a few decades ago. This economic recovery will be transformational to one of the most environmentally distressed and economically depressed areas of California.

In closing, we understand and appreciate you are faced with some very tough decisions as you try and develop a balance budget during the worst economic collapse since the Great Recession. Maintaining the Governor's investment in the Salton Sea, however, is critical to enabling the state to meet its moral and legal obligations to the region. For these reasons, we urge you to support this critical investment.

Sincerely,



Castulo Estrada
Chairman



Alex Cardenas
Vice Chairman



June 16, 2020

Governor Gavin Newsom
Office of the Governor
State Capitol
Sacramento, CA 95814

Re: Support for State Budget provisions to fund major Salton Sea Restoration Activities

Dear Governor Newsom:

On behalf of the Salton Sea Authority, a Joint Powers Authority (JPA) consisting of the Coachella Valley Water District, the Imperial Irrigation District, Imperial County, Riverside County and the Torres Martinez Desert Cahuilla Indians, we write in enthusiastic support of the budget's proposed investments for the Salton Sea. Specifically, as you called for as part of the May Revise, and reflected in this budget, the investments include:

1. 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.
2. 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.

These critical investments will go a long way toward helping California meet its moral and legal obligations to the Salton Sea. In this time of Covid distress, these crucial economic investments will help anchor the economic recovery in one of California's most economically distressed regions.

The New River is a dangerously polluted waterway that flows north across the United States-Mexico border, through the city of Calexico, and then empties into the Salton Sea, some 60 miles away. Water flowing across the border often contains raw sewage, industrial, domestic and agricultural wastes, trash and other solid pollutants, owing mostly to Mexicali's overburdened and deteriorated infrastructure. In August 2019 levels of fecal coliform at the New River were found at levels 790 times above the legal federal limit. Once at the Salton Sea, contaminants in the river continue to degrade the state's ability to protect and restore the Salton Sea's ecosystem

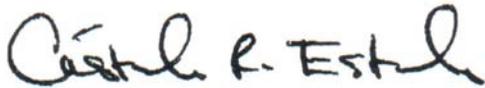
as required under the Quantification Settlement Agreement, and further hinders the economic revitalization of Imperial and Riverside Counties.

With this historic investment, the State will be taking a monumental step toward addressing this unacceptable situation. With respect to the New River, the investment of \$28 million will support the New River Improvement Project, a comprehensive proposal that protects vulnerable residents living in communities bypassed by the river by installing a trash screen, encasing and piping dirty river flow around the City of Calexico, and enabling the pumping of a portion of water treated by the City of Calexico back into the channel to restore some of the River's flows.

On the northern end the Salton Sea, the investment of \$19 million will launch the first northern phase of the Perimeter Lake, a concept proposal supported by the SSA. This northern component of the larger Perimeter Lake, will be designed to provide deep-water habitat along the perimeter shoreline of the sea to support fish and bird populations while covering exposed playa and suppressing fugitive dust emissions. In addition, the lake will also enable the revitalization of shoreline communities that were the number-one recreational tourist destination in California a few decades ago. This economic recovery will be transformational to one of the most environmentally distressed and economically depressed areas of California.

In closing, we understand and appreciate you are faced with some very tough decisions as you try and develop a balance budget during the worst economic collapse since the Great Recession. Maintaining the Governor's investment in the Salton Sea, however, is critical to enabling the state to meet its moral and legal obligations to the region. For these reasons, we urge you to support this critical investment.

Sincerely,



Castulo Estrada
Chairman



Alex Cardenas
Vice Chairman

Governor's budget signature to launch significant investments

Salton Sea recovery gaining momentum

(News Release -- For Immediate Release)

Major state investment in the budget pending Governor Newsom's signature is poised to launch projects designed to restore the health of California's largest lake.

"The Legislature and Governor are taking action to empower local agencies to work in partnership with the state in reversing the long trajectory of despair at the Salton Sea – one of California's most environmentally challenged and economically distressed regions," stated Castulo Estrada, Chairman of the Board for the Salton Sea Authority (SSA). The SSA is comprised of Coachella Valley Water District, Imperial Irrigation District, the counties of Imperial and Riverside, as well as the Torres Martinez Band of Desert Cahuilla.

The state budget approved yesterday by the Legislature provides \$28 million to protect vulnerable communities from exposure to America's most polluted river – the New River which flows across the Mexican border to the Salton Sea. Balancing that investment on the south end of California's largest inland sea is a \$19.3 million investment toward a North Lake project that will provide benefits including air quality protection, habitat restoration, recreation and economic recovery for struggling communities around the Sea.

Phil Rosentrater, executive director of the Salton Sea Authority, said the budget allocations bring new hope for a healthier and more prosperous Salton Sea region. The state is already committing hundreds of millions of dollars from Prop 1 and Prop 68 in development of a 3770 acre Species Conservation Habitat on the southwest rim of the Sea. The SSA agencies support that project as a first phase in a more comprehensive Perimeter Lake that can cover dusty playa, restore vital habitat and revitalize a recreational economy to financially sustain the Sea. The pending state budget will provide about \$19 M to the SSA to develop a smaller multi-benefit project along the northern shoreline of the Sea.

The Salton Sea, the largest inland sea in California, is fed by agricultural runoff that at one time sustained one of the nation's largest and most diverse populations of migratory waterfowl while also providing the state's most popular recreational tourist destination.

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