

# Salton Sea Authority Board of Directors Meeting

Thursday, November 3, 2016  
10:00 a.m.

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



**AGENDA:** **BOARD OF DIRECTORS MEETING**  
**DATE:** (Revised date as per 9-22-16 Board vote)  
**Thursday, November 3, 2016**  
**10:00 a.m.**  
**LOCATION:** **Coachella Valley Water District**  
**Steve Robbins Administration Building**  
**75515 Hovley Lane East**  
**Palm Desert, CA 92260**  
**(760) 398-2651**

**I. CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**II. 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.*

**III. PUBLIC COMMENTS**

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

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

- A. Minutes of September 22, 2016
- B. Warrant Register Ratification for September 2016
- C. Internal Financial Report for: 7/01/2016 – 09/30/2016
- D. FY 2016-2017 General Fund Budget Transfers for Board Approval
- E. Approval of 2017 Board Meeting Calendar

**V. ACTION ITEMS**

- A. Board approval to implement electronic vendor payment methods.
- B. Board approval of insurance bond limit for Code 6505.1 compliance.
- C. Board approval of outside CPA as Controller to fulfill Code 6505.5.

**VI. REPORTS**

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

**VII. ADJOURNMENT**

**NEXT MEETING TIME & LOCATION:**

Thursday, December 15, 2016

10:00 a.m.

Imperial Irrigation District

Bill Condit Auditorium

1285 Broadway Avenue

El Centro, CA 92243

(760) 482-9618

*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**  
**September 22, 2016**

**I. CALL TO ORDER**

The regularly scheduled meeting of the Salton Sea Authority (“Authority” or “SSA”) Board of Directors (“Board”) was called to order by Director Ryan E. Kelley, Chairman, at 10:06 a.m., September 22, 2016, Imperial Irrigation District, Bill Condit Auditorium, 1285 Broadway Avenue, El Centro, CA 92243, (760) 760-482-9618

**PLEDGE OF ALLEGIANCE**

Director James Hanks led the Pledge of Allegiance

**ROLL CALL:**

**DIRECTORS PRESENT**

Ryan E. Kelley, President  
G. Patrick O’Dowd, Vice President  
John J. Benoit, Treasurer  
Matt Dessert, Secretary  
Marion Ashley, Director  
Cástulo R. Estrada, Director  
James C. Hanks, Director  
John Renison, Director  
Thomas TorteZ, Director

**AGENCY**

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

**DIRECTORS ABSENT**

Frank Durgin, Director

**AGENCY**

Torres Martinez Desert Cahuilla

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

**SALTON SEA AUTHORITY STAFF PRESENT**

Phil Rosentrater, Executive Director/General Manager  
Linda Seroy, Board Secretary/Administrative Assistant  
Gloria Sampson, Gloria J. Sampson Accounting Services, Consultant  
Lisa Bravata, Assistant to the Board Secretary  
Phil Johnson, Assistant Executive Director  
Bob Hargreaves, Best Best & Krieger, Legal Counsel

**MEMBERS OF THE PUBLIC PRESENT**

**AGENCY**

Alan Boyce	Taché Basin LLC
Pat Cooper	Supervisor Benoit
Ralph F. Miller	(None)
Michael Flores	CDFW
Graeme Donaldson	IID
Samantha Haynes	CDFW
Darren Simon	SDCWA
Antonio Ortega	IID
Michael Kincaid	AECOM
Suzie Earp	WRI
Jeff Geraci	CRWQCB
Jairo Diaz	University of CA
Jim Wood	IVCRC
Vickie Doyle	IID
Tracy Sizemore	Alger Alternative Energy, LLC
Kay Pricola	IVVGA/COLAB

**II. BOARD MEMBER COMMENTS**

- A. Director Benoit noted with appreciation that all agencies were present.
- B. Director Benoit verbalized the Authority staff request to add an item to the agenda that came up after the agenda had been posted: the need for a resolution for the bank for signing authority.

*Director Benoit **moved** that the bank signing authority resolution be added to the agenda; Director Renison **seconded**; **unanimously approved**.*

**III. PUBLIC COMMENTS - None**

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

- A. Minutes of June 30, 2016
- B. Warrant Register Ratification for June 2016
- C. Warrant Register Ratification for July-August 2016
- D. Internal Financial Report for: 6/01/2016 – 6/30/2016
- E. Internal Financial Report for: 7/01/2016 – 8/31/2016

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

**V. ACTION ITEMS**

- A. Staff request to postpone the October 27, 2016 SSA Board meeting until November 3, 2016. The Authority has identified geothermal energy development as a key strategy for the eventual restoration and maintenance of the Salton Sea. SSA's GM/Executive Director Phil Rosentrater recommended that the October Board meeting be rescheduled to allow Authority directors and staff to attend the geothermal energy conference that conflicts with the originally-scheduled Board meeting date.

Director Kelley confirmed the importance of this conference to the Salton Sea Authority and its member agencies.

*Director Renison **moved** that the October Board meeting be moved to November 3. **Seconded** by Director O'Dowd. **Unanimously carried.** The next SSA Board meeting will be on November 3.*

- B. Change location of SSA Board meeting to accommodate local access. Director Kelley raised the possibility of holding the Salton Sea Authority Board meetings occasionally in the west shore and north shore areas as requested by his constituents. He would like to test each location once. After brief discussion, it was recommended that the Board try out the proposed west shore and north shore locations first before making a permanent change or addition.

*Director Renison **moved** to add one meeting each at west shore and north shore to the calendar, **seconded** by Director O'Dowd. **Unanimously carried.** Staff was instructed to try each of the two locations once, with the option to schedule more meetings at those locations if they work out.*

- C. Special item added in II.B: Approval of Resolution 16-01 designating officials authorized to be signatories on Salton Sea Authority bank accounts. Staff drafted the resolution in accordance with standing bank and Authority Board guidelines)

*Director Benoit **moved** that the Resolution 16-01, designating authorized signatories for Salton Sea Authority, be approved; **seconded** by Director Renison. **Unanimously carried.***

## **VI. REPORTS**

### **A. General Manager's Report on Activities**

GM/Executive Director Phil Rosentrater reported that all mission-critical objectives of the past year had been met, and he wants to continue that momentum. The Board recognized his previously-submitted written report.

At Chairman Kelley's request, Executive Director Rosentrater elaborated on the MOU announcement and the amount of funding that was mentioned in the White House press release. Concurrent with President Obama's appearance at the climate change forum in Tahoe, there was an announcement from the White House that talked about additional commitments from the administration to climate change. It specifically mentioned additional monies coming in for the Salton Sea, even possibly an additional \$30 million, but it became apparent that those were existing appropriations, one of which is the \$3M for wetlands enhancement at Holtville through the Bureau of Reclamation, and another the \$7.5M with the Department of Agriculture Natural Resources Conservation Service, an existing appropriation to the Salton Sea Authority. Those existing sources were counted as additional monies in the press release from the White House, but in reality, the Authority would not consider those additional beyond what we had already anticipated.

Standing state report: In the unavoidable absence of the state's Assistant Secretary of Resources for Salton Sea, Mr. Rosentrater read an update from Bruce Wilcox.

### **B. Legislative Update**

SSA's Assistant Executive Director Phillip Johnson reviewed the written legislative update with the Board, highlighting new bills and changes to existing AB 1416, Stone's bill for the voluntary contribution fund that has been signed into law. As of January 1, 2017, it will be available for voluntary contribution of income tax refunds to begin. SB 839, our public resources budget trailer bill, was also signed into law by the governor – granting design-build authority for the Department of Water Resources for the Salton Sea. Design-build authority will help expedite the SSMP projects.

GM/Exec. Dir. Rosentrater inserted that the SSA staff and partner agencies are reviewing the legislative platform to be sure that the geothermal and renewable energy platform is up to date and recognizes new opportunities. Staff will bring it back to the Board for consideration and ratification at a later date.

### **C. There being no one from Salton Sea Action Committee present to give a report, Chairman Kelley invited Mr. Tracy Sizemore, CEO of Alger Alternative Energies, to speak. Alger Alternative Energies had purchased the assets of the Simbol Lithium company and are in the process of formulating the business to start mineral production in the Salton Sea area with the Salton Sea geothermal brine.**

**VII. ADJOURNMENT**

There being no further business, Board President Ryan Kelley entertained a motion to adjourn. *Director Renison so moved, seconded by Director O’Dowd. Unanimously carried.* The meeting adjourned at 10:28 a.m.

**NEXT MEETING TIME & LOCATION:**

The regularly-scheduled “October” meeting will be held  
Thursday, November 3, 2016  
10:00 a.m.  
Coachella Valley Water District  
Steve Robbins Administration Building  
75515 Hovley Lane East  
Palm Desert, CA 92260  
(760) 398-2651

**NEXT MEETING TIME & LOCATION:**

The regularly-scheduled December meeting will be held  
Thursday, December 15, 2016  
10:00 a.m.  
Imperial Irrigation District  
Bill Condit Auditorium  
1285 Broadway Avenue  
El Centro, CA 92243  
(760) 760-482-9618

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**Warrant Register**  
**Sept 1, 2016 through Sept 30, 2016**



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<b>Warrant Date</b>	<b>Warrant Number</b>	<b>Vendor Name</b>	<b>Amount</b>
09/07/2016	EFT	Rabobank Credit Card	3,006.79
09/07/2016	EFT	Pitney Bowes	87.48
09/12/2016	EFT	American Express	2,647.89
09/12/2016	16124	Best, Best & Krieger	996.90
09/12/2016	16125	Johnson, Phillip	268.82
09/12/2016	16126	OfficeTeam	10,990.52
09/12/2016	16127	RivCo EDA	27,117.83
09/12/2016	16128	Riverside County	31,000.00
09/12/2016	16129	Sampson, GJ Acct	8,304.80
09/12/2016	16130	SystemGo IT LLC	594.00
09/12/2016	16131	Rosentrater, Phil	223.23
09/22/2016	16132	AMEC	24,886.25
09/22/2016	16133	Tetra Tech - 214	105,477.72
09/22/2016	16134	Petty Cash	117.69
09/22/2016	16135	Alliant Insurance Service	9,523.94
09/23/2016	EFT	Verizon Wireless	188.29
09/30/2016		Rabobank	15.00
<b>Total \$</b>			<b>225,447.15</b>

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

	101 General	214 Wetlands Grant	702 Fish Clean Up Trust	TOTAL
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
0001010 · Cash - Checking	57,430.81	-56,177.78	0.00	1,253.03
0001011 · Cash - Money Market	599,326.81	0.00	20,991.43	620,318.24
0001012 · Cash - RivCo Fund	28,256.32	0.00	0.00	28,256.32
0001015 · Cash - Petty Cash	200.00	0.00	0.00	200.00
<b>Total Checking/Savings</b>	685,213.94	-56,177.78	20,991.43	650,027.59
<b>Accounts Receivable</b>				
0001210 · Accounts Receivable	150,000.00	228,089.92	0.00	378,089.92
<b>Total Accounts Receivable</b>	150,000.00	228,089.92	0.00	378,089.92
<b>Total Current Assets</b>	835,213.94	171,912.14	20,991.43	1,028,117.51
<b>TOTAL ASSETS</b>	<b>835,213.94</b>	<b>171,912.14</b>	<b>20,991.43</b>	<b>1,028,117.51</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
0002010 · Accounts Payable	36,950.86	145,264.35	0.00	182,215.21
<b>Total Accounts Payable</b>	36,950.86	145,264.35	0.00	182,215.21
<b>Credit Cards</b>				
0002015 · Credit Card Payable	3,805.31	0.00	0.00	3,805.31
0002016 · Credit Card Payable AE	412.35	0.00	0.00	412.35
<b>Total Credit Cards</b>	4,217.66	0.00	0.00	4,217.66
<b>Other Current Liabilities</b>				
0002820 · Deferred Revenue	0.00	13,309.05	0.00	13,309.05
<b>Total Other Current Liabilities</b>	0.00	13,309.05	0.00	13,309.05
<b>Total Current Liabilities</b>	41,168.52	158,573.40	0.00	199,741.92
<b>Total Liabilities</b>	41,168.52	158,573.40	0.00	199,741.92
<b>Equity</b>				
0003009 · Fund Balance	302,813.84	-247,286.23	20,991.43	76,519.04
Net Income	491,231.58	260,624.97	0.00	751,856.55
<b>Total Equity</b>	794,045.42	13,338.74	20,991.43	828,375.59
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>835,213.94</b>	<b>171,912.14</b>	<b>20,991.43</b>	<b>1,028,117.51</b>

**Salton Sea Authority**  
**Revenue & Expenditure by Fund**  
 July through September 2016

	101 General	214 Wetlands Grant	TOTAL
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
0004662 · Local Gov/Member Assessments	610,000.00	0.00	610,000.00
0004660 · State of California Grants	0.00	269,142.03	269,142.03
0004710 · Pooled Cash Allocated Interest	302.34	0.00	302.34
<b>Total Income</b>	610,302.34	269,142.03	879,444.37
<b>Expense</b>			
<b>1020000 · SSA ADMINISTRATION</b>			
<b>1025010 · Salaries</b>			
Salaries - RivCo EDA	17,981.32	0.00	17,981.32
Salaries - Admin Support A	8,888.90	0.00	8,888.90
<b>Total 1025010 · Salaries</b>	26,870.22	0.00	26,870.22
<b>1025500 · Employee Benefits</b>			
Employee Benefits - RivCo EDA	5,474.74	0.00	5,474.74
Employee Benefits - SSA	4,600.10	0.00	4,600.10
<b>Total 1025500 · Employee Benefits</b>	10,074.84	0.00	10,074.84
<b>1026050 · Contract Svc/Professional</b>			
Contract Svc/Prof - Adm Sup C	9,607.50	0.00	9,607.50
Contract Svc/Prof - Adm Sup D	8,016.97	0.00	8,016.97
Contract Svc/Prof - Exec Sup	17,255.38	0.00	17,255.38
Contract Svc/Prof - Finance	16,644.00	0.00	16,644.00
<b>Total 1026050 · Contract Svc/Professional</b>	51,523.85	0.00	51,523.85
<b>1026010 · Contract Svc/Attorney</b>			
Contract Svcs/Attorney - Genera	2,075.68	0.00	2,075.68
<b>Total 1026010 · Contract Svc/Attorney</b>	2,075.68	0.00	2,075.68
1026095 · Contract Svc/Equipment Maint	1,188.00	0.00	1,188.00
1028551 · Capital Equipment <\$5,000	788.13	0.00	788.13
1026096 · Contract Svc/Equipment Lease	87.48	0.00	87.48
1026120 · Insurance	9,523.94	0.00	9,523.94
1027030 · Office Exp/Operating Supplies	1,612.38	0.00	1,612.38
1027035 · Office Exp/Online Services	120.00	0.00	120.00
1026450 · Postage, Mail	124.69	0.00	124.69
1026470 · Printing Services	458.67	0.00	458.67
1026439 · Dues, Subscriptions	185.00	0.00	185.00
1026350 · Communications	564.87	0.00	564.87
1026370 · Travel/Meetings	13,280.43	0.00	13,280.43
1020000 · SSA ADMINISTRATION - Other	253.18	0.00	253.18
<b>Total 1020000 · SSA ADMINISTRATION</b>	118,731.36	0.00	118,731.36

**Salton Sea Authority**  
**Revenue & Expenditure by Fund**  
 July through September 2016

	101 General	214 Wetlands Grant	TOTAL
<b>6020000 · WETLANDS GRANT ADMINISTRATION</b>			
<b>6026010 · Contract Svcs/Attorney</b>	339.40	0.00	339.40
<b>Total 6020000 · WETLANDS GRANT ADMINISTRATION</b>	339.40	0.00	339.40
<b>6040000 · WETLANDS GRANT TECHNICAL</b>			
<b>6046070 · Contract Svcs/LCP</b>	0.00	178.75	178.75
<b>6046020 · Contract Svcs/AMEC - update</b>	0.00	3,151.00	3,151.00
<b>6046025 · Contract Svcs - AMEC/NSYC</b>	0.00	3,949.71	3,949.71
<b>6046040 · Contract Svcs/Design</b>	0.00	1,237.60	1,237.60
<b>Total 6040000 · WETLANDS GRANT TECHNICAL</b>	0.00	8,517.06	8,517.06
<b>Total Expense</b>	119,070.76	8,517.06	127,587.82
<b>Net Ordinary Income</b>	491,231.58	260,624.97	751,856.55
<b>Net Income</b>	<b>491,231.58</b>	<b>260,624.97</b>	<b>751,856.55</b>

# Memorandum

**To:** Salton Sea Authority Board of Directors  
**From:** Phil Rosentrater, GM/Executive Director  
**Date:** November 3, 2016  
**Re:** **FY 2016-2017 General Fund Budget Transfers for Board Approval**  
**CM No.** **IV.D – 11/03/2016**

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**GENERAL:**

One of the mission critical objectives identified for FY 2016-2017 is to build bench strength within SSA staff ranks so that we are prepared to cover emergency absences and to manage increased workload as we acquire more grant and program activities.

The fiscal year budget includes funding for assistance to all SSA staff positions. Specific roles had not been identified at the time the budget was prepared so budget re-allocation was planned when additional information became available. Subsequently, Administrative Assistant and Assistant Executive Director positions were identified and filled by leased employees. The following budget transfers are requested to meet these costs through June 30, 2017.

<u>Transfer From:</u>		<u>Transfer To:</u>	
Fringe Benefits – Admin	\$17,000	Administrative Support – D	\$17,000
Legislative Gov’t Relations	\$ 5,500	Executive Services Support	\$40,000
Contingency Reserve	<u>\$34,500</u>		<u>          </u>
Total	\$57,000	Total	\$57,000

The Finance Committee and Salton Sea Authority staff met on October 17, 2016. The budget transfers were discussed and the Finance Committee approved them for referral to the full Board of Directors.

**RECOMMENDATION:**

The Salton Sea Authority Staff and the Finance Committee recommend that the Salton Sea Authority Board receive and approve the Fiscal Year 2016-2017 General Fund Budget Transfers.

Respectfully submitted,

Phil Rosentrater  
 GM/Executive Director

## Memorandum

**To:** Salton Sea Authority Board of Directors  
**From:** Phil Rosentrater, GM/Executive Director  
**Date:** November 3, 2016  
**Re:** **Proposed 2017 Schedule of Salton Sea Authority Board Meetings**  
**CM No.** **IV.E – 11-03-16**

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### **BACKGROUND**

Attached for your consideration is the proposed 2017 Schedule of Salton Sea Authority Board Meetings.

Board meetings are usually scheduled on the fourth Thursday of the month; however, some meeting dates were moved to accommodate holidays and important Board and Staff conferences.

In recent years the Board has elected not to meet in July and August, and to combine the November and December meetings into one meeting in early-to-mid December.

In an effort to accommodate local access, the Board voted at the September 22, 2016 SSA Board meeting to test a west shore and a north shore location once each to see if they would be appropriate locations to hold the meetings occasionally. If successful, the Board could then elect to update the calendar to include those locations for future meetings.

The attached proposed Board meeting schedule incorporates these adjustments.

### **RECOMMENDATION**

Salton Sea Authority staff recommends that the Salton Sea Authority Board of Directors approve the attached proposed board meeting schedule.

Respectfully,

Phil Rosentrater  
GM/Executive Director

*The attached schedule is for basic information and may be revised as conditions require.*



**2017 MEETING SCHEDULE**  
**SALTON SEA AUTHORITY**  
**BOARD of DIRECTORS**  
**10:00 a.m.**

**January 26**

North Shore Yacht Club

**July 27**

No Meeting

**February 23**

Salton Community Svcs. District

**August 24**

No Meeting

**March 23**

Coachella Valley Water District

**September 28**

Coachella Valley Water District

**April 27**

Imperial Irrigation District

**October 26**

Imperial Irrigation District

**May 18**

Coachella Valley Water District

**November 23**

No Meeting

**June 15**

Imperial Irrigation District

**December 14**

Coachella Valley Water District

**Location Addresses**

**Coachella Valley Water District**

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

**Imperial Irrigation District**

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

**North Shore Yacht Club**

99155 Sea View Dr.  
Mecca, CA 92254  
(760) 574-5471

**Salton Community Services District**

1209 Van Buren Avenue, Suite 1  
Salton City, CA 92274  
(760) 394-4446

*The above schedule is for basic information and may be revised as conditions require.*

*Approved at the 12-10-15 SSA Board meeting, subject to amendment from time to time as needed.*

## Memorandum

**To:** Salton Sea Authority Board of Directors  
**From:** Phil Rosentrater, GM/Executive Director  
**Date:** November 3, 2016  
**Re:** Use of Electronic Vendor Payment Methods for Board Approval  
**CM No.** V.A – 11/03/2016

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### **GENERAL:**

Salton Sea Authority staff, with prior approval from the Finance Committee, investigated the use of electronic methods for paying its vendors. The objectives are to decrease payment processing time for vendors and alleviate logistical issues of obtaining a “wet” signature on checks for both staff and signatories. Focus centered on cost effectiveness, efficiency, and security.

SSA staff investigated various ACH and bill payment products and presented its conclusions to the Finance Committee at its meeting on October 17, 2016. SSA’s current banking relationship, Rabobank, offers both ACH and bill payment options for a modest monthly cost increase. The system accommodates one person as the transaction initiator with two people using separate, private login credentials to approve the transactions before submission will occur. This level of security is commensurate with current, Board-approved practices for issuing checks.

SSA staff provided the Finance Committee with a general outline of procedures, consistent with current Board-approved procedures for obtaining signatory authorization to use a signature facsimile stamp, with detailed procedures to follow as the product is implemented.

The Finance Committee voted to refer the item to the full Board of Directors with a recommendation for its approval.

### **RECOMMENDATION:**

The Salton Sea Authority Staff and the Finance Committee recommend that the Salton Sea Authority Board of Directors approve the use of electronic payment practices as outlined above.

Respectfully submitted,

Phil Rosentrater  
GM/Executive Director

## Memorandum

**To:** Salton Sea Authority Board of Directors  
**From:** Phil Rosentrater, GM/Executive Director  
**Date:** November 3, 2016  
**Re:** **California Government Code 6505.1 Compliance for Board Approval (Insurance Bond Limit)**  
**CM No.** V.B – 11/03/2016

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### **GENERAL:**

Per request from the SSA Board of Directors, SSA staff and legal counsel are in the process of reviewing and updating the bylaws, which will be presented as a whole for consideration at a future meeting. In the course of the review it was determined that SSA is lacking an insurance bond required by California Government Code 6505.1. The insurance provides coverage against loss by officers and staff having control of, or access to the agency's assets.

Salton Sea Authority staff provided data regarding its assets and exposure to the insurance broker handling insurance of government agencies. They recommended \$1 million of coverage, with a \$2,500 deductible for a \$1,200 annual premium.

The Finance Committee was apprised of the situation and solution at its meeting with Salton Sea Authority staff on October 17, 2016. Sufficient funds to cover this new regulatory mandate exist in the current SSA budget approved by the Board of Directors. The Finance Committee approved the item for referral to the full Board of Directors.

### **RECOMMENDATION:**

The Salton Sea Authority Staff and the Finance Committee recommend that the Salton Sea Authority Board approve the insurance coverage outlined above to become compliant with California Government Code 6505.1.

Respectfully submitted,

Phil Rosentrater  
GM/Executive Director

## Memorandum

**To:** Salton Sea Authority Board of Directors  
**From:** Phil Rosentrater, General Manager  
**Date:** November 3, 2016  
**Re:** Board Approval of Outside CPA as Controller to Fulfill California Code 6505.5  
**CM No.** V.C – 11/03/2016

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### GENERAL:

Salton Sea Authority staff and legal counsel are in the process of reviewing and updating the bylaws, which will be presented as a whole for consideration at a future meeting. In the course of the review it was determined that SSA is not currently compliant with California Government Code 6505.5.

Code 6505.5 defines the role of an agency's Controller, stating that it is to be filled by a JPA member agency's employee or by an outside CPA. Although Salton Sea Authority annually completes a clean audit by an outside audit firm, due in part to the diligent efforts of its accounting personnel, it does not currently have anyone in place that meets the criteria for Controller under Code 6505.5.

Further investigation revealed that the Authority can become Code-compliant by adding a layer of oversight by an outside CPA to existing accounting procedures. Options were explored and a CPA firm identified that specializes in providing such services to special districts and other small government agencies. As per the attached bio, Cindy Byerrum, Principal of the Platinum Consulting Group, possesses the requisite skills, expertise and credentials. We believe engaging Ms. Byerrum to perform certain oversight responsibilities on a quarterly basis will meet the requirements of Code 6505.5 at minimal cost without adding undue duplication of effort.

The Finance Committee was apprised of the situation and solution at its meeting with Salton Sea Authority staff on October 17, 2016. The Finance Committee approved the item for referral to the full Board of Directors.

### RECOMMENDATION:

The Salton Sea Authority Staff and the Finance Committee recommend that the Salton Sea Authority Board approve the addition of an outside CPA to serve the role of Controller to become compliant with California Government Code 6505.5.

Respectfully submitted,

Phil Rosentrater  
GM/Executive Director

## Cindy (Navaroli) Byerrum, MPA, CPA

### **PROFESSIONAL EXPERIENCE**

#### **July 2001 – present: Managing Principal, Platinum Consulting Group**

- External Finance Director for the *Twentynine Palms Water District*
- External Treasurer for the *Trabuco Canyon Water District*
- External CFO and Treasurer for *East Orange County Water District*
- External CFO for *Bellflower-Somerset Mutual Water Company*
- Financial Consultant to the *City of Signal Hill & City of Corona DWP, Orange County and Los Angeles County LAFCOs, Los Angeles Gateway Water Management Authority, Chino Basin Water Conservation District; Bighorn-Desert View Water District, Cabazon Water District, Rowland Water District, La Puente Valley County Water District, and Bellflower-Somerset Mutual Water Company, Pico Water District, and Sunny Slope Mutual Water Company.*
- Contract CPA for the *California-Nevada Section of the American Water Works Association, and the California Utility Executive Management Foundation (CUEMA).*

#### **Past positions and projects:**

- Interim Controller for *San Diego County Water Authority*, Interim Director of Finance for *Yorba Linda Water District* and Interim CFO for *Rosamond Community Services District and California Domestic Water Company*. Responsibilities involved restructuring the finance department; revising job descriptions; supervising the finance, customer service staff, and meter reading staff; recruiting and selected a new Controller/Director of Finance; preparation of monthly financial statements and mid-year budget revisions; identifying and correcting internal control weaknesses; reporting to the Board, implementation of a major systems conversion; rating agency liaison.
- **External CFO and Contract CPA** responsibilities of various other public companies include the preparation of the annual budget, accounting clean-up of general ledger, cash management and forecasting, reconciliation of billing records, creation of new accounting positions and restructuring of the customer service and finance department, design and monitoring of effective internal controls, various special consulting projects, and presentations at finance committee meetings and board meetings. Most positions involved strategic planning, hiring and training of senior financial management, human resources oversight, and board reporting and presentations.

#### **2007 –2008: Chief Financial Officer, Three Valleys Municipal Water District and Six Basins Watermaster**

- Responsible for the completion of the annual audit and preparation of the inaugural CAFR which received the CSMFO and GFOA awards for excellence for FY 07 and 08
- Reorganized budget and financial reports into separate funds and sources/uses structure
- Responsible for collaborating with department heads, water treatment plant staff, member agencies, and board members to coordinate the preparation and presentation of the annual operating and capital budgets
- Preparation of cash flow analysis and projections; analysis of funding proposals, review of monthly financial reports, cost analysis, and project updates
- Responsible for management of the District's \$24 million investment portfolio and all banking and debt financing functions
- Coordination of RFPs, vendor contracts, customer billing, and project accounting
- Oversee in-house payroll functions, as well as pension and retirement plan compliance testing; all benefits administration and human resource functions
- Primary liaison to seven member board for monthly Finance Committee and Board meetings

**1999 to present: Various part-time professional teaching positions**

- Adjunct Professor at Cal State Fullerton, Cal Poly Pomona, Cal State San Bernardino, and Chaffey College; Becker CPA Review course instructor (Auditing and Governmental Accounting)
- Classes include Governmental and Nonprofit Accounting, Auditing, Financial Accounting, Managerial Accounting, Computer Information Systems in Accounting, and Payroll Accounting

**2001 –2006: Coordinator of Accounting, Financial Services, and Real Estate, and Professor of Accounting (fully-tenured), Chaffey College**

- Responsibilities included organizing and communicating with Advisory Boards; managing, scheduling, and evaluating all adjunct and new faculty in the department (over 30 instructors); implementing new curriculum and programs; various management duties
- Frequent participation in committee meetings, union negotiations, and accreditation committee co-chair. Created the *Accounting for Governments* certificate program, curriculum, and Governmental Advisory Board.

**1999 – 2001: Supervisor, Vicenti, Lloyd & Stutzman, LLP**

- Supervised various audits of governmental agencies and non-profit organizations
- Main audit clients included Upper San Gabriel Valley MWD, Three Valleys Municipal Water District, San Gabriel Basin Water Quality Authority, and other water related district and entities; various local education agencies
- Responsibilities also included the supervision, training, and development of senior and staff accountants

**1997 –1999: Auditor, Ernst & Young LLP**

- Audit Senior for various cities and other governmental and non-profit clients, such as the County of Riverside, Riverside Redevelopment Agency, County of Riverside Asset Leasing Corporation, Riverside County Transportation Commission, and other types of governmental agencies
- Supervised financial statement audits, single audits and various special compliance audits for federal and state programs

**ADVISORY AND LEADERSHIP ROLES**

- Frequent presenter at the California-Nevada Section., AWWA Association conferences and Board Meetings and ACWA conferences
- Active member of the AICPA, GFOA, CSMFO, AWWA and Association of Government Accountants

**EDUCATION**

**Master's in Public Administration (MPA)**, *California State University, San Bernardino, GPA 4.0*  
**BS in Business Administration (BS), Accounting concentration**, *California State University, San Bernardino, June 1997, College of Business and Public Administration Undergraduate Valedictorian, GPA 3.9*

**SOFTWARE SKILLS**

Certified QuickBooks Pro Advisor, New World, PeopleSoft 9.1, Caselle, Incode, Eden, Springbrook, Mas 90, ACS, Municipal Organizations Management System (MOMS), Great Plains, FrX, QuickBooks Enterprise, Pro & Basic 2013, Peachtree, Auditvision, ProSystems FX, Creative Solutions, ATB, ACL, Access, Word, Excel, Outlook and PowerPoint

## Staff Report

**To:** Salton Sea Authority Board of Directors  
**From:** Phil Johnson, Assistant Executive Director, SSA  
**Date:** November 3, 2016  
**Re:** **Legislative Update**  
**CM No.** **VI.B – 11/03/2016**

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

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

### Assembly Bill Summaries

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

**SSA Position:** Staff recommends **SUPPORT**

**Status:** **Introduced on March 1st, 2016. Re-referred to Com. on RLS. pursuant to Senate Rule 29.10(c).**

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

The recommendation of staff is that the SSA supports this bill as it aligns with the SSA platform.

**AB 2444 (Garcia) - California Parks, Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2016.**

**SSA Position: SUPPORT**

**Status: Referred to APPR. Suspense file on August 1<sup>st</sup>, 2016. From committee: Amend, and do pass as amended on August 15<sup>th</sup>, 2016. Read second time, ordered to third reading on, and re-referred to Com. on RLS on August 22<sup>nd</sup>, 2016.**

AB 2444 would authorize the issuance of \$3.497 billion in State General Obligation bonds to finance parks, water, climate adaptation, coastal protection, and outdoor access programs. This bond would be placed on the June 5<sup>th</sup>, 2018 statewide primary direct election.

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

Of note for the SSA this bond would specifically grant \$37.5 million to the Salton Sea Authority. Of this amount, not less than \$10 million shall be available for purposes consistent with the New River Water Quality, Public Health, and River Parkway Development Program. This funding along with the possibility of other pockets of funding from the bond provides the basis for the SSA Board of Directors to support AB 2444.

**AB 1755 (Dodd) - The Open and Transparent Water Data Act**

**SSA Position: Watch**

**Status: Enrolled and presented to the Governor at 12 p.m. on Sept 2, 2016. Chaptered by Secretary of State. Chapter 506, Statutes of 2016 on Sept. 23<sup>rd</sup>, 2016.**

AB 1755 would enact the Open and Transparent Water Data Act. The act would require the Department of Water Resources in consultation with the California Water Quality Monitoring Council, the state board, and the Department of Fish and Wildlife, in accordance with a specified schedule to create and manage a statewide water information system, and an online water transfer information to report on water transactions.

This act would also require DWR, the California Water Quality Monitoring Council, the state board, and the Department of Fish and Wildlife to develop protocols for data sharing, documentation, quality control, public access, and promotion of open source platforms related to water data. The act would also require that a recipient of state funds for research or a project relating to the improvement of water data shall adhere to those protocols or be ineligible for state funding.

Lastly, the act would create the Water Data Administration Fund. The act would then specify that moneys in the fund would be available, upon appropriation, to DWR for the improvement of water data and the act itself.

**SB 859 - Public resources: greenhouse gas emissions and biomass**

**SSA Position: Staff Recommends SUPPORT**

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

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

The recommendation of staff is that the SSA supports this bill as it aligns with the SSA platform.

**SB 839 - Public Resources**

**SSA Position: SUPPORT**

**Status: Introduced on Jan. 7<sup>th</sup>, 2016. Enrolled and presented to the Governor at 5 p.m. on Sept 1<sup>st</sup>, 2016. Approved by the Governor and Chaptered by Secretary of State. Chaptered by Secretary of State. Chapter 340, Statutes of 2016 on Sept. 13<sup>th</sup>, 2016.**

SB 839 would authorize the Department of Water Resources to use design-build procurement for projects at the Salton Sea. Design build authorization means that the Department of Water Resources would be able to utilize a single contractor who would then themselves contract with the designer and builder at the beginning of the process.

This will save valuable time having the builder involved in the designing of the projects as well as not having to go through the process of finding a builder once the design process is done. Design build authorization would prove an invaluable tool in a situation

where every second is critical to averting an ecological and human health disaster, and thus the Salton Sea Authority supports this bill.

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

**SSA Position: SUPPORT**

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

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

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

Federal Bill Summaries

**H.R. 2663 (Gosar) - Public Land Renewable Energy Development Act of 2015**

**SSA Position: SUPPORT**

**Status: Introduced to House on June 4<sup>th</sup>, 2015. Currently in the House Natural Resources Subcommittee on Energy and Mineral Resources as of July 13<sup>th</sup>, 2016.**

The importance of H.R. 2663 to the Salton Sea Authority is that the bill contains the same revenue sharing provision that S.1407 (Heller) and S. 2568 (Feinstein) have.

This revenue sharing provision could generate funding from renewable energy royalties that would offset impacts to counties that host renewable energy projects located on federal land.

Specifically:

- 25% of the payments go to counties involved
- 35% of the payments go to “Renewable Energy Resource Conservation Fund” which is managed by the Sec. of the Interior.

With the revenue sharing provision in mind the SSA staff recommends support of H.R. 2663 going forward.

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

**SSA Position: Watch**

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

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

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

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

**SSA Position: Support**

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

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

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

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

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

**S. 2848 (Inhofe) - Water Resources Development Act of 2016.**

**SSA Position: SUPPORT**

**Status: Introduced to the Senate on April 25th, 2016. Committee on Environment and Public Works. Ordered to be reported with an amendment favorably on April 28<sup>th</sup>, 2016. Placed on Senate Legislative Calendar under General Orders, Calendar No. 523 on June 20<sup>th</sup>, 2016. Considered by the Senate and amendments being heard on Sept. 8th, 2016. Senate passes with a vote of 95-3 on Sept 15<sup>th</sup>, 2016.**

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

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

The SSA Board supports S. 2848 due to the bill specifically designating the SSA as a preferred partner for the funding agreements to be established with the Army Corps as well as the appropriations of \$30 million for Salton Sea projects from WRDA 2007.

#### Terminology Reference

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

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

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

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