

Sea to Sea Project.

Importing seawater from Sea of Cortez to eliminate dust emissions from 75,000 acres at the Salton Sea and 150,00 acres at the Laguna Salada, BC Mexico.

“If you fill it, they will come”

February 22, 2016.

Jennings & Johnson Partnership (JJP) in association with the Cucapah Community of Mexicali, Baja California-Mexico.

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Jennings & Johnson Partnership (JJP), Developers of Sea to Sea in association with the Cucapah Community.

Gary K. Jennings.

- Sixteen years of transaction related experience in California.
- Sold nineteen companies over a ten year period.
- Nine of the nineteen were water companies in California.
- Business manager on fifty consulting projects over a fifteen year period.
- Settled nine lawsuits and rate cases related to water in California (CPUC).
- Please see www.gjennings.com for background and personal bio.

Dan Johnson, Esq.

- Managing Partner of the California based law firm Berglund & Johnson where he has practiced law for over 30 years.
- Received his BA in Political Science from California State University, Northridge.
- LaVerne Law School, Editor-in-chief of the Law Review and was the recipient of the law school's highest honor for scholastic achievement. Jurist Doctorate in 1976.
- Recognized as one of the Top Attorneys In Southern California and named a "Super Lawyer" in Los Angeles Magazine.
- President of the Los Angeles Chapter of the Christian Legal Society (2 terms). World Impact (Oaks), West Valley Christian Academy, Salvation Army (Van Nuys, CA.), West Hills Baseball, Steve Amerson Ministries, and the Los Angeles Center for Conflict Resolution at Pepperdine University. Dan and his wife, Elizabeth, also received the March of Dimes "Premier Parent" award.
- Please see www.berglundandjohnson.com

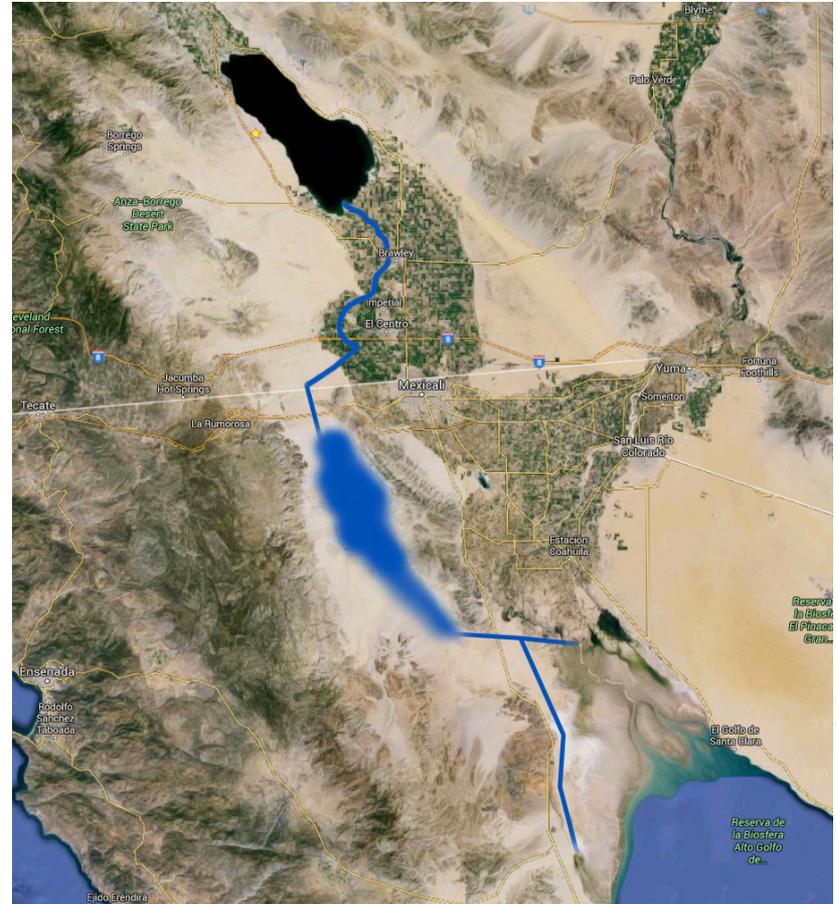
Cucapah Community, Mexicali, BC - Mx.

- Regional Indian community for over 1,000 thousand years in the Colorado River, Mexicali valley.
- First interaction with Spanish explorers in 1500, Mexicali valley delta estimated at 2.0 million acres.
- Estimated population in 1500, 2,000 to 4,000 people over a 100 square miles in the Mexicali valley delta.
- In 1905, the Mexicali valley started with 500 farmers, developers, traders, military and explorers.
- From 1905 to 1973 the Cucapah had no land or water rights.
- In 1973 the Mexican Government gave 75 Cucapah members 350,000 acres in the Laguna Salada basin with no water, no power and no paved roads.
- Less than 100 people live at the Laguna Salada.
- The Laguna Salada has no fresh water supply, only brackish ground water.
- Cucapah Community: 75 property owners - 400 descendants in the northern Baja region.
- Cucapah property size: 350,000 continuous acres, estimated at 50 miles by 11 miles, Laguna Salada.

COMMUNITY VOICE

696 Signatures in support of Sea to Sea Project.

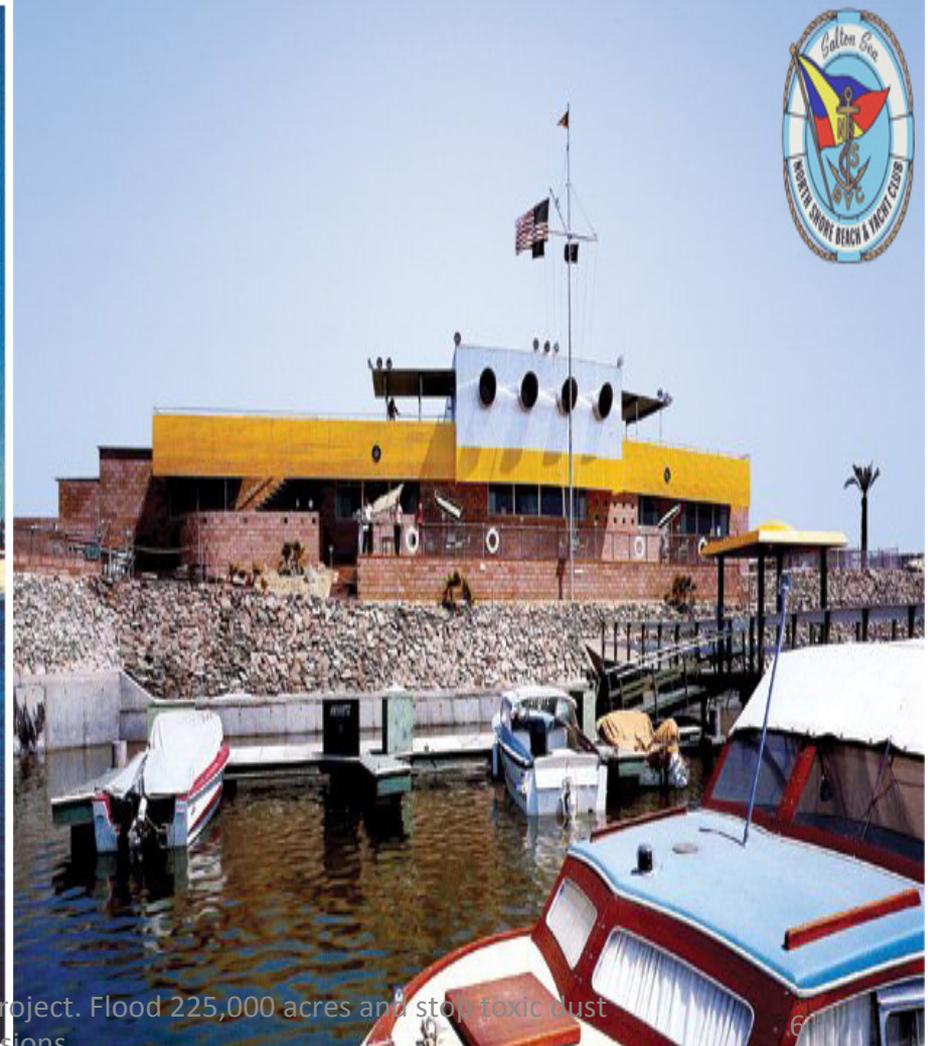
- [petition: Stop Toxic Dust and Create Habitat at the Salton ...](#)
- www.thepetitionsite.com
- [Why? To send a clear message to elected officials- it's time to Save Our Sea \(696 signatures on petition\).](#)



A full Salton Sea promotes economic development.
“If you fill it, they will come.”
1930 – 1980.

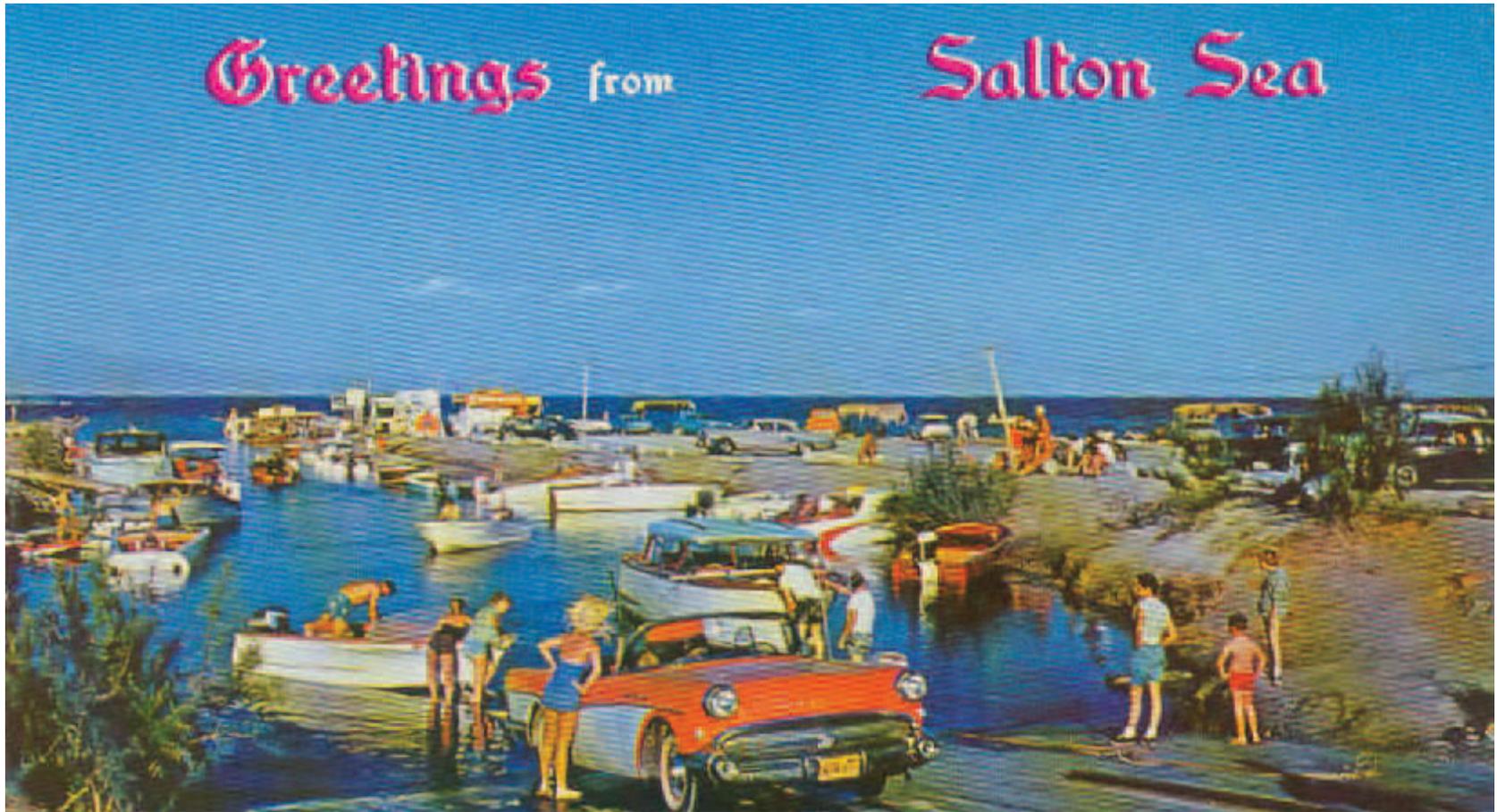


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1930 – 1980.



Salton Sea & Laguna Salada Dust Mitigation Project. Flood 225,000 acres and stop toxic dust emissions.

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Calexico

Cumbria Springs

Mexicali

Ciudad Morelos

Wildlife Refuge

Somerton

La Rumorosa

20

20

2

Michoacán de Ocampo

San Luis Río Colorado

Japá

Nuevo León

La Ponderosa

5

Guadalupe Victoria

Laguna Salada

Ejido Guardianes de la Patria

Estación Coahuila

La Casa de las Curvas

Sonora

Oliva

El Indiviso

El Doctor

s

3

La Ventana

Isla Montague

El Golfo de Santa Clara

La Pura

Ejido 18 de Marzo

3

Condensadora

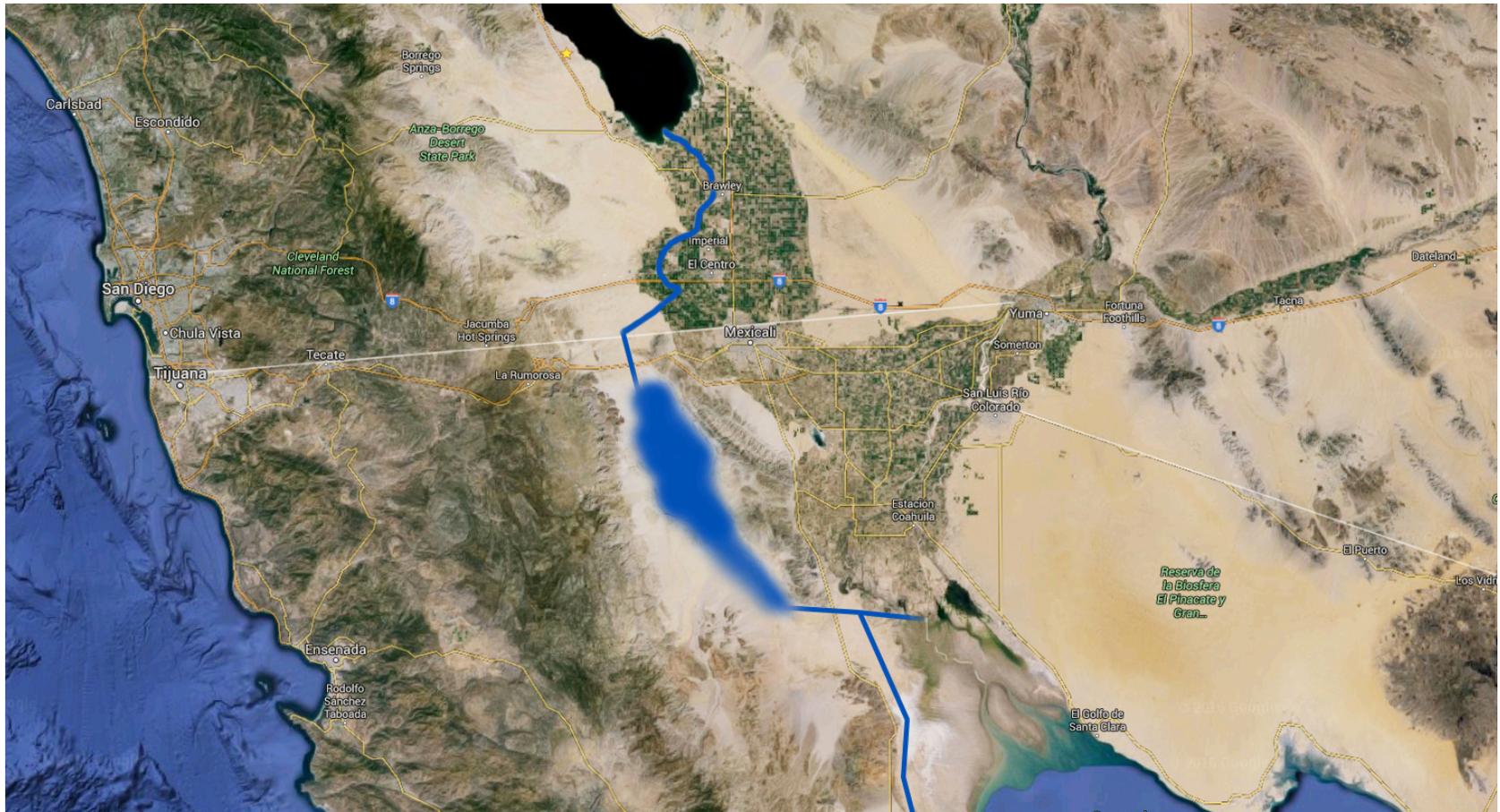
Google

Santa Catarina

30 mile by 3 mile semi dry lake, Laguna Salada, 1.0 maf.
5 mile of 3 - 10 ft. diameter foot steel pipelines, Mexicali, BC - MX.
45 mile of 3 - 10 ft. diameter foot steel pipelines, Imperial County.
25 mile of dirt canals (50x10), Mexicali, BC – MX.



30 mile by 3 mile semi dry lake, Laguna Salada, 1.0 maf.
5 mile of 3 - 10 ft. diameter foot steel pipelines, Mexicali, BC - MX.
25 mile of 3 - 10 ft. diameter foot steel pipelines, Imperial County.
25 mile of dirt canals (50x10), Mexicali, BC - MX.



The Salton Sea is three times the size of Owens Valley Lake.
O.V.L. is the most toxic dry lake bed in the United States.

Are Riverside County & Imperial County NEXT?



Are we next? Many think so.



Defining the problem (Creating and avoiding risk).

1. Defining and avoiding the problems (RISK).

- If one accepts the Tetra Tech or Pacific Institute dust emission estimates, the Salton Sea dry lakebed is expected to increase from 10,000 acres today to 75,000 - 100,000 acres.
- Health and economic costs are projected at \$ 70.0 billion (Pacific Institute).
- Dust impacts from Mexico and/or the 150,000 acre dry Laguna Salada lakebed have not been factored into dust emission cost estimates.
- Placing \$ 55.0 billion in property value at risk (CVED).
- Placing \$ 5.5 billion in retail sales value at risk (CVED).
- Placing \$ 1.0 billion tourism market at risk (CVED).
- Placing \$ 1.0 billion golf industry market at risk (CVED).
- Placing \$ 1.5 billion farming market at risk (CVED).
- Stopping 25,000 homes from being constructed over the next twenty five years.

Defining the problem (RISK).

2. Build the perimeter lake ASAP!



Proposal

(Solving the dust problem on 225,000 acres).

3. Key points of our proposal.

Our focus is dust elimination on 150,000 acres at the Laguna Salada and 75,000 acres at the Salton Sea.

- Per the IID and SSA plan, the Salton Sea is past the tipping point for many reasons.
- The new focus is a two lake system per law AB 1095.
- One perimeter lake for habitat, recreation and economic development (SSRREI & Perimeter Lake).
- One interior lake for dust mitigation, recreation and economic development.
- Import 1.0 million acre feet of sea water to eliminate dust at the Salton Sea & Laguna Salada.
- Raise the Salton Sea to the toe / foot of the new perimeter levee (-250).
- The two concepts are compatible (short term – long term).
- Excavate 25 miles of un lined dirt canals in Mexicali to allow sea water to flow into the Laguna Salada.
- Build 5 miles of pipelines from the Laguna Salada to the border (North).
- Build 25 to 45 miles of pipelines in California from the border to the Salton Sea.
- Flood 30 mile by 3 mile Laguna Salada basin with 2.0 maf of seawater.
- File U.S. Border and Water Commission permit and start formal discussions.
- Present an offer to the Cucapah community to lease land and purchase seawater.

Objective.

4. Objectives over the next five years.

- Prevent dust emissions on 75,000 acres of land at the Salton Sea by increasing the lake level to -250 with 1.0 million acre-feet of imported seawater from the Sea of Cortez, Mexico via the Laguna Salada.
- Prevent dust emissions on 150,000 acres of land at the Laguna Salada by increasing the lake level 10 feet with 1.0 million acre-feet of imported seawater from the Sea of Cortez, Baja Mexico.
- Avoid \$ 70.0 billion in dust emission related costs at the Salton Sea (Pacific Institute).
- Protect, defend, and support \$ 55.0 billion in regional real-estate values by creating a two lake Salton Sea with no dust emissions (CVED).
- Protect, defend, and support \$ 5.5 billion in regional retail sales by creating a two lake Salton Sea with no dust emissions (CVED).
- Support farming community \$ 1.5 billion in product sales.
- Support geothermal development estimated at \$ 10.0 billion in construction value.
- Support saltwater farming (25,000 acre potential, Hodges - Ginsler Project).
- Support road salt processing (1.0 to 2.0 million annual gross ton potential).
- Support \$ 2.0 billion dollar regional tourism market (CVED).
- Support \$ 1.0 billion dollar construction market (CVED).
- Support 25,000 home development around the Salton Sea.

How to pay for it.

5. Currently California collects \$ 1.0 billion in sales and property tax in Riverside and Imperial County.

Plan A.

- Update existing law to include mandated funding for dust mitigation AB 1095.
- RETURN 5 to 10 percent of retail sales & property tax collection for long term dust mitigation.
- Fund \$ 688.3 million to \$ 895.5 million construction costs (pipe, pumps, hydro, canals).
- Fund \$ 15.0 million per year to operate (Labor, Management, Operations) seawater import company.
- Fund lift costs of \$ 1.0 to \$ 5.0 million per year.
- Cost of Seawater will be separate fee (Cucapah Community).
- Cost of leasing land will be a separate fee (Cucapah Community).

Plan B.

- Fund \$ 2.78 surcharge per month on each electric meter in California for three years (Trust Fund Acct).
- Fund \$ 688.3 million to \$ 895.5 million construction costs (pipe, pumps, hydro, canals).
- Fund .17 cents per month on each electric meter to fund operation of seawater import company.
- Fund \$ 15.0 million per year to operate (Labor, Management, Operations) seawater import company.
- Fund lift costs of \$ 1.0 to \$ 5.0 million per year.
- Cost of Seawater will be separate fee (Cucapah Community).
- Cost of leasing land will be a separate fee (Cucapah Community).

The Sea to Sea Project needs a customer to buy seawater.

6. The Sea to Sea Project needs a customer to buy seawater.

- Request California purchase 1.0 million acre feet to cover 225,000 acres of dust emitting lands.
- Request the CPUC support a 5 year public benefits surcharge to fund construction and operations.
- Request the State of California separate the issues and focus on a two lake system.
- Request the State of California present an offer to the Cucapah Community.
 - Lease the Laguna Salada dry lakebed for water conveyance.
 - Purchase 1.0 million acre feet of Sea Water.
- File U.S Boundary and Water Commission Permit.
- File the BLM permits and related paperwork.
- File the BOR related paperwork.

Cost of gates, canals, pipes, pumps, hydro.

7. Seawater import gates, canals and seawater export pipeline.

Baja, California Mexico (estimate).

- 5 miles from the Laguna Salada to the U.S. – Mexican border \$ 76.7 million (pipeline and intake).
- 25 miles of unlined dirt canals miles from Sea of Cortez to the Laguna Salada \$ 26.0 million (canals).
- The seawater import gate will be approximately fifty-feet wide, five-feet deep and will incorporate the existing dry Colorado River channel to the Coyote Canal. The Coyote Canal is the conveyance to L.S.
- The entire system concept is designed to import up to 2.0 million acre-feet of seawater (gravity system) and export up to 1.0 million acre-feet seawater into Imperial County California to the Salton Sea.

Imperial County, California.

West Mt. Signal to the Navy base, Salton Sea.

- 45 miles from the U.S. - Mexican border with three 10-foot elevated steel pipes.
- \$ 595.5 million pipeline and related cost (estimate).
- \$ 300.0 million hydro generation (50 megawatt) (\$ 6.0 million per megawatt).
- Cost of pumps under evaluation.

West Mt. Signal to the New River Channel to the Salton Sea.

- 25 miles from the U.S. - Mexican border, three 10-foot elevated steel pipes.
- \$ 388.3 million pipeline cost (estimate).
- \$ 300.0 million hydro generation (50 megawatt) (\$ 6.0 million per megawatt).
- Cost of pumps under evaluation.

Projected cost, Mexicali – Laguna Salada BC – MX.

8. Projected Cost, Mexicali Baja CA MX.

➤ 25 miles of dirt canals to convey 2.0 maf	\$ 5.0 million.
➤ 10 bridges	\$ 1.0 million.
➤ 25 miles of transmission line	\$ 500,000.
➤ 1 megawatt of hydro / tidal generation equipment	\$ 6.0 million.
➤ 75 miles of access roads	\$ 3.7 million.
➤ 3 seawater intake gates	\$ 3.0 million.
➤ 5 miles of 10 foot pipe to convey 1.0 maf (3 pipes)	\$ 76.7 million.
➤ 3 offices and related structures	\$ 500,000.
➤ Seawater intake and pump operation structures	\$ 500,000.
➤ Contingency	\$ 5.0 million.
Total	\$ 101.9 million.

Seawater intake canal example 50x20



Example of large diameter water pipe, Imperial County, CA.



Preliminary operating costs.

9. Operating cost of seawater import - export company.

- The seawater import gate, export pumping operation and hydroelectric operation will be staffed 24 - 7 to control the flow of seawater being imported and exported (water balancing).
- Operations funded from the sale of 1.0 million acre-feet of raw seawater per year to California.
- Operations funded from the sale of hydroelectric power.
- Cost of power offset by 50 megawatt in line hydro operation.

Imperial County Mexicali Baja California, MX (Operations).

- | | |
|-------------------------------------------------------------------|--------------------------------------|
| ➤ Staffing 24 - 7 operation | 50 staff. |
| ➤ Estimated pumping costs per year (1.0 maf) (\$ 1.00 to \$ 5.00) | \$ 5.0 million - \$ 5.00 per acft |
| ➤ Estimated operating - labor cost (50 staff - Cost Plus - CPUC) | \$ 15.0 million - \$ 15.00 per acft. |
| ➤ Master ground lease payment for 150,000 acres (LS dry lake bed) | \$? per acre ground lease. |
| ➤ Price of Exported Seawater Per Acre-foot | \$? per acre-foot of seawater. |
| ➤ Operations & Service contract term | 50 years – JJP. |

We can do this!

10. Construction projects or world events completed because everyone was focused on a common goal.

- Writing the Declaration of Independence to create the United States (July 4, 1776).
- Winning the American Revolutionary War.
- Defeating our collective enemies WWI and WWII.
- Creating NASA, DOE, EPA, CIA, FBI, EPA and dozens of other agencies to develop the United States.
- Clean Water Act and Clean Air Act to protect people and the environment.
- Building the Panama Canal.
- Building Hoover Dam.
- Building Erie Canal.
- Building the State Water Project, California.
- Building the BOR desal – brine canal 75 miles into Mexico.
- Rebuilding the World Trade Center Towers.
- Building the Boston "big dig" transportation project.
- Rebuilding New Orleans after Katrina.
- Building the IID Gravity Irrigation System (500,000 acres from desert to farms by hand with plows).
- Creating - building California from the gold rush era.
- Rebuilding San Francisco after the 1906 earthquake.
- Building the trans-continental railroad.
- Inventing flying and commercial aviation.
- Inventing hundreds of world-class cures for illnesses around the world.
- Inventing computers, software and Internet related companies that power the world.

Benefits and key numbers to remember.

11. Key economic numbers to remember from stopping dust and a full Salton Sea.

- Avoid \$ 70.0 billion in medical and legal cost from dust emissions (Pacific Institute).
- Protect \$ 55.0 billion in real estate value by stopping dust emissions (CVED).
- Protect \$ 1.0 billion regional golf market (CVED).
- Protect \$ 1.5 billion agriculture base (Farm Bureau).
- Support \$ 10.0 billion in new construction (Construction, power plants, transmission lines, farming and industries that benefit from a full Salton Sea).
- Create \$ 3.1 billion in new home construction (25,000 homes at \$ 125,000 each, Salton Sea).
- Support – defend job creation in Imperial County and Riverside County.
- California collects an estimated \$ 550.0 million from property tax annually (1.00 % on \$ 55.0 billion in real-estate value) (County of Riverside, Office of the Treasurer).
- California collects an estimated \$ 440.0 million from sales tax annually in Riverside County and Imperial County (8 % on \$ 5.5 billion in taxable sales, CVED).
- Estimated new property tax income \$ 50.0 million per year with \$ 5.0 billion in completed projects (1.0 % on \$ 10.0 billion property investment).

Annual Sea to Sea operating company summary.

12. Annual Sea to Sea operating company summary.

- Import 1.0 million acre feet per year to cover 225,000 acres of dust emitting lands.
 - 75,000 acres at the Salton Sea.
 - 150,000 acres at the Laguna Salada.
- Projected lift costs \$ 1.00 to \$ 5.00 per acre foot.
- Projected lift costs \$ 1.0 million to \$ 5.0 million.
- Projected O&M costs \$ 15.00 per acre foot
- Projected O&M costs \$ 15.0 million per year.
- Total O& M and lift costs \$ 16.00 to \$ 20.00 per acre foot.
- Total O&M and lift costs \$ 16.0 million to \$ 20.0 million.
- Construction cost (Low estimate) \$ 689.0 million.
- Construction cost (High estimate) \$ 893.0 million.
- Proposed CPUC surcharge \$ 2.78 per month per meter for three years.
- Proposed CPUC surcharge .17 cents per month per meter to fund long term O&M.
- The price of imported seawater has not been determined (Cucapah Community).
- The land lease price for Laguna Salada basin has not been determined (Cucapah Community).

Start fixing the problem.

13. Call to action - Next twelve months (START FIXING THE PROBLEM).

February and March Agenda.

- Accept Sea to Sea concept as a viable dust elimination strategy on 225,000 acres in the U.S. and Mexico.
- Accept Sea to Sea concept as a viable economic development strategy for the United States and Mexico.
- Accept Sea to Sea concept as a defender - creator of real estate value (Est \$ 55.0 to \$ 65.0 billion).
- Accept Sea to Sea concept as a defender – creator of jobs.
- Accept Sea to Sea concept as a friend to agriculture.
- Respond to Cucapah offer to sell California 1.0 million acre-feet of seawater and lease approximately 150,000 acres of Laguna Salada land (dry lake bed) for 100 years.
- Fund and file International Boundary and Water Commission permit and related engineering. \$ 1.3 million.
- File BOR & BLM permit to lease the closed Coachella Canal.

April, May, June.

- Develop project as presented.

July, August, September.

- Develop project as presented.

October, November, December.

- Develop project as presented.