

May 19, 2018

Mr. Bruce Wilcox
Assistant Secretary – Salton Sea.
California Natural Resource Agency
78078 Country Club Drive, Suite 109
Bermuda Dunes, CA 92203

cc: Imperial County, Riverside County, Federal Government of Mexico.

Re: Offer to sell imported seawater to the State of California (Importing Seawater into Imperial County, via the Sea of Cortez, Baja California, Mexico).

Dear Mr. Wilcox,

On behalf of the people of Imperial County, Riverside County, Mexicali - Baja California MX, and the Sea to Sea (StS) bi national development team, we respectfully submit this seawater purchase offer to the State of California for consideration and discussion.

- Importing seawater will prevent serious lung disease, cardiovascular disease and other health problems caused by poor air quality and eliminate substantial costs of associated medical treatment.
- Palm Springs Chamber of Commerce economic development study suggests the value of a full Salton Sea is one billion dollars annually and would be the catalyst for economic development for decades.
- A full Salton Sea protects one billion in annual sales tax, property tax and income tax from Riverside and Imperial County PAID to the State of California. This income will decrease if the Salton Sea is allowed to dry up.
- A full Salton Sea will facilitate and promote environmental objectives supporting wildlife habitat and bird flyway that is in danger of collapse.
- The business format is based on a cost-plus – public/private partnership for the development and operation of a 120-mile seawater canal from El Mayor, Baja California, Mexico (seawater intake) to the Salton Sea, via the Laguna Salada basin in Mexico.

We invite you to join us and craft a cost-plus operating agreement that solves the dust problem, promotes wildlife, and creates a multi-billion dollar regional economic development project for the next fifty years.

Sincerely yours,

Gary Jennings & Dan Johnson

Sea to Sea canal company
Managing partners
Jennings & Johnson partnership
United Solution Group - www.gjennings.com
Cell & Text: (619) 549 5440 PST (Rosarito Beach, Baja Mx).

The following **talking points** should be considered a starting place and the basis to develop a cost-plus contract to develop the Sea to Sea canal project.

1. Sea to Sea Offer to the State of California.

The Sea to Sea development team (StS) offers imported seawater for sale, based on a cost-plus public/private partnership format.

1. California to fund Sea to Sea canal operating cost per year for a set period of time.

Purchase 2.0 MAF of seawater per year or until the Salton Sea reaches -220 (full lake).

Fund the nonprofit Sea to Sea Foundation (Imperial County) operating cost \$ 1,250,000 per year.

Fund the nonprofit Sea to Sea Foundation (Mexicali, Baja) operating cost \$ 1,750,000 per year.

Fund the Sea to Sea canal company operating cost \$ 36,725,000 per year.

Estimated cost of imported seawater (with debt service) \$ 41.41 per acre-foot.

Estimated total operating cost of program per year with debt \$ 82,822,547.06.

2. Determine who will fund seawater canal construction debt: \$ 43.1 million per year for 15 years.
3. Confirm Sea to Sea canal company organized as a California canal company (CPUC and CA water code) (Regulatory oversight of operations).
4. Develop public/private - cost-plus partnership agreement between the parties (50-year term).
5. Confirm Sea to Sea canal company will repurchase assets (equipment, salt operations, water operations, land, other assets).
6. Confirm Sea to Sea canal company will retain ownership of operating companies (water, salt, canal operation, other).
7. Confirm canal ground in California shall be leased from BLM or other agencies (15,000 acres).
8. Confirm canal ground in Laguna Salada Mexico shall be leased or purchased from private parties or Mexican government agencies (15,000 to 30,000 acres).

2. Evaluate and confirm 120 mile seawater canal construction cost (please see budget, page 15 - 16).

- | | |
|---------------------------------------|------------------------------------|
| 1. Evaluation cost | \$ 3.4 million over twelve months. |
| 2. Imperial County construction cost | \$ 256.1 million. |
| 3. Laguna Salada construction cost | \$ 230.9 million. |
| 4. Regional economic development cost | \$ 20.0 million. |
| 5. Total cost | \$ 507.1 million over three years. |

3. Confirm Sea to Sea canal company operations.

1. Confirm Sea to Sea canal company will operate 120-mile seawater canal in California and Mexico on a 24/7 basis. Four operations offices with a staff of 92.
2. Confirm 59 full-time staff in Imperial County, including corporate staff, 5 board members, canal operations and nonprofit operations in Imperial County.
3. Confirm 33 full-time staff in Mexicali, Baja California, including 2 board members, canal operations and nonprofit operations in Laguna Salada area.
4. Confirm 75 to 100 vendors in two countries.
5. Confirm 10 to 20 government agency partners in two countries.

4. Confirm permitting/contracts.

1. Sea to Sea canal company will arrange permitting in Imperial County and Baja California, Mexico.
2. Sea to Sea canal company will arrange 2.0 MAF seawater purchase contract from Mexico.
3. Sea to Sea canal company will arrange seawater purchase contract with California.
4. Sea to Sea canal company will arrange construction contracts in California and Mexico.

5. Salt management.

1. Jointly evaluate 10 salt reduction projects to lower the Salton Sea from 61 TDS to 45 TDS over 10 years.

6. Confirm canal construction-funding strategies.

1. Jointly evaluate nine funding strategies for implementation.

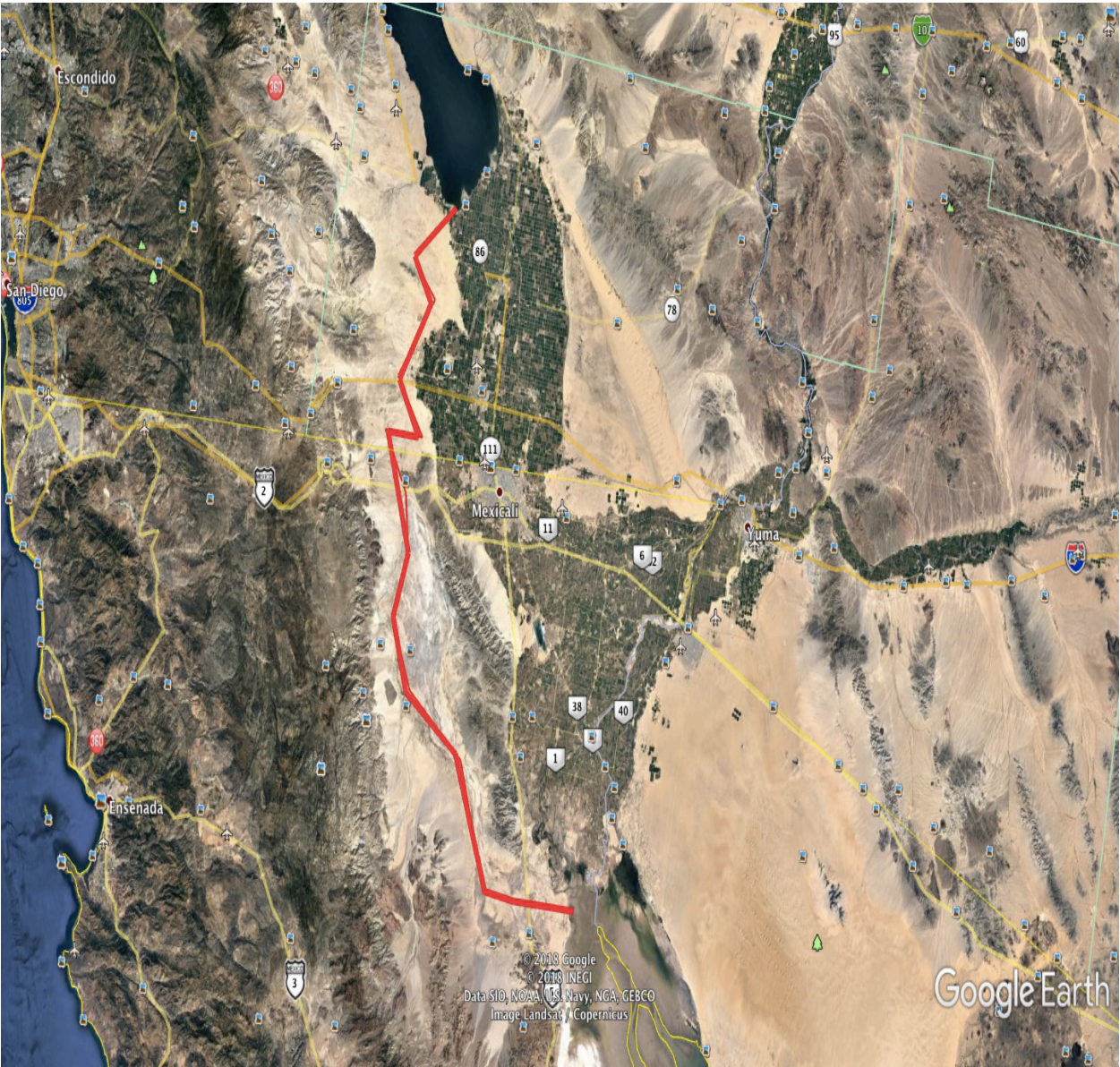
7. Canal excavation - construction management.

1. Confirm 75 suppliers in two countries, project managers, construction experts, a workforce of 400-plus equipment operators and support staff.

8. Regional support.

1. Confirm and expand regional project support. The Sea to Sea canal project has the full support of local property owners evidenced by two supporting petitions of 8,000 people over the last four years and a host of MOUs from the Salton Sea Authority, IID and the County of Imperial. MOUs attached on the last page.

120-mile Sea to Sea canal path. The canal is gravity flow with no pumps.



Size of pipe or culverts to cross international border (Syphon), Hwy 2, Hwy 98, Hwy 8, Hwy 78, CR 5.



Example: 300,000 acre-foot Coachella canal, Imperial County (closed).



Existing 3.0 MAF Coyote canal, Laguna Salada Baja (40-mile flood control canal, Mexicali).



Hydropower screw (500 KW unit). The project has the potential for 20 megawatts per hour of generation. Hydro units located in the Imperial canal (15 ft. drop, 10 systems).



Example of hydropower operating unit, 500 KW (45 units = 20 base load megawatts per hour inside Imperial canal).



5,000 acre solar gradient pond power production (500 megawatt power production potential, Imperial County CA). This idea was developed by Tom Sephton. The project will partner for development and operation.

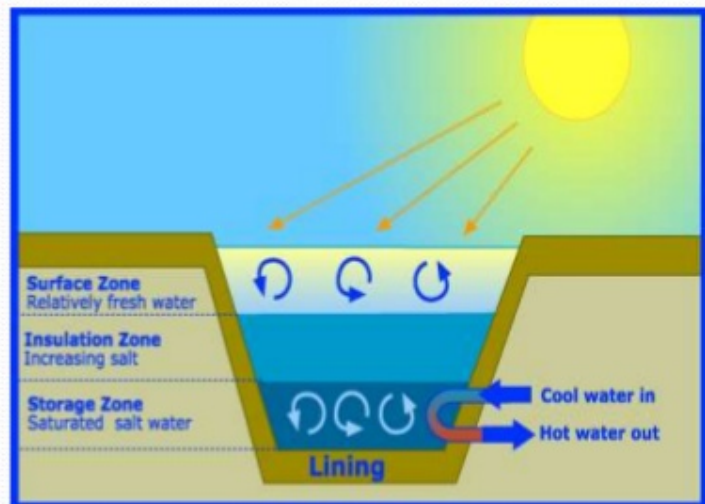


Solar Pond

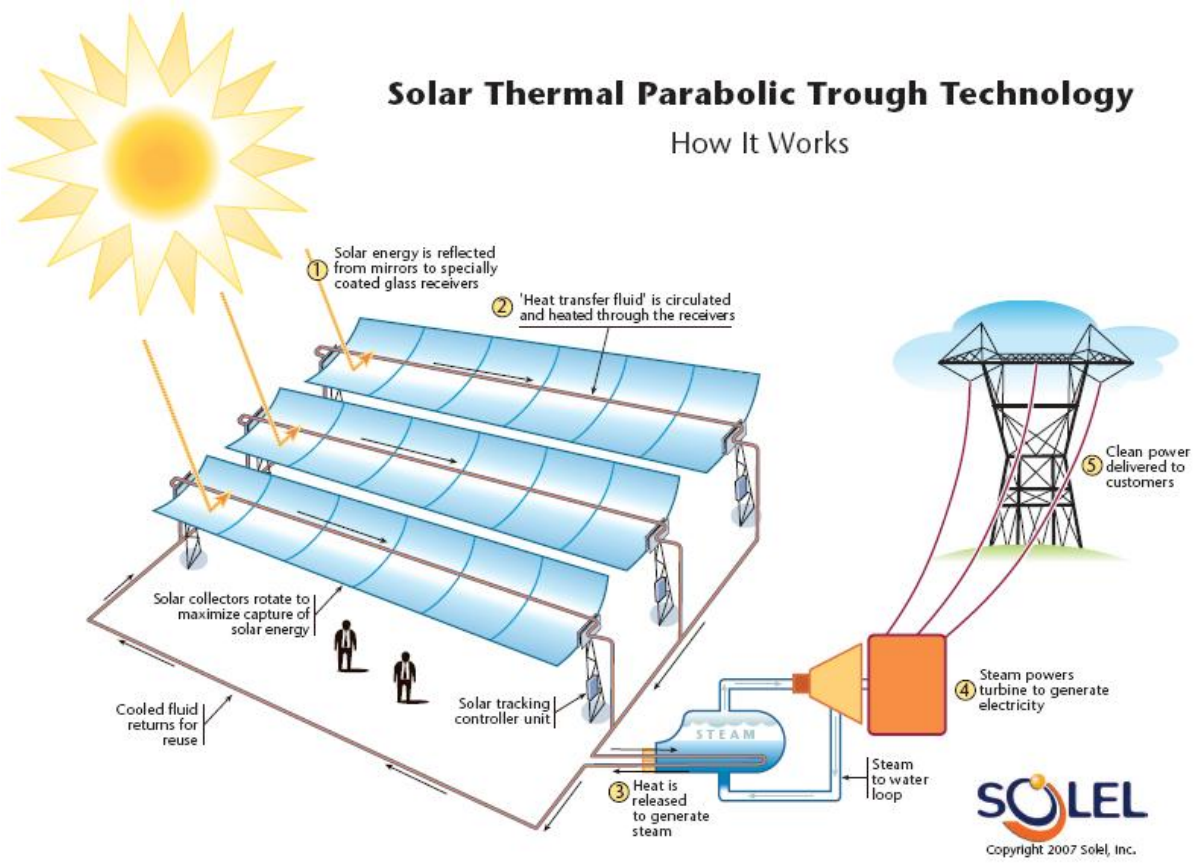
Artificially designed pond filled with salty water maintaining a define concentration gradient is called a “Solar Pond”

Three basic zones: 1. surface convective zone(SCZ)(thickness 10-20 cm),
2. Non-convective zone(NCZ) (half the depth of the pond, as insulator layer)
3. Lower convective zone(LCZ)(nearly same as NCZ, constant temp. and conc.

- Top layer at ambient temp, whereas bottom layer temp 60° - 85°C
- surface convection zone
- 2.concentration gradient zone
- 3. Lower convective zone



Example of distilling seawater system, 250,000 acre-feet of fresh water potential, Imperial County CA.



DRAFT WATER

Commercial salt operation, 40.0 million tons per year for 5 years, 3 million tons for 45 years if 1.0 MAF of seawater is desalinated or distilled.



1. Sea to Sea project notes (FAQs).

Sea to Sea canal development team.

1. Gary K. Jennings and Dan Johnson, Jennings & Johnson Partnership (JJP). Mr. Jennings and Mr. Johnson will manage the Sea to Sea canal company and affiliated companies with a staff of 92 people in Mexico and Imperial County.
2. 59 full-time staff in Imperial County, including corporate staff, 5 board members, canal operations and nonprofit operations in Imperial County.
3. 33 full-time staff in Mexicali, Baja California, including 2 board members, canal operations and nonprofit operations in the Laguna Salada – Mexicali area.
4. 75 suppliers in two countries.
5. 10 to 20 government agency partners (public/private partnership format) in two countries.
6. The following companies have contracted with the Salton Sea development team or have shown interest in developing programs. Based on the 300 item construction budget, Imperial County, Riverside County and Mexicali have the supplier base, labor, heavy equipment, parts, diesel fuel, and construction experts to develop the Sea to Sea canal project.

California suppliers or potential Sea to Sea development partners (17).

1. Granite Construction Inc. (Riverside and Imperial County).
2. Caterpillar (Imperial County).
3. Kinder Morgan Inc. (Diesel fuel Supplier).
4. Ormat Energy (Imperial County).
5. Cal Energy (Imperial County).
6. NREL - SNL Labs.
7. Sky Fuels Inc. (Colorado).
8. Toray Filter (Los Angeles).
9. Stor Energy Inc. (UK).
10. Private soil testing and survey company, Southern California.
11. Private engineering company, Imperial County.
12. Private environmental services company, San Diego, and Los Angeles.
13. Private investment banker, San Diego, and Los Angeles.
14. Private banking - tax incentive expert, San Diego.
15. Berglund & Johnson Law Office (Los Angeles).
16. 5 water districts / IID (public/private partnership).
17. International salt buyer (40.0 million tons per year for five years).

7. Private Companies, Mexicali, Baja California, Mexico (10).

1. Caterpillar equipment of Baja Mexico (heavy equipment supplier).
2. Pemex (diesel fuel supplier), Mexicali.
3. Private soil and testing company, Mexicali.
4. Private engineering company, Mexicali.
5. Private environmental service company, Mexicali.
6. Private land survey company, Mexicali.
7. Private law firm (land issues), Mexicali.
8. Private HR services company, Mexicali.
9. Private business services company, Mexicali.
10. Company lobbyist (State and Federal Mexican Government).

8. Private land owners, Laguna Salada Baja Mx.

The Sea to Sea development team presented Memorandums of Understanding (MOUs) to lease or purchase raw land from six private and two federal agency landowners in the Laguna Salada basin (proposed path of 80-mile seawater import canal - 15,000 to 30,000 acres).

Anticipated private and government land area estimated at 15,000 to 30,000 acres at sea level, including the entire operational Coyote canal system (35 miles), entire operational seawater intake system (15 miles) and proposed canal paths to bring seawater over the international border (30 miles).

Currently, there is no organized opposition to the project from land owners or others with the understanding Sea to Sea development team pay market rate for fresh water, seawater, gravel, land, labor, materials, and/or ground leases. The government and business community in Mexicali has made it very clear they expect any U.S. based company operating in Mexico to be a good neighbor, be fair in their business dealings and complete the project on time. **The issues of Constellation Brands should be avoided and not repeated.**

9. Mexican government agencies.

The Sea to Sea development team presented MOUs and/or contracts to purchase seawater, lease land or develop nonprofit programs in Baja California, Mexico. Currently, there is no organized opposition to the Sea to Sea canal project from any environmental group or Federal - State government agency with the understanding all regulations are followed and several million dollars be invested in the regional programs to enhance the wildlife, business opportunities and local water supply per year.

Mexican agencies (7).

1. CONAGUA federal agency.
2. SEMARNAT federal agency.
3. CESPAM federal agency.
4. SEDATU federal agency.
5. City of Mexicali (several agencies).
6. State of Baja California (two agencies).
7. Secretariat of Economic Development, Baja California, Mexico.

10. United States government agencies.

The Sea to Sea development team evaluated, interviewed, presented MOUs or letters requesting land or easements to 16 Federal and State agencies to develop the proposed Sea to Sea seawater canal project.

Based on conversations or personal observations, there are no objections to the proposed Sea to Sea canal (dust mitigation project) with the understanding a complete EIR be conducted in conjunction with a detailed canal path inspection for artifacts.

The raw land on the west side of Imperial County is owned and managed by the BLM and zoned unlimited off-road and camping area (15,000 acres). This land has three complete EIRs and substantial information is available regarding wind development, geothermal development, and extensive off-road camping via BLM permits. The seawater canal path is located at the sea level contour and near existing paved or dirt roads, buildings, prison, Military base, or power lines. This land is not virgin desert and none of the land is restricted due to critical wildlife. The current restriction is based on the military fly over space or events that create excessive dust.

Federal agencies (8).

1. Bureau of Land Management (canal crossing through 45 sections of land).
2. Bureau of Reclamation (crossing through 10 sections of land).
3. EPA (project review).
4. International Boundary & Water Commission (permitting agency).
5. U.S. Border Patrol (crossing the border, project review).
6. U.S. Army Corp of Engineers (project review).
7. U.S. State Department (presidential permit).
8. U.S. Military (crossing through 10 sections of land).

California agencies - Imperial County, Riverside County CA (8).

1. State Lands (crossing through 2 sections of land).
2. EPA.
3. Department of Water Resources (crossing through 2 sections of land).
4. Department of Natural Resources (project review).
5. Department of Corrections (crossing through 5 sections of land).
6. Imperial Irrigation District (crossing through 5 sections of land).
7. Imperial County (40 miles of canal in Imperial County).
8. Riverside County.

2. Description of project and how/when it will benefit the Salton Sea.

The first Memorandum of Understanding (MOU) in support of Sea to Sea canal company was issued to Gary Jennings and Dan Johnson in 2011 (endorsed by Salton Sea Authority, Imperial County, IID, Riverside County, CVWD). Our team was the first to actively promote the concept of importing Seawater and how it can benefit the Salton Sea region.

Over an eight-year period, the idea of importing seawater from the Sea of Cortez, Baja California, Mexico has gained in popularity and has wide support based on the non-stop lobbying by the Sea to Sea development team, thousands of local property owners, and 8,000 petition signatures.

Over the last thirty six months, (2016 to 2018) Sea to Sea canal company has accepted the endorsement from CNRA long range planning committee, has received 4,000 local signatures from three regional pro Sea to Sea canal company petitions, appeared in three movies, has 675 members on social media pages (Facebook) and numerous articles in print (Desert Sun & others).

The Sea to Sea canal company is organized into four primary operating objectives. Potential revenues from secondary operating companies are very **preliminary**.

If customers (power companies, water companies, salt companies) purchase OTHER products from the StS canal project., the sale of power, distilled water, sea salt or other products could pay the StS operating costs, construction debt service, seawater distillation and power development.

Estimated annual gross product sales, Imperial County - Laguna Salada.

Item	Type	Gross Sales Per Year
1. CA Generation (Solar ponds)	500.0 megawatts	\$ 328.0 million per year.
2. CA Distilled water	200,000 acre-feet	\$ 100.0 million per year.
3. CA Sea salt	3.0 million tons	\$ 75.0 million per year.
4. CA Hydro power	20 megawatts	\$ 49.2 million per year.
5. CA Fish products	Fish farm in StS canal	\$ 500,000 per year.
6. CA Farming	Salt water crops	\$ 100,000 per year.
7. CA Recreation	Camping	\$ 100,000 per year.
8. MX Distilled water	50,000 acre-feet	\$ 25.0 million per year.
9. MX Generation (Solar ponds)	25.0 megawatts	\$ 16.4 million per year.
10. MX Generation (Hydro)	25.0 megawatts	\$ 16.4 million per year.
11. MX Fish products	Fish farm	\$ 2.0 million per year.
12. MX Sea salt	10,000 tons	\$ 750,000 per year.
13. MX Farming	Greenhouse	\$ 100,000 per year.
14. MX Recreation	Camping	\$ 100,000 per year.

3. Preliminary seawater canal construction cost.

Project Summary - Project Construction Costs.		Estimated Total Cost	%	Notes
Imperial canal excavation NORTH	IC	\$42,336,804.40	8.69%	30 mile canal, Hwy 8 to SS
Imperial canal excavation BORDER	IC	\$74,213,480.00	15.24%	10 mile canal, Border to Hwy 8
Startup program	IC	\$51,010,921.85	10.48%	EIR, engineering, permits, staff
Construction equipment	IC	\$56,025,700.00	11.51%	117 units - heavy equipment
Land	IC	\$5,000,000.00	1.03%	15,000 acres project land
Canal operation office	IC	\$2,296,471.20	0.47%	59 person canal operations office
Contingency	IC	\$23,000,000.00	4.72%	Contingency @ ten percent
Sub-total imperial county, CA expense		\$253,883,377.45	52.14%	
North Laguna Salada canal excavation (border)	LS	\$15,498,736.00	3.18%	10 mile canal through the border
Central Laguna Salada canal excavation	LS	\$15,028,908.40	3.09%	25 mile canal, LS
South Laguna Salada canal excavation	LS	\$10,450,880.00	2.15%	30 mile canal, LS
Seawater intake & canal dredge excavation	LS	\$17,461,166.40	3.59%	15 mile seawater intake canal
Startup program	LS	\$51,565,275.00	10.59%	EIR, engineering, staff
Construction equipment	LS	\$69,780,700.00	14.33%	118 units - heavy equipment
Land expense A (LAND FOR CANAL)	LS	\$15,000,000.00	3.08%	15,000 acres
Land expense B (LAND FOR CANAL)	LS	\$15,000,000.00	3.08%	15,000 acres
Canal operations office	LS	\$2,177,886.20	0.45%	33 person canal operations office
Contingency	LS	\$21,100,000.00	4.33%	Contingency @ 10%
Sub-total Laguna Salada, Baja CA MX expense		\$233,063,552.00	47.86%	
Total construction expense		\$486,946,929.46	100.00%	

Sea to Sea Non-Profit Program

Economic development expense (Fish farm project)	LS	\$10,000,000.00	1.97%	Largest fish farm in Mexico
Economic development expense (Fish farm project)	IC	\$10,000,000.00	1.97%	Largest fish farm in Imperial Ct
Sub-total economic development		\$20,000,000.00	3.95%	
Total construction capital	LS+MX	\$506,946,929.46		
Imported seawater	2,000,000			Imported seawater
Annual Sea to Sea canal operations	\$18.36	\$36,723,332.85	92.45%	92 person operating company
CA StS foundation - ED & tree planting program	\$0.38	\$750,000.00	1.89%	Planting 10,000 trees per year
CA StS foundation operations	\$0.25	\$500,000.00	1.26%	Operation
Sub-total Sea to Sea foundation (CA)	\$0.63	\$1,250,000.00	3.15%	
Mx StS foundation - ED & tree planting program	\$0.38	\$750,000.00	1.89%	Planting 10,000 trees per year
Mx StS foundation - Orphanage program	\$0.25	\$500,000.00	1.26%	Charity project
MX StS foundation operations	\$0.25	\$500,000.00	1.26%	Operations
Sub-Total Sea to Sea foundation operating (MX)	\$0.88	\$1,750,000.00	4.41%	
Total Sea to Sea foundation expense	\$1.50	\$3,000,000.00		
Total foundation & operating expense	\$19.86	\$39,723,332.85		
Total Sea to Sea canal construction debt service	\$21.55	\$43,090,489.00		
Total Sea to Sea canal operating expense	\$41.41	\$82,813,821.85		

4. Sea to Sea seawater canal operating objectives (project description).

1. Objective one (Prevent lung damage from toxic blowing dust).

Increase the Salton lake level approximately 20 feet to -220 to cover 50,000 acres of existing exposed shoreline (70 miles by 1,000 feet) and cover 100,000 acres of potential dry lakebed in five years or less. Once the Salton Sea is filled to desired level, imported seawater would be adjusted to maintain the desired level (replace reduced inflows and evaporation).

The principal benefit of covering dry, exposed lakebed is to reduced toxic blowing dust and prevent potential lung and cardiovascular damage in the regional population, (Riverside County, Imperial County, Mexicali Baja California Mexico).

2. Objective two (Promote economic development at the Salton Sea basin).

Create family-based recreation; improve property values, improve quality of life and economic development in Salton City, Desert Shores, North Shore, Bombay Beach and Laguna Salada, Mexico.

Create and/or improve the regional economy by increasing the lake level and prevent blowing toxic dust. Preliminary estimates suggest \$ 1.0 billion in new activity per year if the **"cloud of doubt - non-stop negative news"** is removed from the Salton Sea image and a clear path to a full lake is started.

Support \$ 10.0 billion regional economies in Riverside County and Imperial County and \$ 1.0 billion in State tax from being negatively impacted by blowing toxic dust and non-stop negative news from the Salton Sea.

Please read the Palm Springs Chamber of Commerce report for details. The avoided cost and/or new income will be substantial if the Salton Sea lake level is increased and the dust issue is resolved. Estimated cost of not doing anything is \$ 70.0 billion.

Farming microclimate is maintained, helping prevent against frost and extreme temperatures by the Salton Sea's natural regulation of temperature.

3. Objective three (Salt reduction / environment).

Evaluate and present salt reduction concepts to lower the Salton Sea TDS from 60,000 to 45,000 TDS in less than ten years by adding 1.0 MAF of distilled water into the Salton Sea for 5 years.

Based on StS research, eleven concepts should be evaluated - developed to reduce the salt level from 60,000 TDS to 45,000 TDS over ten years. Reduced salinity of the Sea will improve recovery of fish and bird habitat and help restore the loss of 95 percent of quality wetland habitat in the State. The Sea to Sea development team recommends each concept be evaluated and several pilot projects conducted to confirm which are most feasible.

4. Objective four (bi-national nonprofit program development).

From 2009 through 2013, the Sea to Sea (StS) canal company received extensive project coverage (Desert Sun) and MOUs from the Salton Sea Authority, CVWD, IID and one MOU from Imperial County. In exchange for their support, the StS management team pledged to operate as a cost-plus – public/private partnership company, fund economic development projects in Mexico and Imperial County and fund nonprofit programs to stimulate economic development and environmental projects. Copies of the MOU on the last page.

\$ 3.0 million per year nonprofit program funding.

1. Planting trees (10,000 to 20,000 trees per year (Palo Verde - native tree)).
2. Creating wildlife water (50 oasis wells).
3. Saltwater agriculture (1,000 acres).
4. Fish farms (5.0 to 10.0 million pounds per year).
5. Please see nonprofit budget for details.

\$ 20.0 million loan program (10-year matching loan program - NADB) for economic development projects in the Laguna Salada and Imperial County. Please see budget for details.

1. Commercial fish farm (5.0 to 10.0 million pounds per year).
2. Commercial bee/honey operation (5.0 million pounds).
3. Commercial produce greenhouse (500,000 pounds)(Bell Peppers).
4. Commercial salt-water farming (10.0 million pounds per year).
5. Public recreation (RV space – snow bird camp ground).

\$ 30.0 million allocated to purchase raw desert land (15,000 to 30,000 acres). The land will be used for seawater intake, canal operation, environmental restoration and economic development projects including the following.

1. 80 miles of canal easements, 5 two lane grave roads, 160 miles (side of canal).
2. Big horn sheep and local wildlife protection lands.
3. Salt - power development land.
4. Salt water distillation land.
5. 10,000 sqft. of office space in each country.
6. Recreation – camping.
7. Green house – food production.
8. Salt water farming.
9. Future economic development opportunities.

5. General planning and design process.

The Sea to Sea development team presented offers to the following agencies or private parties to lease land, purchase land, purchase seawater and/or MOUs to organize the process to bring water from Mexico to the United States. The process is ongoing and no serious issues have developed.

1. Mexico.

Presented seven (7) MOUs or land contracts to the following Mexican agencies to purchase seawater or lease land including the entire 30-mile Coyote canal system, 15-mile seawater intake system and 40 miles of land easements (roads, canal location) to export seawater from Mexico into Imperial County CA for fifty years.

Mexican agencies (7).

1. CONAGUA federal agency, Mexico City.
2. SEMARNAT federal agency, Mexico City.
3. CESPAM local agency, Mexicali.
4. SEDATU federal agency, Mexico City.
5. City of Mexicali (several agencies), Mexicali.
6. State of Baja California (two agencies), Mexicali.
7. Secretariat of Economic Development, Baja California, Mexico, Mexicali & Tijuana.

2. Imperial County and State of California.

Sea to Sea team has contacted the following State agencies, Federal agencies, and Counties to lease land or evaluate their interest in the proposed Sea to Sea canal project (West side of Imperial County, near the IID west side main canal, sea level contour). The Imperial “in ground” canal is 40 miles in length, 70 feet wide and 15 feet deep with two canal bank gravel access roads. The project will need 15,000 acres of land for the following projects.

1. Space to place millions of cubic yards of sand.
2. Distillation water development (5,000 acres).
3. Solar gradient power development (5,000 acres).
4. Canal space (15,000 acres).
5. Sea salt project (3,000 acres).

Federal agencies, Imperial County, California (8).

1. Bureau of Land Management (Crossing through 45 sections of land, sea level contour).
2. Bureau of Reclamation (Crossing 5 sections).
3. EPA.
4. International Boundary & Water Commission (Cross border permit).
5. US Border Patrol (Border issues).
6. U.S. Army Corp of Engineers.
7. U. S. State Department (Cross border permit).
8. U.S. Military (Crossing 5 sections).
9. California agencies - Imperial County, Riverside County California (6).

1. State Lands.
2. EPA.
3. Department of Water Resources.
4. Department of Natural Resources.
5. Department of Corrections.
6. Imperial County & Riverside County.

3. Sea to Sea project feasibility.

In general terms, Granite Construction, Caterpillar Equipment, and a host other construction professionals (experts in canal excavation and freeway – large culvert construction) in California and Mexico evaluated the proposed Sea to Sea canal project.

As a group, they confirmed the project is feasible and cost estimates (excavation - culverts) are within industry standards (owner builder - operator format).

After extensive cost evaluation and discussion, the Sea to Sea development team elected to hire 10 senior construction managers (general managers of six excavation work sites), 10 to 20 project managers managing the various projects, purchase 225 to 250 units of heavy duty – mining equipment, retain 10 to 20 industry experts and build the proposed canal project (75 contractors - suppliers, 429 workers) over 36 months.

The evaluation process determined the 120 mile seawater canal should be separated into 6 canal excavation projects, 5 freeway box culvert projects and managed by individual construction teams to ensure the project meets timelines and cost estimates.

This format is how international ship builders assemble a ship in record time with tremendous cost savings. This format allows the GM to spot problems quickly and prevent one element from bogging down the entire project. The construction process will be 24 hours per day, 6 days a week for 312 days with six canal excavations sites and five culvert sites.

The excavation – culvert construction group recommended the following.

1. Units of heavy equipment package (Cat 390, Cat 665, dump trucks, other).
2. Fuel consumption by type of equipment (dozers, scrapers, excavators, other).
3. Repair costs per hour by type of equipment.
4. Labor levels per shift and hour, per excavation unit.
5. Service levels by unit, per hour.
6. Estimated cubic yards to excavate 6 canal projects (140 miles in total with 2 segments in Imperial County, California and 4 segments in the Laguna Salada, Baja California, Mexico).
7. The group concerns center on crossing five roads, one rail line, one natural gas line, two fuel lines, one water line, five private roads, one military base, crossing hundreds desert washes, crossing under power lines, obtaining the necessary environmental permits and project funding. None of the issues will stop the project, but require extensive planning.
8. The entire 120 mile seawater canal path was inspected by truck (Gary Jennings & others) and verified no obvious obstacles would block the canal project were found. The canal path is composed of alluvial sand and/or 12-inch or smaller rock. The projected excavation is 400 CY per hour per unit operating 24 – 7, 6 days a week for 312 days. The canal is located on the sea level contour (shore of the Salton Sea when full 500 to 1,000 years ago).

9. Imperial County, CA. Imperial canal, SOUTH (Hwy 8 south to the international border). Canal design and construction budget separated into two excavation projects with separate management teams and budgets.

1. 10 miles of unlined canal, border to Hwy 8, north to south at sea level elevation.
2. Pipe size: 10-foot pipe, 1-inch thick steel to cross over the border (syphon system).
3. Culverts: Reinforced cement units (40 feet by 10 feet) to cross under roads.
4. 70 feet wide by 15 feet deep with two gravel access roads for 20 miles.
5. 2 to 1 unlined canal sidewall slope.
6. 50 to 200 feet of sand over burden to be removed for five miles.
7. 27.5 million cubic yards of sand and rock removed.
8. 72 units of heavy equipment working 24 hours, 6 days per week for 312 days.
9. 155 equipment drivers, three shifts per day, 6 days per week, 312 days.
10. Project management provided by Granite Construction and/or other companies.
11. Heavy equipment and service provided by Caterpillar of Imperial County.
12. Fuel provided by Kinder Morgan (8.7 million gallons).
13. Union training program for equipment service and operators.

10. Imperial County, CA. Imperial Canal, NORTH (Hwy 8 north to the Salton Sea). Imperial canal, NORTH (Hwy 8 north to the Salton Sea). Canal design and construction budget with separate management teams and operating budgets.

1. 30 miles of unlined canal, Hwy 8 to Salton Sea, north to south at sea level.
2. 70 feet wide by 15 feet deep, with two gravel access roads.
3. 2 to 1 unlined canal sidewall slope.
4. 5 to 10 feet of sand over burden to be removed.
5. Working at sea level contour - elevation.
6. 7.5 million cubic yards of sand and rock removed over 40 miles.
7. 45 units of heavy equipment, 24 hours per day, 6 days per week for 312 days.
8. 76 equipment drivers, three shifts per day, 6 days per week, 312 days.
9. Project management provided by Granite Construction and/or other companies.
10. Equipment and service provided by Caterpillar of Imperial County.
11. Numerous permits and environmental evaluations required.
12. Water flow: 4 mph, 20 base load megawatts per hour.
13. Heavy equipment and service provided by Caterpillar of Imperial County.
14. Fuel provided by Kinder Morgan (4.1 million gallons).
15. Union training program for equipment service and operators.

11. Laguna Salada, Mexicali, Baja California, Mexico (Coyote seawater intake to the border).

The canal design and construction budget are separated into **four** excavation projects. The in-ground canal design is 70 feet wide and 15 feet deep with two gravel access roads. The excavated sand and rock will be placed on the east side of the canal to prevent overtopping and flooding (flash floods).

1. 198 equipment operators.
2. 10 general managers (three shifts).
3. 10 to 20 project managers (three shifts).
4. 75 staff, three 8-hour shifts per day, six days per week for 312 construction days.
5. 11.1 million gallons of diesel fuel over 312 construction days.
6. 435,000 hours of heavy equipment operation.
7. \$ 245.1 million cash investment over three years.
8. 10-mile north canal (new excavation - 70 feet wide by 15 feet deep).
9. 25-mile central canal (new excavation - 70 feet wide by 15 feet deep).
10. 30-mile south canal (10 foot wide canal expansion).
11. 15-mile seawater Intake (10 foot wide canal expansion).

12. Canal system capacity.

California and Mexican canal design incorporated the following:

1. 6 to 12 pipes at ten feet each syphon (30 feet crossing the border).
2. Hydropower development at 30-foot syphon drop, border to Hwy 8.
3. Designed to be below grade to prevent over-topping during flash floods.
4. Designed to withstand extreme earthquakes (reason for in ground canals).
5. Designed to transport 2.0 MAF at 4 mph per year (hydro requires 4 mph).
6. Excavation fill (sand) placed on east side to enhance canal safety.
7. Flash flood bridges located in critical flood areas (allows water to flow over canal).
8. Safety lines and ladders placed in one-mile increments.
9. 24-cross canal bridges (24 units) for wildlife every 5 miles (ladders & lines).
10. 2.0 MAF for five years to fill the lake.
11. 1.5 MAF to replace existing river inflows, evaporation, and systems loss.
12. The canal may use steel pipes or commercial cement box culverts.

Crossing the border	15,000 feet of steel pipe (10 ft. diameter).
Crossing under roads	100 cement culverts (Hwy 2, 98, 8, 87, 5).

13. Fish screens.

1. Imported seawater will be screened to prevent fish or other marine species from entering the United States.

6. Water quality – salt removal program.

The Sea to Sea development team will evaluate **11** seawater filtration concepts to reduce the salt content from 34,000 TDS to 15,000 TDS on 1.0 million acre-feet per year of imported seawater.

The estimated sea salt volume is 40 tons per 1 acre-foot of desalinated - distilled water. The desalting program will create 40.0 million tons of sea salt per year for 5 years for commercial sale or be used to create 500 megawatts of base load power generation (solar gradient ponds).

The Sea to Sea development team will evaluate desalination or distillation concepts to reduce the salt level and contamination level at the Alamo River, New River, and 300,000 acre- feet of Salton Sea lake water per year.

1. Standard reverse osmosis desalination.
2. Parabolic distillation.
3. CSP distillation.
4. Induction coil distillation.
5. Geothermal distillation (steam recovery).
6. Geothermal distillation.
7. Distribution pipe reverse osmosis desalination.
8. Deep shaft reverse osmosis desalination.
9. Canal – water wheel - compressed air power desalination.
10. Wind power desalination.
11. 500-foot elevation drop desalination.

7. Energy use.

The Sea to Sea canal project offices are not a large consumer of power. The anticipated use is two 10,000 sqft. of office lighting, cooling, and heating.

8. Commercial power generation.

Hydropower production (Imperial County) estimated at 20 megawatt per hour from the 40-mile Imperial Canal system. The drop is 200 feet over 30 miles with 8 drops at 15 feet per drop to create power via academies screw generation.

Solar gradient pond power production is the primary generation option and salt disposal site from distillation or desalination programs estimated at 40.0 million tons per year. Power production is estimated to be 500.0 megawatts at full potential.

9. Water source identification.

1. The source of seawater is the existing 15-mile Coyote Canal - Sea of Cortez seawater intake. The operating seawater intake is 200 feet wide, 15 feet deep and connects to the Sea of Cortez via several large natural channels. The tide change is 20 feet per twelve hours. The intake will supply seawater to the existing Coyote canal. The seawater intake is 25 miles from the Sea of Cortez shoreline with limited road access (4wd roads). Fish screens will be used at intake.

2. The seawater intake is part of the existing flood control system for Mexicali and it is used to divert brackish water into the Laguna Salada for long term water storage. If brackish water is available (storm - rain water), the water will be delivered into the Laguna Salada ground water holding basins. **NOTE: The Mexican government will not allow the Laguna Salada to be flooded with seawater as it changes the existing water quality or holding capacity of the basin. The 50 x 15 mile basin floods every 15 to 25 years.**

3. Through extensive meetings and program review (Federal), the federal water agency confirmed it would not establish a legal seawater or fresh water right; two federal agencies will sell seawater for the term of the project based on a regional economic development program that benefits both parties. The program includes the resolution of the New River, leasing land, building infrastructure and a host of other projects.

4. Mexicali, Baja California, Mexico.

The following items are part of the offer to Mexico and California:

1. Return the entire flow of the New River back to Mexico (25,000 to 50,000 acft. per year).
2. Develop 25,000 acre-feet of new water via distillation in Mexicali, Baja Mexico.
3. Funding 5.0 to 10.0 million pound per year fish farm in the Laguna Salada, Baja Mexico.
4. Supporting a host of other nonprofit programs in Baja California, Mexico.
5. Leasing or purchasing 15,000 to 30,000 acres of Laguna Salada federal or private land.
6. \$ 1.75 million in nonprofit program funding per year.
7. Investing \$ 245.1 million in the Laguna Salada over three years (canal system).

5. Imperial County, California.

The following is part of the offer to Mexico and the State of California.

1. Returning the entire flow of the New River back to Mexico.
2. Developing 200,000 acre-feet of new water via distillation.
3. Funding one 5.0 to 10.0 million pound per year fish farm in Imperial County.
4. Support nonprofit programs (tree farm, farming, recreation, environment).
5. 15,000 acres of BLM federal land for the seawater canal and distillation program.
6. \$ 1.2 million nonprofit funding per year.
7. Investing \$ 256.1 million in Imperial County over three years.

10. Sea to Sea canal land use.

1. Mexicali, Baja California, Mexico.

Lease or purchase 15,000 to 30,000 acres to accommodate 80 mile seawater canal, distillation operations, canal operations, canal excavation, roads, environment restoration, salt water farming, power generation, recreation - camping and ground water recharge.

2. Imperial County, California.

15,000 acres to accommodate 40-mile seawater canal, distillation operations, salt operations, canal operations, canal excavation, roads, environment restoration, salt water farming, power generation, recreation - camping and ground water recharge.

DRAFT WATER PURCHASE OFFER

11. Environmental impact – nonprofit operations.

Laguna Salada, Baja California Mexico.

1. Sea to Sea development team will fund the following nonprofit programs to offset any unforeseen environmental impacts and create regional goodwill.
2. Grow and plant 10,000 desert trees per year to promote bee, bird, and animal population over ten years (Palo Verde type of trees).
3. Funding the development of 50 “oasis” solar wells that will produce 25 gallons of water per day to supply to the local burros, coyotes, mountain lions, rams, foxes, and/or other wildlife in the Laguna Salada basin. Each location will have 100 desert trees and/or other desert plants. Estimated size 10,000 sqft. per location. Project funding (repair and service) will be for the term of the master ground lease agreement.
4. 1,000 acres (canal surface) of water for birds and marine life inside the canal.
5. Bridges will be placed every five miles to create access to both sides of the canal.
6. 50 flash-flood basins will be created to capture rainwater to recharge ground water and prevent flooding or canal over-topping.

Imperial County, CA.

The Sea to Sea development team will fund the following programs to offset any unforeseen impacts and create regional goodwill.

1. Grow and plant 10,000 desert trees per year for five years to promote bee, bird, and animal population over ten years.
2. Funding the development of 50 “oasis” solar wells that will produce 25 gallons of water per day to supply to the local burros, mountain lions, rams, foxes, and/or other wildlife. Each location will have 100 trees and/or other desert plants. Estimated size 15,000 sqft. per location. Project funding (repair and service) will be for the term of the master ground lease agreement.
3. 1,000 acres (canal surface) of water for birds and marine life inside the canal.
4. No surface water use, no negative impact to the ground water basin, and bridges will be placed every five miles to create access to both sides of the canal.
5. 50 flash-flood basins will be created (inside existing channels) to capture rainwater to recharge ground water and prevent flooding or canal over-topping.

12. Lowering Salton Sea salinity in ten years or less.

1. Lowering the salt level of imported seawater, New River or Alamo River water is our strategy to lower the entire salt level of the Salton Sea from 60,000 TDS to 45,000 TDS in less than 10 years.
2. Sea to Sea development team researched eleven concepts to remove salt from the Salton Sea, New River, Alamo River and/or the 1.0 MAF of imported seawater per year.
3. The cost of evaluation and/or potential joint ventures will require 800 hours of time per project and \$ 60,000 in travel and labor costs (two staff, two months labor each and travel cost).
4. The ultra-pure sea salt (brine) will be sold and the balance of the salt converted into power production via solar gradient ponds.

13. How imported seawater will be used.

1. Raise the Salton Sea approximately 20 feet (-220) by importing 2.0 MAF for five years. Once the lake is stabilized, the seawater inflows will match evaporation and decreased flows from the New River and Alamo River to maintain the desired lake level, including the use of all former boat ramps (estimated at 2.0 maf for 5 years and 1.5 MAF and -220 elevation as maintenance).

14. Cross border governmental coordination and permitting.

1. The Sea to Sea development team conducted several phone meetings and one dinner meeting to review any issues or concerns. At this time, IBWC supports seawater importation and will evaluate any permit request presented. Primary concerns center on program funding, water purchase permits, issues related to the border wall and New River contamination.
2. The Sea to Sea development team contacted 50-plus government agencies and spoke with well over 100 people in two countries. At this time, NO ONE is objecting the Sea to Sea concept or the urgent need to cover the Salton Sea lakebed with imported seawater. No one is interested in blowing dust or health issues at any level.
3. Mexican government agencies have been contacted or presented MOUs.
 1. CONAGUA federal agency.
 2. SEMARNAT federal agency.
 3. CESPMS local agency.
 4. SEDATU federal agency.
 5. City of Mexicali (several agencies).
 6. State of Baja California (two to ten agencies).
 7. Secretariat of Economic Development, Baja California, Mexico.

15. Project development schedule & cost.

1. The Sea to Sea development timeline is organized to confirm the most pressing issues first. If the Government of Mexico or private parties refuse to issue a water sale or purchase agreement or critical land sales or land leases, the project will be stopped.

2. First phase - First Step.

Twelve month cost evaluation, Mexico, and California.

\$ 3.4 million

- | | | |
|--------------|--|-------------------|
| 1. Labor | 25 experts confirming the construction and development cost. | |
| 2. Travel | 50 flights to confirm construction cost. | |
| 3. Corp OH | One office to manage the evaluation process. | |
| 4. 12 months | Arrange water purchase agreement from Mexico. | |
| 5. 6 months | Arrange water sales agreement from California. | |
| 6. 6 months | 300 item construction cost review in Imperial County and Mexicali. | |
| 7. 3 months | Heavy equipment & fuel review. | |
| 8. 12 months | Land sale or lease review. | |
| 9. 30 days | 2 fuel contracts review (Mexico and Imperial County). | |
| 10. 3 months | 2 utility easement review. | |
| 11. 3 months | Labor agreement with union workers – Imperial County. | |
| 12. 3 months | Labor agreement with union workers – Mexicali. | |
| 13. 3 months | MX import tax review (avoiding \$ 9.0 million in MX import fees). | |
| 14. 3 months | EIR cost review, Imperial County. | |
| 15. 3 months | EIR cost review, Mexicali, BC, MX. | |
| 16. 6 months | Excavation & construction cost review. | |
| | - Imperial County, CA. | \$ 253.8 million. |
| | - Laguna Salada Baja, CA MX. | \$ 233.1 million. |

16. Seawater canal operation schedule.

1. Sea to Sea canal operation: 24/7 administration – canal offices.

2. Four operations offices to manage the daily flow of seawater, power operations, emergency shut off of water, salt production, recreation access, farming access and provide canal security.

- | | |
|------------|-----------|
| - Imperial | 59 staff. |
| - Mexicali | 33 staff. |

3. Entire canal system operated on SCADA with four emergency canal gates that can stop the flow of water and/or spill water into emergency holding basins.

17. Seawater canal construction cost estimates.

1. Infrastructure costs are separated by topic. Granite Construction, Caterpillar Equipment, and host of construction experts in California and Mexico provided the excavation cost data - recommendations.

Project Summary - Project Construction Costs.		Estimated Total Cost	%	Notes
Imperial canal excavation NORTH	IC	\$42,336,804.40	8.69%	30 mile canal, Hwy 8 to SS
Imperial canal excavation BORDER	IC	\$74,213,480.00	15.24%	10 mile canal, Border to Hwy 8
Startup program	IC	\$51,010,921.85	10.48%	EIR, engineering, permits, staff
Construction equipment	IC	\$56,025,700.00	11.51%	117 units - heavy equipment
Land	IC	\$5,000,000.00	1.03%	15,000 acres project land
Canal operation office	IC	\$2,296,471.20	0.47%	59 person canal operations office
Contingency	IC	\$23,000,000.00	4.72%	Contingency @ ten percent
Sub-total Imperial County, CA expense		\$253,883,377.45	52.14%	
North Laguna Salada canal excavation (border)	LS	\$15,498,736.00	3.18%	10 mile canal through the border
Central Laguna Salada canal excavation	LS	\$15,028,908.40	3.09%	25 mile canal, LS
South Laguna Salada canal excavation	LS	\$10,450,880.00	2.15%	30 mile canal, LS
Seawater intake & canal dredge excavation	LS	\$17,461,166.40	3.59%	15 mile seawater intake canal
Startup program	LS	\$51,565,275.00	10.59%	EIR, engineering, staff
Construction equipment	LS	\$69,780,700.00	14.33%	118 units - heavy equipment
Land expense A (LAND FOR CANAL)	LS	\$15,000,000.00	3.08%	15,000 acres
Land expense B (LAND FOR CANAL)	LS	\$15,000,000.00	3.08%	15,000 acres
Canal operations office	LS	\$2,177,886.20	0.45%	33 person canal operations office
Contingency	LS	\$21,100,000.00	4.33%	Contingency @ ten percent
Sub-total Laguna Salada, Baja CA MX expense		\$233,063,552.00	47.86%	
Total construction expense		\$486,946,929.46	100.00%	

Sea to Sea Non-Profit Program

Economic development expense (Fish farm project)	LS	\$10,000,000.00	1.97%	Largest fish farm in Mexico
Economic development expense (Fish farm project)	IC	\$10,000,000.00	1.97%	Largest fish farm in I.C.
Sub-total economic development		\$20,000,000.00	3.95%	
Total construction capital	LS+MX	\$506,946,929.46		
Imported seawater	2,000,000			Imported seawater
Annual Sea to Sea canal operations	\$18.36	\$36,723,332.85	92.45%	92 person operating company
CA StS foundation - ED & tree planting program	\$0.38	\$750,000.00	1.89%	Planting 10,000 trees per year
CA StS foundation operations	\$0.25	\$500,000.00	1.26%	Operation
Sub-total Sea to Sea foundation (CA)	\$0.63	\$1,250,000.00	3.15%	
Mx StS foundation - ED & tree planting program	\$0.38	\$750,000.00	1.89%	Planting 10,000 trees per year
Mx StS foundation - Orphanage program	\$0.25	\$500,000.00	1.26%	Charity project
MX StS foundation operations	\$0.25	\$500,000.00	1.26%	Operations
Sub-total Sea to Sea foundation operating (MX)	\$0.88	\$1,750,000.00	4.41%	
Total Sea to Sea foundation expense	\$1.50	\$3,000,000.00		
Total foundation & operating expense	\$19.86	\$39,723,332.85		
Total Sea to Sea canal construction debt service	\$21.55	\$43,090,489.00		
Total Sea to Sea canal operating expense	\$41.41	\$82,813,821.85		

2. The 120-mile canal has been separated into 6 canal excavation and 7 road crossing construction projects. Each project has been clearly defined and evaluated by subject in detail.
 1. Canal length.
 2. Building materials.
 3. Staffing levels.
 4. Operations schedule.
 5. Equipment service levels.
 6. Equipment requirements.
 7. Fuel consumption.
 8. Project planning.
 9. Repair parts.
 10. Food supply.
 11. Showers - water supply.
 12. Waste - trash management
 13. Operator & staff housing.
 14. On site medical service.
 15. Power for food service and operations.
 16. Environmental issues.
 17. Nonprofit operations.
 18. Cubic yard excavation estimates.
 19. Bridge and road building.
 20. Staff cabins per project.
3. Based on 7,500 estimated hours of operation for each large unit (Cat 390, Cat D10, Cat 665) it is cost-effective to purchase the heavy equipment versus renting and paying the overtime fees.
4. All project equipment can be purchased via three national auction services over three months and moved to the El Centro storage yard. The same services will sell the units when the project is completed. 30 percent recovery is expected after 12 to 24 months of service (\$ 30.0 to \$ 50.0 million in recovered dollars from asset sales).

18. Sea to Sea equipment detail (estimate).

1. \$ 109.9 to \$ 125.7 million heavy equipment investment.
2. 225 to 250 heavy equipment units.
3. 429 to 500 workers (equipment drivers, engineering, project managers and operations staff).
4. 312 construction days.
5. 3 shifts per day, six-day workweek, 312 days, 6 canal excavations, 5 to 8 road excavations.
6. 24.1 million gallons of diesel fuel over twelve months (\$ 93.0 million).
7. 1.1 million excavation - construction hours over twelve to twenty four months.
8. 125,000 management hours over thirty-six months.
9. 72.5 million cubic yards of sand moved over twelve months (6 canal excavation projects).
10. 6 construction teams operating individual excavation budgets, staffing and equipment levels.
11. 2 canal excavations in Imperial County, 4 canal excavations in the Laguna Salada.
12. 42 Caterpillar 390 excavators.
13. 38 30-ton sides dump trailers with cabs.
14. 30 Caterpillar 665 drivable pan scrapers.
15. 16 Caterpillar D 10 dozers.
16. 12 Caterpillar road graders.
17. 15 Project management trucks (Ford Escape SUV).
18. 14 Lowboy trucks (Caterpillar equipment / 50 to 100 tons).
19. 12 Industrial work lights.
20. 9 Caterpillar front-end loaders.
21. 9 10,000 KW generators.
22. 9 10-person crew vans (Excavation crews).
23. 6 15,000-gallon diesel-holding tanks - diesel-fueling operations.
24. 5 Water trucks.
25. 5 250 KW generators.
26. 4 Fuel and service trucks (Service to Caterpillar equipment).
27. 2 500 KW generators.
28. 1 75-ton crane.
29. 1 25-ton forklift.
30. 1 8' tree mover.
31. Heavy equipment repair - service center, Laguna Salada, Baja California.
32. Quarry operations to supply rock and gravel, 260 miles of canal roads.
33. Quarry operation to supply rock and gravel, San Felipe Road.
34. Quarry operations to supply rock and gravel, Laguna Salada flood control dam.
35. Dredge operation to service and expand seawater canal system.
36. Kitchen operation to feed 300 people per day, 312 construction days (Laguna Salada).
37. 300 to 400 employee cabins (equipment drivers & staff, Laguna Salada).

19. Plan for Sea to Sea canal construction funding.

If any of the funding recommendations were accepted, the interest cost savings would be \$ 43.1 million per year for 15 years savings (Interest saving of \$ 646.5 million over 15 years).

Funding recommendations.

1. Add \$ 1.00 to every megawatt/hour per hour transferred on the interstate electric transmission grid per day for five years. This fee currently exists and could be expanded to fund the proposed programs.

1. No impact to retail electric customers, the power sellers or buyers pay this cost.
2. Estimated capital raised, \$ 250.0 million per year for three years, \$ 750,000.
3. Avoid bond offering and \$ 43.1 million in interest charges per year for fifteen years.
4. Once construction is completed, lower the transmission line fee to fund StS operating and distilled water production cost.

2. Refund 25 percent of all retail sales tax, income tax and property tax generated in Imperial County and Riverside County per year for five years.

1. No impact to local programs, the funding is from the State of California.
2. Estimated capital raised, \$ 250.0 million per year for three years, \$ 750.0 million.
3. Avoid bond offering and \$ 43.1 million in interest charges per year for fifteen years.
4. Once construction is completed, lower the refund percentage to fund StS operating and distilled water production cost.

3. Add \$ 3.00 per month to every electric meter in California per year for five years.

1. Minor personal investment to repair the largest lake in California.
2. Estimated capital raised \$ 250.0 million per year for three years, \$ 750.0 million.
3. Avoid bond offering and \$ 43.1 million in interest charges per year for fifteen years.
4. Once the project is completed, lower the meter charge to fund annual StS operating and distilled water production costs.

4. Develop new business relocation program "Salton Sea Pioneer Program".

1. Create 5,000 NO TAX / TAX CREDIT Salton Sea relocation permits.
2. 5 to 10 year term to incentivize relocation of companies and people to Salton Sea towns.
3. North Shore, Bombay Beach, Salton City, Salton Sea Beach, Desert Shores.
4. Promote economic development and new construction investment.
5. \$ 1.7 billion in new construction (5,000 buildings @ \$ 350,000 per building).
6. \$ 875.0 million in labor spending (25,000 workers at \$ 35,000 per year).
7. \$ 150.0 million in local spending per year (25,000 workers spending \$ 500.00 per month).
8. Program development cost under evaluation.

5. Drinking water sales (Colorado River Basin States).

1. Sell 200,000 acre-feet of fresh water per year to fund the development of distilled water programs. This water could be exchanged with IID and/or placed in Lake Mead. 200,000 acre-feet @ \$ 750.00 per acre-foot. Annual sales \$ 150.0 million per year.
2. 5,000 acres (distillation units and salt operations).

6. Sea salt sales (Retail and Commercial).

1. Sell 3.0 million tons of sea salt per year to fund large-scale distillation program and/or Sea to Sea canal operating or development cost. 3.0 million tons at \$ 25.00 or \$ 75.0 million per year in salt sales.
2. All surplus salt could be used to create power via solar gradient pond concept (100.0 million ton salt depository).

7. California or Federal Tax credits.

1. Create and sell State of California tax credits to fund the proposed programs.
2. Present program to the top 10,000 taxpayers in California.
3. Tax credit program requires a reduced tax rate to encourage participation.

8. Base load green - renewable power.

1. Solar Gradient Pond Generation.

- 500 megawatts at \$ 75.00 per megawatt/hour \$ 328.5 million per year in power sales.

2. Hydroelectric Power Generation.

- 20 megawatts at \$ 75.00 per megawatt/hour \$ 49.2 million per year in power sales.

9. Standard infrastructure funding.

1. Charge a short term utility fee, pay no interest and SAVE \$ 43.1 million per year for 15 years

2. Avoid \$ 648.0 million in interest charges.

3. Green bonds 4 percent for 15 years.

4. I Bank loan 6 percent for 15 years.

5. Private funding 6 to 8 percent for 15 years.

DRAFT WATER PURCHASE OFFER

Summary:

On behalf of the extended the Sea to Sea canal development team (Imperial County and Laguna Salada, Baja California, Mexico), thank you for reviewing the Sea to Sea canal company proposal to prevent blowing dust at the Salton Sea and related projects.

As a group, we invite all parties to work together and start the conversation in thirty days or less. The offer to sell seawater to the State of California is valid for thirty days due to ever changing cost of fuel, heavy equipment, property value and labor in two countries.

Sincerely yours,

Gary Jennings & Dan Johnson
Managing Partners
Sea to Sea canal company (StS)
Jennings & Johnson Partnership (JJP)
www.gjennings.com
619 549 5440.

DRAFT WATER PURCHASE OFFER

Public Notice.

This information, past Sea to Sea canal company presentations and information posted on the Sea to Sea canal company Facebook page (Importing Seawater from Baja to the Salton Sea) are the property of Jennings & Johnson Partnership (JJP).

This information is copyrighted material in Mexico and the United States. Written permission is required to copy, reference, reprint or use Sea to Sea canal company information, maps, canal path, partnerships, MOU's, or work product.

The JJP partnership is the primary investor, master developer, technology owner, owner of the proposed Sea to Sea canal company – Seawater Importation Project (StS) and related operating companies presented in this document.

Legal Notice.

Be advised any party (including any government agency, employee, elected official) intentionally interfering with the Sea to Sea canal company contracts, programs, and MOUs in Mexico, or the United States are subject to the laws of the United States and Mexico as it relates to the intentional act of Tortuous Interference.

Tortuous Interference, also known as intentional interference with contractual relations, in the common law of torts, occurs when one person intentionally damages someone else's contractual or business relationships with a third party causing economic harm.

Tortuous Interference is a serious crime in the United States and Mexico:

For more information please contact.

*Mr. Gary Jennings Managing Partner Sea to Sea Canal Project.
(619) 549-5440 PST GaryKJennings@me.com - www.gjennings.com.*

*Mr. Dan Johnson, Esq. Managing Partner Sea to Sea Canal Project.
(818) 371-1113 PST- djohnson@bjlawgroup.com – www.berglundandjohnson.com.*

Facebook: Please see “Importing seawater from Baja to the Salton Sea” for current details.

Letter dated Friday March 9, 2018.

Mr. John Laird
Secretary for Natural Resources
California Natural Resources Agency
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

Dear Secretary Laird,

The County of Imperial is supportive of potential Sea to Sea plans that restore the Salton Sea. On October 24, 2013, the County signed a Memorandum of Understanding with the Imperial Irrigation District that supports consideration of Sea to Sea plans. On November 3, 2015, the County adopted a Policy Statement Regarding Sea to Sea that also supports Sea to Sea plans. A copy of that Policy is attached to this letter.

More specifically, the County would support plans that provide benefits to the County such as the following:

- A long term solution for restoration of the Salton Sea
- Projects that protect the health of Imperial County residents
- Projects that protect or improve air, water quality and wildlife habitat
- Projects that promote economic development in Imperial County
- Projects that provide jobs for Imperial County residents

At this time, the County has not reviewed any specific plan and looks forward to reviewing the submittals to the State's Request for Information for Salton Sea Water Importation Projects.

Sincerely,

Board Supervisors

cc: Gary Jennings

The County has supported Sea to Sea plans since the monumental signing of the Memorandum of Understanding between the County of Imperial, Imperial County Air Pollution Control District and Imperial Irrigation District Concerning Salton Sea Stabilization and Restoration (MOU) executed on October 24, 2013. Additionally, the Imperial County 2015 legislative platform emphasizes the need for the County to "secure a permanent solution for the restoration of the Salton Sea" with a "reliable and consistent water source."

While the County emphasizes the importance of developing and focusing on immediate restoration projects that must occur due to the mitigation water delivery to the Salton Sea ending on December 31, 2017, consistent with MOU, the County supports a Sea to Sea plan as a potential long term project to address the air quality and habitat concerns of the Salton Sea.

The County also emphasizes that future water transfers out of Imperial County are not acceptable.

DRAFT WATER PURCHASE ORDER

RESOLUTION NO. 10-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SALTON SEA AUTHORITY REGARDING THE SEA TO SEA PROPOSAL

WHEREAS, the Salton Sea Authority is a Joint Powers Authority comprised of Imperial County, Riverside County, Coachella Valley Water District, Imperial Irrigation District and Torres Martinez Desert Cahuilla Indians with a stated mission of coordinating actions relating to improvement of water quality and stabilization of water elevation and to enhance recreational and economic development potential of the Salton Sea and other beneficial uses, recognizing the importance of the role of the Salton Sea for the continuation of the dynamic agricultural economy in Imperial and Riverside Counties; and

WHEREAS, the Sea To Sea Team, lead by Gary Jennings, of Utility Solutions Group, proposes a public private partnership to research and develop a hybrid plan (pump in – pump out) to fund the long-term restoration of the Salton Sea which should enhance the economic development of surrounding communities; and

WHEREAS, The Salton Sea Authority applauds the creative approach that the Sea to Sea team brings to the restoration effort and looks forward to evaluating it carefully.

Memorandum of Understanding

Imperial County and the Sea to Sea Restoration and Desalination Company (StS)

December 30, 2010

Parties.

Imperial County, California (hereinafter referred to as "IC").

Sea to Sea Restoration and Desalination Company (hereinafter referred to as "StS").

Introduction.

StS proposes a public private partnership with IC to research and develop a hybrid plan to contribute to the long-term restoration of the Salton Sea and generate economic development in Imperial County. Said proposal is more specifically outlined in the attached C2C Executive Summary.

The plan will review several concepts related to dust mitigation, brackish ground water recycling, mitigation bank formation and general concepts related to environmental restoration throughout Imperial County. The intent of this Memorandum of Understanding is to outline a cooperative relationship between the Parties to develop a long term business relationship. The Parties also agree that the plan which is the subject of this Memorandum of Understanding is not intended to be considered a "project" as that term is defined in California Public Resources Code section 21065.

Sea to Sea Restoration and Desalination Company LLC.

Gary Jennings of Utility Solutions Group (USG) and Dan Johnson of DesalNATE Inc. have assembled an international development team of experienced water and energy professionals to develop the proposed "Sea to Sea Restoration & Desalination Project." As the project evolves, new team members may be included to manage their respective areas of expertise.

Fifteen senior consultants, some of which are listed below, and select Imperial County staff will be responsible for the primary management related to pilot studies, project studies, performance studies, engineering studies, legal review, water quality, environmental, project permitting, real-estate, project marketing, project water sales, project funding, and interface with State & Federal agencies.

CONSULTANTS

DesalNATE Inc.

Primary manager of R.O. desalination O&M, equipment manufacturing, site engineering and senior advisor – partner to the project

Doosan Heavy Industry

General engineering and program management

Parsons Brinkerhoff Quade & Douglas

General engineering and program management

Mexican Sea Water Export Concession Group

All aspects of importing sea water from Baja Mexico

Sephton Technology.

General Water Consulting

Brackish Ground Water Pilot Partnerships

Six to eight pilot partnerships in Imperial County

Dr. Timothy Krantz, Environmental Consulting

General Environmental project management

TMG Communications

General marketing and program management

Key Points.

1. StS maintains that the concepts being proposed in the Executive Summary, pilots are the exclusive property of StS and to be developed jointly in Imperial County. During the pilot process, a uniform fee agreement, royalty structure and tax payments shall be developed.
2. The intent of IC includes but is not limited to the following: coordination of actions relating to improvement of water quality; stabilization of water elevation; enhancement of recreational and economic development potential of the Salton Sea; and other beneficial uses, recognizing the importance of the role of the Salton Sea for the continuation of the dynamic agricultural economy in Imperial and Riverside Counties.
3. The Parties agree that the intent of this MOU is to serve as a guide toward evaluation of concept feasibility, and, in the sole discretion of each party, to a more definitive business agreement. The Parties agree to meet monthly, to the extent their resources permit, and in their absolute discretion to attempt to identify and resolve the issues of restoration engineering, environmental study, technical, legal, pilots, business development and environmental aspects of the proposed concepts. The Parties agree to present progress updates to IC at public meetings to keep all interested parties informed.
4. The Parties agree to review the CPUC rate of return or rate of margin financial structure to determine whether it is a reasonable framework for the proposed public-private partnership.

5. The Parties agree to review the draft financial structure discussed by StS specific to importing raw sea water from Mexico, payment structure, ownership structure and to determine whether it is a reasonable framework for the proposed bi national public-private partnership.
6. The Parties agree to explore and if acceptable, file the necessary paperwork to obtain grants, Fish & Game funding, and QSA funding to further evaluate the proposed project.
7. The Parties to this Memorandum of Understanding recognize that the proposed concepts would be funded by a combination of private and public investment that may include specific public - private asset ownership and operational responsibilities. The preliminary operational structure, investment requirements, income forecast and funding structure will be clarified during the evaluation process.
8. The Parties agree to research alternative restoration funding methods including utility bill surcharges, private activity bonds, Department of Energy loan programs, WAPA programs and NAFTA programs.
9. The Parties agree to research alternative methods to assist in the restoration of the New River as the Sea to Sea project is researched and developed.
10. The Parties agree to work together to further evaluate the proposed project as outlined in this Memorandum of Understanding. The first concept to be evaluated is the brackish ground water pilots in conjunction with IC's Planning and Development Services Department.
11. The Parties agree that this MOU is non-binding in all respects and that a definitive project has not been identified. The Parties recognize that when and if a definitive project is clearly identified and agreed to by the Parties that full compliance with CEQA will be initiated and followed at that time.
12. The Parties agree that this MOU can be terminated at any time, with or without cause, by notifying the other Party in writing at the address set forth in paragraph 15 of this MOU.
13. The Parties agree that this MOU does not commit IC to the approval of any project ultimately identified for purposes of CEQA, nor does it exempt StS from any of IC's project requirements (e.g., obtaining permits, conducting environmental studies, etc.).
14. The Parties agree that StS will be responsible for reimbursing IC for the reasonable expenses associated with any time IC staff spends working pursuant to this MOU, and that IC will submit all requests for reimbursement to StS at the address set forth in paragraph 15 of this MOU. The parties agree to develop a preliminary budget for anticipated expenses.

Sea To Sea Restoration & Desalination Group, LLC
21550 Oxnard St. Suite 900, Woodland Hills, CA 91367

15. Notices and requests for reimbursement shall be in writing and may be given by personal delivery or by mailing by certified mail, addressed as follows:

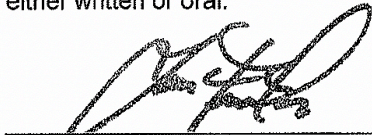
IC

Imperial County Executive Office
Attn: County Executive Officer
940 West Main Street, Suite 208
El Centro, CA 92243

StS

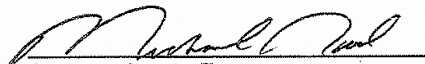
Sea to Sea Restoration and Desalination
Company, LLC
21550 Oxnard Street, Suite 900
Woodland Hills, CA 91367

This MOU contains the entire agreement between IC and StS relating to the transactions contemplated hereby and supersedes all prior or contemporaneous agreements, understandings, provisions, negotiations, representations, or statements, either written or oral.



Louis A. Fuentes, Chairman
Imperial County Board of Supervisors

Date



Approved as to Form
Michael L. Rood
County Counsel
County of Imperial

1-14-11

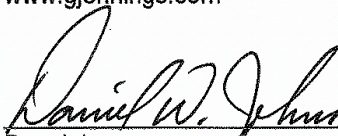
Date



Gary Jennings
President, Utility Solution Group
Director of Business Development,
Sea to Sea Restoration and Desalination Company
www.gjennings.com

1-17-11

Date



Dan Johnson
President, DesalNate, Inc
President, Sea to Sea Restoration and Desalination Company

2/18/11

Date

Sea To Sea Restoration & Desalination Group, LLC
21550 Oxnard St. Suite 900, Woodland Hills, CA 91367