**MEMO**

TO: SSA Directors and General Manager Patrick O’Dowd

FROM: Lisa Moore and Lowry Crook

**RE: Federal Update**

DATE: January 22, 2021

This memo provides a brief update on SSA federal activities, including: (1) outlining next steps regarding the Water Resources Development Act (WRDA) provision SSA supported for the Perimeter Lake, and (2) potential future stimulus legislation and how that might be an opportunity to advance New River wastewater treatment measures discussed by the Board during recent strategic planning meetings.

**(1) Water Resources Development Act (WRDA 2020) — Perimeter Lake Provision**

WRDA was signed into law on December 27, 2020, and included a provision supported by SSA to authorize a U.S. Army Corps of Engineers feasibility study for a Salton Sea Perimeter Lake or subset thereof. The provision was requested by Congressmen Ruiz and Vargas. (On May 26, 2019, the SSA Board adopted Resolution 19-06 supporting the Perimeter Lake.)

While the Salton Sea has been heavily studied, a Corps-approved feasibility study is a legal prerequisite to securing Corps construction funding for a Perimeter Lake project. Federal Corps construction funding for such a project would be 65% of the project cost. Given state budgetary constraints and recent testimony at the federal Salton Sea hearing that robust federal funding is needed at the sea, this provision was pursued by our Congressional delegation as a means to that end. As SCH and the North Lake Demonstration Project advance in the near term, conducting a feasibility study on a larger Perimeter Lake project could advance a longer-term plan for the Sea that could receive significant federal funding.

The WRDA provision represents a first step in the process of advancing such a feasibility study, which may now be furthered in one of two ways.

First, SSA may request that the Corps undertake the feasibility study. A Corps feasibility study is undertaken in consultation with a local sponsor such as SSA or the state. The local sponsor works in partnership with the Corps in directing the study, and must pay for half the cost. Corps feasibility studies may cost no more than $3 million total; accordingly, the local sponsor cost would be no more than $1.5 million.

Such a request would be initiated through the Corps LA District Office and specifically ask that such a study be included within the Corps annual budget proposal and work plan. The next work plan will begin to be formulated in February/March 2021 and will delineate a list of studies that would commence in fiscal year 2022. SSA would need to advocate for the feasibility study with the Corps LA District and the new Administration, which should be receptive to such a request. Funding would need to be secured, likely from the state, for the local project sponsor cost share.

Second, a non-federal project sponsor may entirely undertake the feasibility study at its own cost, ensuring that the study meets Corps feasibility study requirements. This approach has the benefit of being able to be advanced potentially sooner (as soon as funds could be secured from the state, for example). The state could undertake the study, or an entity like SSA could seek funding from the state legislature to do so.

Once such a non-federal feasibility study were completed, it would be reviewed by the Assistant Secretary who oversees the Corps Civil Works program. Once it is approved by the Assistant Secretary, the non-federal sponsor may seek Congressional authorization and federal Corps construction funding for the project at a 65-35% federal/non-federal cost share.

**(2) American Rescue Plan, Infrastructure — New River**

The Biden Administration has released a $1.9 trillion American Rescue Plan that would augment several measures in the first Covid $3 trillion relief package enacted in March 2020 and the recent $900 billion relief package enacted in December 2020. The new Biden proposal calls for increased relief checks, unemployment and small business aid, and aid to state and local governments.

President Biden has said that he will lay out the Administration’s next order of business following a relief package when he addresses Congress on February 23rd, and that it would involve historic investments in infrastructure and other stimulus measures. This may provide opportunities to secure additional funding for the New River. The New River Improvement Project received $28 million from the state in June. In follow up SSA meetings, Directors have discussed whether additional measures should be advanced to provide for wastewater treatment of New River waters which ultimately flow to the Salton Sea. The New River Improvement Project originally called for such wastewater treatment, but was scaled back due to the lack of funds for such a facility, among other reasons.

As we discussed in our last SSA federal update, the Biden Administration has indicated it is placing a very high priority on environmental justice issues. It has appointed officials to high level administration posts and is charging them with prioritizing assisting disadvantaged communities facing significant environmental and public health threats. This new focus should facilitate advancing additional measures for the New River.

In order to do so, a state/local coalition would need to frame a specific infrastructure request for the New River. Should the Directors desire, SSA could help to facilitate the process of facilitating such a request and potential ways to advance it with Congress and the new administration.