



MEMO

TO: Salton Sea Authority Board of Directors and G. Patrick O'Dowd
FROM: Lisa Moore
RE: **Federal Report**
DATE: January 16, 2024

This memo provides an update on our work to fully fund our Corps of Engineers feasibility study, a critical component of securing significant federal funding to address long-term Salton Sea management needs.

Background:

As you will recall, the Authority is joint local sponsor with CNRA/DWR with the Army Corps of Engineers of a feasibility study process designed to secure 65% federal funding for long-term Salton Sea management. The study is a prerequisite to securing Corps funding. We identified the Corps as a viable federal funding partner because our needs are a good match for the scale of work typically undertaken by the Corps, and because the Corps was also eager to be engaged. We signed our agreement to embark on the study in December 2022 at an event attended by several of our Directors. Since then we have made good progress in scoping and developing alternatives for consideration.

The Corps has a policy that its studies should not exceed \$3 million or 3 years. This policy may be waived administratively. When we began the feasibility study, all parties recognized that a waiver would be needed to ensure that the Corps and joint sponsors could undertake a full, robust study.

Undertaking the full study is critically important because the scope of the study will determine the ultimate project to be constructed at a 65% federal share. A small study would limit the actual federal funding that will be ultimately made available for the project. In addition, ensuring a robust, full Corps study will ensure that the local region and the State does not assume all the costs associated long-term management, particularly those which may result from post-2026 Colorado River conservation actions now under consideration by the Bureau of Reclamation.

DWR and the Authority have been working with the local and regional Corps leadership to recommend a waiver from the Corps to enable a \$15 million budget (\$7.5m fed/\$7.5m sponsor) for a full study to would look at 4-6 alternative solutions. In November, we and the Corps agreed that the study would be considered a full study of this nature.

However, when local Corps leadership briefed Corps HQ, Corps leadership directed them to include another alternative for a \$3 million study and recommendation. Pursuing this course would limit the ultimate federal funding we could secure for long-term Salton Sea management.

Next Steps:

We are working with the State and our Congressional delegation to secure Corps HQ agreement that a full study is the appropriate course of action. In addition, we are working to identify additional federal funding to enable the full study to proceed.

There are several possible sources of such funding.

We initially secured funding through federal appropriations for the feasibility study. Ultimately the Corps funded their initial cost share on the study (\$1.5 million) through administrative funds. They have since adopted a very curious interpretation of their own legal authority in such a way as to restrict their ability to increase Corps federal funding for the study. (This interpretation affects not only our study, but several around the nation.)

While we disagree with this self-imposed limitation, we are working with Congress through the Water Resources Development Act to legislatively remove this barrier to federal funding via the Corps. We sought and the Directors approved staff recommended WRDA requests in that connection which I have submitted to our Congressional delegation.

WRDA, however, is not a funding bill and thus we cannot secure actual funds through it. We are using that legislation in order to remove a barrier to pursuing Corps. Ultimately, we would need either the Corps to dedicate additional funds to the study administratively (as they did to begin the study) or by securing federal appropriations for the Corps. Given the slowness of the federal appropriations process, it would take likely over a year to secure funds this way.

Another way to secure funds for the process would be to dedicate a portion of the IRA \$4 billion Colorado River fund to this study. As you will recall, this fund was not only provided to secure water conservation to benefit Lake Mead, but also to address the Salton Sea. The State could also dedicate a portion the IRA funding it has received for the Salton Sea towards the needed federal cost share for the full study.