

## Memorandum

**To:** Salton Sea Authority Board of Directors  
**From:** G. Patrick O'Dowd, Executive Director /GM  
**Date:** February 19, 2026  
**Re:** Update on Proposition 68 Funds Dispensation and Possible Action Relating Thereto

---

### Background:

Since the expiration of the Proposition 68 grant for the North Lake Pilot Demonstration Project (NLPDP), the Authority and the California Natural Resources Agency (CNRA) have engaged in ongoing discussions to determine equitable terms for the release of remaining funds. These discussions have centered on facilitating an expanded Request for Proposals (RFP) for the North Lake Wetlands (NLW) Project and ensuring the Authority is resourced to fulfill its role in advancing long-range restoration planning.

While the State initially proposed a Resolution to formalize the release of funds, the Authority expressed concern that such a unilateral instrument would not provide sufficient mutual accountability or enforceable commitments. In response, and considering the Authority's central role in the U.S. Army Corps of Engineers Salton Sea Imperial Streams Feasibility Study - now recognized as a critical element in the [Bureau of Reclamation's Draft Post-2026 Colorado River EIS](#) - staff developed a comprehensive [DRAFT Term Sheet](#) (attached) to guide a First Amendment to the [2020 MOU between CNRA and the Authority](#).

### Key Elements of the Term Sheet Include:

- A three-year, \$600,000 allocation from Proposition 68 funds to support the Authority's work on the NLW Project and its integration into the Feasibility Study.
- Mutual commitments to collaboration on the NLW Project, the Feasibility Study, and broader Salton Sea Management Program (SSMP) implementation.
- A shared intent to explore targeted amendments to [AB 71](#) to reflect the evolving role of the Authority and the NLW Project.
- A dispute resolution framework aligned with the [Feasibility Study's protocols](#) to ensure consistency and accountability.

### Next Steps:

Staff has shared the Term Sheet with CNRA and DWR and is awaiting a formal response. In anticipation of potential agreement prior to the March Board meeting, staff recommends that the Board receive this update and consider authorizing the Executive Director to execute the Term Sheet and any related agreements necessary to implement its provisions, subject to legal counsel review and final approval by the Executive Committee.

### Recommendation:

Receive and file this update. Authorize the Executive Director, in consultation with legal counsel and the Executive Committee, to finalize and execute the Term Sheet and any associated agreements necessary to implement the proposed funding and collaboration framework, should a timely agreement be reached with CNRA and DWR prior to the March Board meeting.