

# TERM SHEET

## Collaboration and Resource Allocation

**Between the California Natural Resources Agency (CNRA) and the Salton Sea Authority (Authority)**  
**Dated: [Insert Date]**

### A. Purpose

This Term Sheet outlines the terms of a proposed First Amendment to the 2020 Memorandum of Understanding (MOU) between CNRA and the Authority. It reflects expanded collaboration on Salton Sea restoration, a dedicated funding arrangement under Proposition 68, and a shared commitment to advancing the U.S. Army Corps of Engineers Salton Sea Imperial Streams Feasibility Study as the primary vehicle for long-range restoration planning and implementation.

### B. Parties

- California Natural Resources Agency (CNRA)
- Salton Sea Authority (Authority)

### C. Key Terms

#### 1. Collaboration on the North Lake Wetlands Project

The Authority will support and inform efforts to integrate the North Lake Pilot Demonstration Project (NLPDP) into the broader North Lake Wetlands Project (NLW), in coordination with CNRA and the Department of Water Resources (DWR), and in alignment with long-range planning under the federal Feasibility Study.

#### 2. Collaboration on the U.S. Army Corps of Engineers Feasibility Study

The Authority and DWR serve as joint local sponsors of the U.S. Army Corps of Engineers Salton Sea Imperial Streams Feasibility Study, authorized under the 2020 Water Resources Development Act (WRDA) following sustained advocacy by the Authority. The study is the primary federal pathway for identifying, evaluating, and implementing long-range restoration projects at the Salton Sea.

#### 3. Continuation of Local and State Coordination and Collaboration

The Authority will continue to assist the Salton Sea Management Program (SSMP) through:

- Community engagement and environmental justice outreach,

- Interagency coordination,
- Technical input and project integration, as outlined in the original 2020 MOU.

#### 4. Resource Allocation: \$600,000 Over Three Years

- CNRA will allocate \$600,000 in Proposition 68 funds to the Authority over a three-year period (\$200,000 annually).
- These funds will support the Authority's work on the NLW Project, including:
  - Integrating the NLPDP into the NLW framework,
  - Advancing NLW as a component of the Feasibility Study,
  - Leading community engagement and environmental justice coordination,
  - Supporting interagency collaboration and technical input to SSMP implementation.
- Funding will be drawn from the remaining approximate \$17 million in Proposition 68 funds designated for the NLW Project.
- A separate funding agreement will govern disbursement, reporting, and performance expectations, including the release by the Authority of all remaining funds, subject to the provisions herein. DWR will serve as the contracting entity.

#### 5. Proposed Modifications to AB 71

The Parties agree to explore targeted amendments to AB 71 (2013) to reflect:

- The evolution of the North Lake Wetlands Project as a successor to the NLPDP,
- The expanded role of the Authority in coordinating restoration and federal engagement,
- The need for flexibility in fund administration and recognition of local implementation partners. Any proposed amendments will be developed collaboratively and pursued through the legislative process with mutual support.

#### **D. Acknowledgement of DWR's Role**

The Parties acknowledge that the California Department of Water Resources (DWR), as a department within CNRA and administrator of Proposition 68 funds, will serve as the contracting entity for the separate funding agreement with the Authority. DWR's role in

administering funds and supporting implementation of the NLW Project shall be coordinated in alignment with the terms of this agreement.

### **E. Alignment with the MOU, Commitment to the Feasibility Study, and Dispute Resolution**

This Term Sheet is intended to guide a First Amendment to the 2020 MOU between CNRA and the Authority. In keeping with Section E.1, any amendment will be executed through mutual written agreement. As required by Section E.4, all funding and implementation actions — including the separate Proposition 68 funding agreement — will follow applicable laws, regulations, and procedures.

The Parties reaffirm their shared commitment to the U.S. Army Corps of Engineers Salton Sea Imperial Streams Feasibility Study, which represents the most significant federal pathway to long-term restoration and investment at the Sea. The Salton Sea Authority and DWR serve as joint local sponsors, and the U.S. Army Corps of Engineers (USACE) serves as the federal lead agency.

The Parties further recognize that the Feasibility Study is not an end in itself, but a means to unlock federal investment in Salton Sea restoration. Completion of the study must be paired with a coordinated strategy to secure federal and state funding for implementation of the projects deemed feasible. This includes leveraging the study's 65/35 federal/non-federal cost-share structure and aligning with mitigation obligations identified in the Post-2026 Colorado River Operating Guidelines.

To ensure consistency and fairness, the Parties agree that any disputes arising in the course of planning, funding, or implementing the North Lake Wetlands Project (NLW) shall be addressed and resolved in a manner consistent with the dispute resolution protocols established for the Feasibility Study. This includes early coordination, joint problem-solving, and, where necessary, elevation to executive leadership for resolution.

Finally, this Term Sheet reflects a broader moment of opportunity. Governor Gavin Newsom identified the Salton Sea as a priority of his administration, and with his tenure drawing to a close, this agreement offers a chance to solidify that commitment into a durable legacy. It lays the foundation for a more equitable, resilient, and coordinated future - one that reflects the hard-won alignment between local leadership, state agencies, and federal partners. That alignment didn't happen by accident. It's the result of years of work - and this is the moment to lock it in.