

May 11, 2020

The Honorable Wade Crowfoot Secretary California Natural Resources Agency 1416 Ninth Street Suite 1311 Sacramento, California 95814

Dear Secretary Crowfoot:

We are writing in follow up to our recent Memorandum of Understanding to more closely coordinate and collaborate, including in our efforts to secure federal Salton Sea funding. Poor air quality linked to the Salton Sea burdens our region with among the highest rates of asthma and respiratory disease in California and renders our constituents especially vulnerable to COVID-19 health impacts. Given the economic impact of COVID-19 on future state budgets, it is incumbent upon us to expeditiously mobilize additional federal resources to ensure that this new crisis does not slow critical work to restore public, environmental and economic health at the Salton Sea.

As described below, the most immediate need to facilitate this federal work is to expedite CNRA's contracting of its USDA Salton Sea Watershed Act (PL 83-566) grant first with USDA, and subsequently with a contractor to complete the required Watershed Plan. We offer our assistance and expertise in coordinating this contracting between USDA and CNRA, propose that we work closely together with USDA to complete this task by the end of May, and work to facilitate the hiring of a contractor quickly thereafter. In addition, we request your assistance in framing a joint request to our Congressional delegation regarding potential future federal stimulus legislation that would support this and our other priorities at the Salton Sea. We recently reached out to your staff to initiate such an effort.

Since 2014, SSA and CNRA have successfully collaborated to increase federal Salton Sea engagement with the goal of securing federal Salton Sea investment at least equal to that of the state of California. The Department of the Interior has acknowledged its legal obligations as a major landowner at the Salton Sea, and has committed to identifying federal funding to meet these obligations. Notably, for the first time, the President's 2021 budget acknowledges that the federal government "may have a significant funding need in future years to address Reclamation managed lands" including "significant air quality mitigation costs" at the Salton Sea.

The most immediate opportunity to increase federal Salton Sea engagement is through our work with the U.S. Department of Agriculture (USDA). Together we have secured funding for two Salton Sea USDA pilot projects, enacted 2018 Farm Bill legislation to increase USDA funding that could benefit the Salton Sea, and provided USDA with the broad authority to scale

up Salton Sea pilot projects. As a result of our efforts, the Salton Sea is now broadly eligible to receive funding from USDA's over \$6 billion annual conservation budget through its various programs. The 2018 Farm Bill effort to make this possible involved numerous hard-won legislative changes and reflects four years of work by SSA, CNRA, local stakeholders and our Congressional delegation.

While our work created multiple avenues through which we could mobilize these USDA resources to benefit the Salton Sea, SSA and USDA have identified the Watershed Act as one of the most compatible with the activities contemplated in CNRA's Salton Sea Management Plan (SSMP). As a result of our advocacy efforts and the work of our Congressional delegation, we increased federal funding to the Watershed Act from \$0 in 2016 to over \$225 million in 2019. We also ensured that USDA could use all of its \$300 million Regional Conservation Partnership Program (RCPP) annual budget toward Watershed Act-type projects, raising the total funding to over \$500 million per year available through Watershed Act authorities.

In order to translate this success to tangible financial assistance for the Salton Sea, SSA drafted CNRA's 2017 application for Watershed Act assistance, securing \$650,000 for CNRA in USDA assistance to complete a Watershed Plan – effectively an environmental assessment (EA) – of the SSMP. The Watershed Act requires such a plan, which is funded entirely by USDA, prior to allocating conservation funding. Notably, USDA's approval of the 2017 Salton Sea application is an important acknowledgment that federal funding through the Watershed Act for Salton Sea SSMP work is appropriate and authorized. USDA does not fund a Watershed Plan if it does not anticipate funding plan implementation. Because we anticipated that the Corps of Engineers, as the lead federal Salton Sea permitting authority, would also be undertaking an EA of SSMP, we sought and secured USDA authority to waive this Watershed Act plan requirement in the 2018 Farm Bill. We expected USDA to use this authority to waive the plan, and permit CNRA or SSA to apply for additional USDA Watershed Act conservation funding to match SSMP funding.

When it became clear by mid-2019 that USDA would not exercise this new waiver authority, we advised CNRA to contract with USDA and then contract out the Watershed Plan. To advance this effort, SSA engaged with your staff and with USDA, crafted a scope of work, and identified contractors. We initially advocated that CNRA combine the Corps and USDA EA processes. CNRA, however, expressed the concern that this could slow the Corps' work. In such a case, we agreed that the USDA-related planning should proceed independently to ensure that it does not slow the Corps' evaluation.

It is important to note that under the RCPP application CNRA submitted to USDA late last year – which relies upon Watershed Act authorities to conduct the same activities USDA already approved via the 2017 Watershed Act application – CNRA would likewise be required to complete a Watershed Plan before receiving RCPP conservation funds. That is, to access either USDA RCPP or Watershed Act conservation funding, this same Watershed Plan must be completed. We believe pursuing USDA funding directly through the Watershed Act grant we helped to secure in 2017, rather than through a new RCPP, will pay greater dividends to the Salton Sea because the Watershed Act has no project funding cap and has a history of funding

large-scale projects like SSMP. Funding received through RCPP does have such administratively imposed limits.

We stand ready to work with CNRA to coordinate and assist its contracting with USDA on the Watershed Plan. As we prepare to work with our Congressional delegation and the federal government on potential future federal stimulus legislation that can support our shared priorities at the Salton Sea, it is an important time to demonstrate progress in deploying the federal resources that we have secured to date.

We greatly appreciate your personal engagement and commitment to address the state of California's obligations at the Salton Sea. We look forward to working more closely with you to ensure that our federal partners match that engagement and commitment.

Sincerely,

Phil Rosentrater

GM/Executive Director Salton Sea Authority

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