



QUANTIFICATION SETTLEMENT AGREEMENT JOINT POWERS AUTHORITY REGULAR MEETING

AGENDA

June 9, 2020

1:30 PM

Webinar/Conference Call

Webinar link: [Join Microsoft Teams Meeting](#)

Conference Call Number: (619) 483-4264 Conference ID Number: 957756454#

Conference Call Locations:

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON. MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE PHONE NUMBER LISTED ABOVE.

PRELIMINARY MATTERS

1. Call to Order
2. Roll Call - Determination of Quorum
3. Public Comment - Opportunity for members of the public who wish to address the Authority on matters within the Authority's jurisdiction

ORGANIZATIONAL MATTERS

4. Action: Approve minutes of regular QSA JPA meeting held April 8, 2020 (Kara Mathews, SDCWA)

FINANCIAL MATTERS

5. Information: Treasurer's Report ending March 31, 2020 (Chris Woidzik, SDCWA)
6. Information: Financial Report ending March 31, 2020 (Chris Woidzik, SDCWA)
7. Action: Review and consider approval of QSA JPA Fiscal Year 2021 Budget & Work Plan (Kara Mathews, SDCWA and Jessica Humes, IID)
8. Information: Update on completed and ongoing budget tasks (Kara Mathews, SDCWA)

IMPLEMENTATION

9. Information: Status report on implementation of mitigation measures (Jessica Humes, IID)
10. Information: Update on Salton Sea mitigation water (Tina Shields, IID)
11. Information: Update on State's Salton Sea Management Program (Arturo Delgado, CNRA)
12. Adjourn



QUANTIFICATION SETTLEMENT AGREEMENT JOINT POWERS AUTHORITY

CONFERENCE CALL MEETING MINUTES

April 8, 2020 at 2:00 p.m.

Commissioners and Alternates present:

Jim Barrett, Coachella Valley Water District (CVWD) – Commissioner
Robert Cheng, CVWD – Alternate Commissioner
Arturo Delgado, California Department of Fish and Wildlife (CDFW) – Alternate Chair
Dan Denham, San Diego County Water Authority (SDCWA) - Commissioner
Henry Martinez, Imperial Irrigation District (IID) – Commissioner
Kelly Rodgers, SDCWA – Alternate Commissioner
Tina Shields, IID – Alternate Commissioner

JPA staff present:

Jeff Ferre, Best, Best, and Krieger – Legal Counsel
Kara Mathews, SDCWA – Chief Administrator Officer

Others present:

Shannon Ayala, Davis Farr	Jessica Humes, IID
Mike Cohen, Pacific Institute	Joanna Smith Hoff, IID
Alan Okewole, SDCWA	Liana Whyte, SDCWA
Ivory Reyburn, CVWD	Chris Woidzik, SDCWA
Jessica Schroeder, CNRA	
Gail Sevrens, CDFW	

PRELIMINARY MATTERS

1. Call to Order
Chair Delgado called the meeting to order at 2:03 p.m.
2. Roll Call
There was a quorum of the Commission present at the time of the meeting.
3. Public Comment
There were no public comments.

ORGANIZATIONAL MATTERS

4. Action: Approval of Minutes of Regular JPA Meeting Held January 13, 2020
Commissioner Denham made a motion to approve the minutes, seconded by Commissioner Barrett.
The minutes were approved unanimously by a roll call vote.

FINANCIAL MATTERS

5. Information: Fiscal Year 2020 Audit Engagement

Mr. Woidzik began with an introduction to the Fiscal Year 2020 audit engagement. Ms. Ayala announced the planning portion of the audit for the QSA JPA for Fiscal Year ending June 30, 2020 had begun. An audit engagement letter was provided to management which detailed out the scope of audit, the auditor's responsibilities, and management's responsibilities. There was a small increase in fees from prior years. She stated the purpose of the Auditor was to express an opinion on the financial statements and evaluate internal controls. She explained the SAS 114 planning letter was a requirement to have two-way communications with the Commission about fraud and fraud risks. The only modification made was to the results of the unpredictably test that is required. This year, the audit will review contracts related to mitigation projects. This year's auditing procedures for interim preliminary will begin May 18 with final procedures to be done in August. Updated accounting standard changes related to GASB 84 and GASB 87 do not affect the QSA JPA.

Commissioner Denham asked if future planned work for May-August could be done remotely due to the COVID-19 pandemic. Ms. Ayala responded yes.

Commissioner Barret asked if there was a conflict of interest if Davis Farr, LLP was also the Water Authority's Auditor. Mr. Woidzik and Mr. Ferre explained it was not.

Commissioner Barrett asked how long Davis Farr been the auditing firm. Mr. Woidzik explained that standard practice is to change auditors every five years, and the Water Authority was on its third year with Davis Farr, and used a different auditor prior to that.

Mr. Woidzik concluded the item with a review of the audit calendar.

6. Information: Fiscal Year 2020 Invoicing

Mr. Woidzik is requesting to receive invoices by July 30, 2020 from IID, which is sooner than prior years due to the date of the audit moving up.

7. Information: Treasurer's Report ending December 31, 2019

Mr. Woidzik provided a review of the Treasurers' Report ending December 31, 2019. December payments totaling \$4.3 million from the three water agencies were received. Total cash and investments is \$46.7 million, an increase from prior quarter due to agency payments received. Interest income was \$497,000.

8. Information: Financial Report ending December 31, 2019

Mr. Woidzik provided a review of the Financial Report ending December 31. He reviewed the quarterly financial statements including the assets and liabilities. Total expenses over the quarter were \$2.8 million. Tasks with the most expenditures were: Task 24 - Salton Sea Air Quality at \$1.2 million increase; Task 8 - Drain Habitat Aquatic Managed Marsh at \$600,000; and Task 3 - QSA Implementations Team Biologists at \$230,000. The budget status report shows 19% of the budget spent through invoices paid through December 31.

9. Information: Investments Overview

Mr. Woidzik announced the contract with Chandler Asset Management had been executed. No monies have been transferred as yet and the current plan was to hold off due to current volatility in the market. The plan is to give them \$20 million to invest over a 3-year period.

Commissioner Martinez asked for background on the tasks list of mitigation measures, as some tasks currently have zero expenditures. Ms. Shields explained it was a breakdown required by the environmental permits, some items aren't required every year so expenditures could vary from year to

year. The full task list is all of the categories of potential mitigation measures and then each year the budget assigns monies to the tasks that are going to be performed. Commissioner Martinez asked if all of these tasks were still applicable. Ms. Shields indicated the task list is based on the biological opinion and the regulatory permits. Commissioner Denham agreed with Ms. Shields comment and referred to the Mitigation, Monitoring, and Reporting Plan (MMRP). Chair Delgado suggested identifying which tasks have been completed. Ms. Mathews replied that could be added as part of the upcoming budget development and also add it to future financial statements.

10. Action: Authorize budget increase of \$7,043,650 for Salton Sea mitigation water predelivery payback.

Ms. Mathews stated that IID submitted an updated water order in 2019 to include payback of 2010 pre-delivered mitigation water to the Salton Sea and Reclamation accepted the proposal in March. IID submitted documentation of conservation associated with resolving this issue. The cost of the payback water is \$7 million which was the original budget savings to the JPA. Commissioner Barrett made a motion to approve the budget increase of \$7,043,650, seconded by Commissioner Denham. The item was approved unanimously by a roll call vote.

IMPLEMENTATION

11. Information: Status Report on implementation of mitigation measures

Ms. Humes provided an update on various tasks mitigation measures:

- *Mitigation Measure 8 – Drain Habitat for Managed Marsh Complex:* IID is steadily working on Phase 3 construction. Most of the main line pipeline and drain lines are almost complete. Pond construction (30 acres roughly) and installation of furrows and planting will begin in the fall. Phases 1 and 2 are looking really good and will provide good habitat this summer.
- *Mitigation Measure 20 – Pupfish:* Staff is completing the final requirements for certification for working with pupfish, however the field portion has been postponed due to COVID-19. IID hired ECORP Consulting to work on the Desert Pupfish Habitat Conductivity Plan. The first meeting was held with the Implementation Team to collect data and will be working towards having a plan in place within a year.
- *Mitigation Measure 24 – Air Quality:* IID launched a new air quality web portal that includes data downloads, an interactive map, and all documents related to the Air Quality Mitigation and Monitoring Program (AQMMP). Annual emissions estimate was adopted by IID's Board in March, and the proactive dust control plan will go to the IID Board on April 21. IID submitted an application to the US Army Corps of Engineering for projects in the coming year that will fast track implementation. IID is also implementing surface roughening and vegetation enhancement in the Alamo South project area and will monitor germination this summer.
- *Mitigation Measure 42 – Brown Pelican:* IID has assigned an engineer to develop concepts for brown pelican roosts at IID reservoirs close to the Salton Sea such as a floating roost or a stationary roost. IID will be working with Department of Fish and Wildlife staff and expects more information in the May timeframe.

12. Information: Update on State Salton Sea Management Program

Chair Delgado announced the completion of the state's first dust suppression project at the end January of 112 acres for the Bruchard Road Project. At the end of February, the state's Salton Sea annual report was submitted to the State Water Resources Control Board. Progress is being made on the Species Conservation Habitat project and contractors are expected to mobilize onsite in fall, subject to change due to the COVID-19 situation. Progress has been made on the draft Dust Suppression Action Plan. The Salton Sea Management Program held public meetings and provided a one-month review period of the draft plan, which ended March 27. The State is hoping to have a working plan by mid-to-late May, which would be a living document that is updated periodically. Progress is being made on a programmatic environmental document with a draft project description expected in May. The state is also looking at ways to engage with public during the coronavirus situation.

Mr. Cohen asked if there was a plan to release a draft to a smaller group prior to public release. Chair Delgado responded that the current plan is to have everyone review during the regular public review.

Commissioner Martinez asked if the State Water Resources Control Board meeting that was cancelled due to COVID-19 was going to be rescheduled in the Salton Sea area. Chair Delgado responded that the plan is to reschedule and to have the meeting in El Centro.

13. Adjournment

The meeting was adjourned 2:48 p.m.

Quantification Settlement Agreement
Joint Powers Authority
Treasurer's Report
at March 31, 2020

<u>Investment Type</u>	<u>% Limit</u>	<u>% of Portfolio</u>	<u>Amount</u>	<u>Yield</u>
Wells Fargo CEO Account	100%	1%	\$ 310,052.50	0.00%
Local Agency Investment Fund (LAIF)	\$65M - Maximum	91%	41,221,557.61	1.79%
CA Asset Mgmt Program (CAMP)	25%	9%	4,013,785.10	1.50%
Total Cash and Investments		<u>100%</u>	<u>\$ 45,545,395.21</u>	<u>1.75%</u>

Interest Earnings (Cash and Investments):

Month Ended	\$ 72,729.01
Fiscal Year to Date	\$ 725,564.09

Average Term	1
Average Days to Maturity (730 Days Maximum)	1


 Lisa Marie Harris, Treasurer

Quantification Settlement Agreement
Joint Powers Authority
Treasurer's Report
at March 31, 2020

Deposit & Invoice Activity:

Date	Name	Deposits	Invoices
	Total Fiscal Year 6/30/2004	\$ 4,387,846.00	\$ -
	Total Fiscal Year 6/30/2005	\$ 1,758,945.00	\$ (1,959,440.28)
	Total Fiscal Year 6/30/2006	\$ 2,161,019.83	\$ (4,555,061.94)
	Total Fiscal Year 6/30/2007	\$ 2,347,672.00	\$ (2,938,474.58)
	Total Fiscal Year 6/30/2008	\$ 11,644,612.84	\$ (5,779,276.79)
	Total Fiscal Year 6/30/2009	\$ 6,870,567.00	\$ (8,251,293.97)
	Total Fiscal Year 6/30/2010	\$ 14,545,715.00	\$ (9,061,269.71)
	Total Fiscal Year 6/30/2011	\$ 5,849,675.00	\$ (5,944,418.65)
	Total Fiscal Year 6/30/2012	\$ 6,585,384.00	\$ (1,851,265.44)
	Total Fiscal Year 6/30/2013	\$ 7,497,513.00	\$ (4,335,543.28)
	Total Fiscal Year 6/30/2014	\$ 10,699,074.00	\$ (10,987,218.93)
	Total Fiscal Year 6/30/2015	\$ 17,331,735.00	\$ (14,361,492.54)
	Total Fiscal Year 6/30/2016	\$ 15,222,157.00	\$ (22,997,264.03)
	Total Fiscal Year 6/30/2017	\$ 29,162,833.00	\$ (21,104,845.03)
	Total Fiscal Year 6/30/2018	\$ 18,183,882.00	\$ (16,428,573.00)
	Total Fiscal Year 6/30/2019	\$ 20,121,404.00	\$ (5,447,961.38)
7/01/2019	IID Annual Operating Cost	\$ 2,800,000.00	
7/01/2019	CVWD Annual Operating Cost	\$ 1,000,000.00	
7/01/2019	SDCWA Annual Operating Cost	\$ 1,750,000.00	
7/11/2019	Mitigation # 1154		\$ (863,554.69)
8/07/2019	Mitigation # 1155		\$ (668,937.15)
9/12/2019	Mitigation # 1156		\$ (238,043.97)
10/11/2019	Audit Fee		\$ (1,024.00)
10/31/2019	Mitigation # 1157		\$ (2,409,728.07)
12/05/2019	Mitigation # 1158		\$ (927,389.81)
12/24/2019	CVWD Annual Operating Cost	\$ 745,350.00	
12/24/2019	IID Annual Operating Cost	\$ 2,473,610.00	
12/31/2019	SDCWA Annual Operating Cost	\$ 1,060,053.00	
1/31/2020	Mitigation # 1159		\$ (522,422.28)
2/20/2020	Mitigation # 1160		\$ (238,248.51)
	Total Fiscal Year 6/30/2020 (YTD)	\$ 9,829,013.00	\$ (5,869,348.48)
	Totals to date:	\$ 184,199,047.67	\$ (141,872,748.03)

Reconciliation of Deposit and Invoice Activity to Total Cash and Investments:

Deposits	\$ 184,199,047.67
Invoices	(141,872,748.03)
Subtotal	42,326,299.64
Interest Earned - Fiscal Year to Date 2020	725,564.09
Interest Earned - Fiscal Year 2019	867,814.64
Interest Earned - Fiscal Year 2018	367,384.75
Interest Earned - Fiscal Year 2017	169,676.70
Interest Earned - Fiscal Year 2016	99,489.54
Interest Earned - Fiscal Year 2015	43,822.46
Interest Earned - Fiscal Year 2014	36,595.42
Interest Earned - Fiscal Year 2013	60,004.09
Interest Earned - Fiscal Year 2012	45,850.28
Interest Earned - Fiscal Year 2011	66,144.04
Interest Earned - Fiscal Year 2010	48,102.28
Interest Earned - Fiscal Year 2009	173,945.72
Interest Earned - Fiscal Year 2008	376,499.98
Interest Earned - Fiscal Year 2007	135,591.60
Interest Earned - Fiscal Year 2006	127,788.23
Interest Earned - Fiscal Year 2005	86,031.33
Interest Earned - Fiscal Year 2004	7,822.91
Fees Paid - Inception to Date	(9,314.13)
Interest not yet received at March 31, 2020	(209,718.36)
Total Cash & Investments	\$ 45,545,395.21

Quantification Settlement Agreement
Joint Powers Authority
Treasurer's Report
at March 31, 2020

Deposit History (Inception-to-Date):

<u>Calendar Year</u>	<u>Payment Type</u>	<u>SDCWA (1)</u>	<u>IID</u>	<u>CVWD</u>	<u>Total</u>
2003	Original Payment	\$ 2,340,273.00	\$ 402,069.00	\$ 1,645,504.00	\$ 4,387,846.00
2004	Original Payment	1,032,775.00	-	726,170.00	1,758,945.00
2005	Original Payment	969,146.83	418,191.00	773,682.00	2,161,019.83
2006	Original Payment	848,849.00	574,316.00	924,507.00	2,347,672.00
2007	Advance Payment	4,094,225.00	1,658,950.00	2,878,752.00	8,631,927.00
2007	Original Payment	1,214,878.84	739,432.00	1,058,375.00	3,012,685.84
2008	Advance Payment	2,164,086.00	876,872.00	1,521,623.00	4,562,581.00
2008	Original Payment	-	761,615.00	1,546,371.00	2,307,986.00
2009	Original Payment	7,879,603.00	941,356.00	5,724,756.00	14,545,715.00
2010	Original Payment	2,770,483.00	1,131,196.00	1,947,996.00	5,849,675.00
2011	Original Payment	3,084,803.00	1,331,579.00	2,169,002.00	6,585,384.00
2012	Original Payment	3,496,247.00	1,542,967.00	2,458,299.00	7,497,513.00
2013	Original Payment	5,245,201.00	1,765,841.00	3,688,032.00	10,699,074.00
2014	Original Payment	5,291,989.00	1,818,816.00	3,720,930.00	10,831,735.00
2015	Advance Payment	2,000,000.00	6,500,000.00	1,000,000.00	9,500,000.00
2015	Original Payment	6,076,346.00	1,873,380.00	4,272,431.00	12,222,157.00
2016	Advance Payment	1,800,000.00	5,125,000.00	2,000,000.00	8,925,000.00
2016	Original Payment	8,254,386.00	1,929,582.00	5,803,865.00	15,987,833.00
2017	Advance Payment	1,850,000.00	4,250,000.00	500,000.00	6,600,000.00
2017	Original Payment	8,314,814.00	1,987,469.00	5,531,599.00	15,833,882.00
2018	Advance Payment	1,750,000.00	3,500,000.00	500,000.00	5,750,000.00
2018	Original Payment	6,914,667.00	2,261,221.00	5,195,516.00	14,371,404.00
2019	Advance Payment	1,750,000.00	2,800,000.00	1,000,000.00	5,550,000.00
2019	Original Payment	1,060,053.00	2,473,610.00	745,350.00	4,279,013.00
		-	-	-	-
	Totals to date:	<u>\$ 80,202,825.67</u>	<u>\$ 46,663,462.00</u>	<u>\$ 57,332,760.00</u>	<u>\$ 184,199,047.67</u>

⁽¹⁾ SDCWA payments shown above are reduced by credits for payments made to the Bureau of Reclamation regarding responsibility for implementation of Conservation and Mitigation Measures for the Colorado River.

Total Outstanding Balance Due as of March 31, 2020				
Payment Schedules ⁽²⁾	SDCWA	IID	CVWD	Total
Nominal amount	\$ 10,835,034	\$ 80,058,154	\$ 9,593,182	\$ 100,486,370
Present value (@ 6%)	\$ 9,317,787	\$ 50,293,784	\$ 8,167,886	\$ 67,779,457

⁽²⁾ Source: Modification of Payment Schedules per Agreement dated May 20, 2015

Unaudited
**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**BALANCE SHEET
GENERAL FUND
MARCH 31, 2020**

Assets:

Cash	\$ 310,053
Investments	45,543,722
Mitigation contributions receivable	38,717,699
Interest receivable	<u>28,286,934</u>

Total assets	<u>\$ 112,858,408</u>
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Liabilities:

Accounts payable	<u>\$ 2,558,597</u>
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Deferred inflows of resources:

Unavailable mitigation contributions	<u>66,797,158</u>
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Fund balance:

Unassigned	<u>43,502,653</u>
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Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 112,858,408</u>
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Unaudited
**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

Revenues:

Interest income	\$ 991,386
Mitigation contributions	<u>9,829,013</u>

Total revenues	<u>10,820,399</u>
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Expenditures:

Environmental mitigation	3,981,430
Administrative	<u>176</u>

Total expenditures	<u>3,981,606</u>
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Net changes in fund balance	6,838,793
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Fund balance at beginning of year	<u>36,663,860</u>
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Fund balance at end of year	<u><u>\$ 43,502,653</u></u>
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Unaudited

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**SUPPLEMENTARY INFORMATION - BUDGET STATUS REPORT
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

Task No.	Mitigation Tasks	Amended FY 2020 Budget	Total Expenditures	Variance (Remaining)	Percent Complete
1	QSA Implementation Team	\$ -	\$ -	\$ -	0.0%
2	QSA Implementation Team Biologists	1,192,600	563,960	628,640	47.3%
3	Environmental Reporting and Monitoring	530	-	530	0.0%
4	Salton Sea Salinity and Elevation Program	16,020	3,179	12,841	19.8%
5	Salton Sea Mitigation Water to Salton Sea	7,043,650	-	7,043,650	0.0%
6	Tamarisk Scrub Habitat - Surveys and Mitigation	70,620	4,928	65,692	7.0%
7	Drain Habitat - Initial Vegetation and Habitat Surveys	-	-	-	0.0%
8	Drain Habitat (Aquatic) - Create/Manage/Monitor "Managed Marsh" Areas	5,884,147	1,303,642	4,580,505	22.2%
9	Drain Habitat Restrictions/Requirements for Construction and Maintenance	-	-	-	0.0%
10/10A	Worker Education Program Covered Species Training and Manual	620	-	620	0.0%
11	Desert Habitat Survey and Mapping of Right of Way	32,960	-	32,960	0.0%
12	Desert Habitat Create/Maintain Desert Habitat	-	-	-	0.0%
13	Changes to Operations on IID Canals to Avoid Covered Species	-	-	-	0.0%
14	Burrowing Owl Worker Annual Education and Manual	-	-	-	0.0%
15	Pre-Construction Activity Burrowing Owl Surveys and Relocation	3,190	-	3,190	0.0%
16	Burrowing Owl Relative Abundance and Distribution Surveys	238,730	11,550	227,180	4.8%
17	Farmer and Public Education Program	7,090	1,637	5,453	23.1%
18	Desert Pupfish Abundance and Distribution Study	6,200	-	6,200	0.0%
19/19A	Pupfish Selenium Drain Studies	301,410	70,484	230,926	23.4%
20	Pupfish Construction and Maintenance Conservation Measures	834,300	1,623	832,677	0.2%
21	Salvage of Razorback Suckers when Dewatering Canals	-	-	-	0.0%
22	Maintain Habitat on Fallowed Parcels	-	-	-	0.0%
23	Covered Species Baseline and Monitoring Surveys	163,770	-	163,770	0.0%
24	Salton Sea Air Quality	6,199,070	2,020,176	4,178,894	32.6%
25	Minimize Dust Emissions from Fallowed Lands	-	-	-	0.0%
26	Drain Connectivity to Salton Sea Elevation Decrease	-	-	-	0.0%
27	Grade Spoil/Roads from Drain Maintenance	-	-	-	0.0%
28	Power Line Markers for Pumpback and Seepage Recovery Systems	-	-	-	0.0%
29	Prepare and Implement Management Plan for Abandoned Portions of AAC	-	-	-	0.0%
30	Southwestern Willow Flycatcher Surveys and Habitat Monitoring	-	-	-	0.0%
31	Elf Owl Surveys	-	-	-	0.0%
32	Desert Tortoise Survey and Avoidance	-	-	-	0.0%
33	Least Tern Surveys	-	-	-	0.0%
34	Rail and Bittern Surveys	-	-	-	0.0%
35	Management and Planning	12,360	-	12,360	0.0%
36	JPA Audit Fees	10,660	-	10,660	0.0%
37	JPA Bank Fees	1,650	176	1,474	10.7%
38	Financial Advisor	-	-	-	0.0%
39	Bond Counsel Fees	-	-	-	0.0%
40	2001 Biological Opinion Measures	-	-	-	0.0%
41	Brown Pelican Coast	-	-	-	0.0%
42	Brown Pelican Sea	-	251	(251)	0.0%
43	Salton Sea Shoreline Strand Study	-	-	-	0.0%
44	Pupfish Refugium	31,000	-	31,000	0.0%
45	Recreation Facilities at Salton Sea	-	-	-	0.0%
Total Expenditures		\$ 22,050,577	\$ 3,981,606	\$ 18,068,971	18.1%



United States Department of the Interior

BUREAU OF RECLAMATION
P.O. Box 61470
Boulder City, NV 89006-1470



IN REPLY REFER TO:

LC-4220
2.2.4.23

May 15 2020

CERTIFIED – RETURN RECEIPT REQUESTED

Mr. Henry Martinez
General Manager
Imperial Irrigation District
P.O. Box 937
Imperial, CA 92251-0937

Subject: Resolution of the Imperial Irrigation District's (IID) Commitment to Restore Water to the Colorado River System

Dear Mr. Martinez:

The Bureau of Reclamation has received IID's *2019 Additional Conserved Water Documentation Report* (Documentation Report), as revised, dated April 10, 2020. This Documentation Report identifies the conservation measures implemented by IID in calendar year (CY) 2019 to create 46,546 acre-feet (AF) of excess extraordinary conservation, with the intention of leaving the water in Lake Mead for the purpose of restoring water to the Colorado River system to resolve the outstanding issue regarding IID's 2010 advance mitigation deliveries to the Salton Sea without conserving an equivalent amount of Colorado River water.¹ Subsequent to prior correspondence between our agencies, IID recently notified Reclamation of its commitment to resolve this issue through its revised CY 2019 water order letter dated December 19, 2019.² Reclamation approved IID's revised CY 2019 water order by letter dated March 10, 2020.

As outlined in the Documentation Report, IID utilized 35,868 AF from its Main Canal Seepage Interception System (MCSIS) and 10,678 AF from its Tailwater Recovery Systems (TRS) to create the 46,546 AF of excess extraordinary conservation in CY 2019 to leave that water in Lake Mead.

Reclamation has reviewed IID's Documentation Report and confirms that the information adequately demonstrates that IID created 46,546 AF of excess extraordinary conservation in CY 2019 from its MCSIS and TRS conservation programs. Additionally, Reclamation acknowledges that, consistent with IID's revised CY 2019 water order, IID left the 46,546 AF of excess extraordinary conservation

¹ As first reported in the 2010 *Colorado River Accounting and Water Use Report: Arizona, California, and Nevada* (and subsequent reports), in 2010 IID delivered 46,546 AF of Colorado River water to the Salton Sea with a stated intention to store the water for use for Salton Sea mitigation requirements in 2011 and half of 2012. IID did not conserve an equivalent amount of water in 2011 and 2012 for delivery to the Salton Sea resulting in a Colorado River system storage depletion of 46,546 AF.

² By letter dated January 14, 2020, The Metropolitan Water District of Southern California notified Reclamation of its support for IID's approach to resolving the issue.

INTERIOR REGION 8 • LOWER COLORADO BASIN

ARIZONA, CALIFORNIA*, NEVADA*

* PARTIAL

in Lake Mead, thereby restoring this quantity of water to the Colorado River system. Reclamation has determined that the 2010 Salton Sea mitigation water pre-delivery issue has now been fully resolved to Reclamation's satisfaction.

Thank you for submitting IID's Documentation Report. If you have questions, please contact Mr. Jeremy Dodds, Water Accounting and Verification Group Manager, at (702) 293-8164 or jdodds@usbr.gov.

Sincerely,



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