



QUANTIFICATION SETTLEMENT AGREEMENT JOINT POWERS AUTHORITY

CONFERENCE CALL MEETING MINUTES

October 1, 2019 at 9:00 a.m.

Commissioners and Alternates present:

Bruce Wilcox, California Natural Resources Agency – Alternate Chair
Henry Martinez, Imperial Irrigation District (IID) – Commissioner
Tina Shields, IID – Alternate Commissioner
Kelly Rodgers, San Diego County Water Authority (SDCWA) – Alternate Commissioner
Jim Barrett, Coachella Valley Water District (CVWD) – Commissioner

JPA staff present:

Jeff Ferre, Best, Best, and Krieger – Legal Counsel
Lisa Marie Harris, SDCWA - Treasurer

Others present:

Kimberlyn Velasquez, SDCWA	Ivory Reyburn, CVWD
Chris Woidzik, SDCWA	Leslie MacNair, CDFW
Jessica Humes, IID	Jessica Schroeder, CDFW
Cindy Matejovsky, IID	Carol Roberts, US Fish and Wildlife Service
Joanna Smith Hoff, IID	Earl Withycombe, CA Air Resources Board
Arturo Delgado, California Department of Fish and Wildlife (CDFW)	Mike Cohen, Pacific Institute
	Bill Dennehy, Chandler Asset Management

PRELIMINARY MATTERS

1. Call to Order
Alternate Chair Wilcox called the meeting to order at 9:05 a.m.
2. Roll Call
There was a quorum of the Commission present at the time of the meeting.
3. Public Comment
Mike Cohen with the Pacific Institute gave notice of the Salton Sea Summit on October 17th and 18th at the University of California, Riverside/Palm Desert campus.

ORGANIZATIONAL MATTERS

4. Action: Approval of Minutes of Regular JPA Meeting Held June 13, 2019
Alternate Chair Wilcox made a motion to approve the minutes, seconded by Alternate Commissioner Rodgers. The minutes were approved unanimously by a roll call vote.

FINANCIAL MATTERS

5. Information: Treasurer's Report ending June 30, 2019
Mr. Chris Woidzik provided a review of the Treasurers' Report ending June 30, 2019. The quarter ended with \$40.9 million in cash and investments. The yield on investments was 2.46% for the quarter. Interest earned for the fiscal year to date is \$869,687.
6. Information: Financial Report Ending June 30, 2019
Mr. Chris Woidzik provided a review of the Financial Report ending June 30, 2019. Total assets are at \$115.6 million with \$1.8 million in liabilities. About 32.5 percent of the budget was spent for Fiscal Year 2019 (unaudited).

Commissioner Barrett requested an explanation for Task 5 expenses for mitigation water to the Salton Sea that was shown as 205% of the amount budgeted for that line item. Tina Shields from IID stated that there were outstanding deliveries of 150 acre-feet and 8 acre-feet made to the sea that were made this year and likely not budgeted for appropriately.

7. Information: Market and Investments Update
Mr. Bill Dennehy from Chandler Asset Management provided an overview of the current market and opportunities for investing QSA JPA funds. Mr. Dennehy reviewed the current economic summary and projected economic growth and also presented two cash flow scenarios and recommendations for an updated QSA JPA investment strategy.

Commissioner Barrett asked about the process for updating the current investments. Treasurer Lisa Marie Harris stated that action is not needed as this follows the Water Authority investment policy and the strategy reviewed today will be implemented.

Commissioner Barrett asked whether the QSA JPA has a 10-year plan for projects that are moving forward. Jessica Humes stated that IID has a 5-year plan for implementing the required mitigation measures and Tina Shields stated that there is uncertainty with the air quality projects so a longer-term look beyond five years is difficult. Commissioner Barrett stated that others are looking at unexpended JPA funds as potential funds which could put them at risk. Tina Shields stated that the JPA funds are allocated for required mitigation measures. Joanna Hoff stated that there are already activities identified for these JPA funds.

8. Information: Budget Execution Rate Update
Chris Woidzik provided an update on the historic execution rate of the budget for the past 7 years in response to a request from Commissioner Barrett. Commissioner Barrett stated that he appreciated the information and stated the past execution rate in the 80% range is reassuring relative to the current year budget that was much lower. Commissioner Barrett also stated that a longer-term plan would be helpful in managing the budget and increasing

the execution rate. Tina Shields stated that this year's budget items that were under-expended were managed marsh and air quality which had challenges this year due to site conditions and delays from the permitting process.

IMPLEMENTATION

9. Information: Status Report on Implementation of Mitigation Measures

Mrs. Jessica Humes gave a status report on implementation of mitigation measures:

- Task 2 QSA Implementation Team Biologists – IID is currently in the process of filling an open position.
- Task 8 Managed Marsh – IID anticipates a construction start date for Phase III after the 1st of the year and it should take approximately 3 to 6 months to complete.
- Task 19 Pupfish Selenium Drain Studies – IID is almost done with the first year of the selenium study.
- Task 20 Pupfish Construction and Maintenance – IID is currently training staff to work with pupfish and complete the pupfish drain surveys.
- Task 24 Air Quality – IID's Board of Directors approved the 2018-19 Proactive Dust Control Plan and the 2017-18 Emissions Inventory. IID also participated in a meeting with the state and other stakeholders on air quality mitigation projects and site visit.

10. Information: Status Report on Updated Brown Pelican Mitigation Measures

Jessica Humes provided an update on Brown Pelican mitigation measures. A conference call was recently held to discuss alternative measures and developing a schedule for moving forward.

11. Requested Funding for State Red Hill Bay Habitat Project

Alternate Chair Wilcox provided a funding update on the state's project at Red Hill Bay. JPA funds will no longer be requested.

12. Information: Managed Marsh Negotiations Update

Alternate Chair Wilcox stated that he is leaving the California Natural Resources Agency in October and there will be a new representative. He recommended delaying this item until a new representative is in place.

13. Information: Update on State Salton Sea Management Program (SSMP)

Alternate Chair Wilcox gave an update on the SSMP. He stated that the Request for Proposals for the Species Conservation Habitat project on the south end of the sea is expected to be advertised in the coming months. On the north end of the sea, the state continues to work with various stakeholders on next steps for moving forward on projects.

14. Adjournment

The meeting was adjourned at 9:54 a.m.