



QUANTIFICATION SETTLEMENT AGREEMENT JOINT POWERS AUTHORITY REGULAR MEETING

AGENDA

October 1, 2019

9:00 AM

Conference Call

Conference Call Number: 619-483-4264 Conference ID Number: 888972206#

Conference Call Locations:

San Diego County Water Authority
2nd Floor Conference Room
4677 Overland Ave.
San Diego, CA, 92123

Coachella Valley Water District
Administration Conference Room
75-515 Hovley Lane East
Palm Desert, CA 92211

Imperial Irrigation District
Library, J-1 Building
333 East Barioni Boulevard
Imperial, CA 92251

Best, Best, & Krieger
3390 University Avenue, 5th Floor
Riverside, CA 92501

California Department of Fish and Wildlife
78078 Country Club Drive, Suite 109
Bermuda Dunes, CA 92203

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 JPA meeting held June 13, 2019 (Kimberlyn Velasquez, SDCWA)

FINANCIAL MATTERS

5. Information: Treasurer's Report ending June 30, 2019 (Chris Woidzik, SDCWA)
6. Information: Financial Report ending June 30, 2019 (Chris Woidzik, SDCWA)
7. Information: Market and Investments Update (Bill Dennehy, Chandler Asset Management)
8. Information: Budget Execution Rate Update (Chris Woidzik, SDCWA)

IMPLEMENTATION

9. Information: Status report on implementation of mitigation measures (Jessica Humes, IID)
10. Information: Status report on updated brown pelican mitigation measures (Jessica Humes, IID)
11. Information: Requested funding for state Red Hill Bay Habitat Project (Jessica Humes, IID, and Bruce Wilcox, CNRA)
12. Information: Managed Marsh negotiations update (Bruce Wilcox, CNRA and Tina Shields, IID)
13. Information: Update on State Salton Sea Management Program (Bruce Wilcox, CNRA)

14. Information: Next meeting date
15. Adjourn



QUANTIFICATION SETTLEMENT AGREEMENT JOINT POWERS AUTHORITY

MEETING MINUTES

San Diego County Water Authority

2nd Floor Conference Room

4677 Overland Ave, San Diego, CA 92123

June 13, 2019 at 10:00 a.m.

Commissioners and Alternates present:

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

JPA staff present:

Kara Mathews, SDCWA – Chief Administrative Officer (CAO)
Jeff Ferre, Best, Best, and Krieger – Legal Counsel

Others present:

Kimberlyn Velasquez, SDCWA	Cindy Matejovsky, IID
Chris Woidzik, SDCWA	Joanna Smith Hoff, IID
Jessica Humes, IID	Shannon Ayala, Davis Farr LLP

PRELIMINARY MATTERS

1. Call to Order

Alternate Chair Wilcox called the meeting to order at 10:03 a.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 March 25, 2019

Commissioner Barrett made a motion to approve the minutes, seconded by Commissioner Denham. The minutes were approved unanimously.

5. Action: Approve Records Management of Outdated Files

CAO Mathews presented the annual records destruction list, per the JPA records management policy. Commissioner Denham made a motion to approve the proposed records destruction form, seconded by Commissioner Barrett. The motion passed unanimously.

FINANCIAL MATTERS

6. Information: Treasurer's Report ending March 31, 2019

Mr. Chris Woidzik provided a review of the Treasurers' Report ending March 31, 2019. The quarter ended with \$42.3 million in cash and investments. It was noted that the investment yield has been increasing and is currently at 2.5 percent. A total of \$73.5 million remains due from the QSA JPA water agencies. Commissioner Barrett asked about the high level of funds in Local Agency Investment Fund (LAIF) and it was determined that Mr. Woidzik would revisit the investment allocations once the Fiscal Year 2020 budget is adopted to properly time investments. Commissioner Barrett inquired as to whether the QSA JPA follows the SDCWA investment policy, to which Mr. Woidzik answered yes. Commissioner Denham stated funds should be more diversified going forward, pending any outstanding items such as the payback water and managed marsh land purchase.

7. Information: Financial Report Ending March 31, 2019

Mr. Chris Woidzik provided a review of the Financial Report ending March 31, 2019. Total assets are at \$114.9 million with \$1.7 million in liabilities. About 20.7 percent of the budget has been spent for Fiscal Year 2019. Commissioner Barrett asked Mr. Woidzik to provide a 10-year summary of QSA JPA budget allocation versus execution at the next meeting.

8. Information: Fiscal Year 2019 Invoicing

Mr. Chris Woidzik provided a reminder to submit all fiscal year 2019 invoices by the end of August for the annual audit to take place on time.

9. Information: Fiscal Year 2019 Audit Engagement

Ms. Shannon Ayala of Davis Farr LLP provided an overview of the Fiscal Year 2019 Audit Engagement letter. The Fiscal Year 2019 audit will be performed in October and will finish in November. Mr. Woidzik provided the audit calendar.

10. Action: Review and Consider Approval of QSA JPA Fiscal Year 2020 Budget and Work Plan

CAO Mathews presented the draft QSA JPA Fiscal Year 2020 Budget and Work Plan for consideration and approval. The projected budget for fiscal year 2019 is \$7,730,104 with budget savings and delays of \$7,399,166. The proposed fiscal year 2020 budget was presented at \$16,399,660 with major expenditures under Tasks 2, 8, 20, and 24.

Commissioner Barrett made note that the budget savings, or under-execution of the budget, for fiscal year 2019 is significant and poses a problem from a planning and management standpoint and stated that he would like a better understanding of historic budgeted versus actual numbers. Mrs. Jessica Humes of IID spoke to Task 8, Managed Marsh, which was

projected to start construction of Phase III during fiscal year 2019, but there were delays. Task 24 also had issues during fiscal year 2019 and projects were delayed due to permitting related to the ordinary high-water mark. Commissioner Barrett suggested that projects only be included in the budget that are shovel ready. Commissioner Denham asked about Task 24, as needed services with growers, as to whether these services were utilized. Mrs. Humes stated lab analysis and surface roughening services have been used in fiscal year 2019, but the irrigation and planting services have not been used due to lack of water availability. Commissioner Denham suggested not including as needed services in the budget and instead using mid-year budget adjustments when those services are needed. Alternate Commissioner Shields stated that not including these items in the original budget would suggest there are no plans to carry out these tasks, which is not the case.

Commissioner Denham asked about the Brown Pelican mitigation measure and if the QSA JPA is in compliance with the measure. Alternate Commissioner Shields stated the JPA is technically out of compliance. Mrs. Humes stated the Implementation Team has not received a path forward for the mitigation measure from the California Department of Fish and Wildlife (CDFW). CDFW has agreed that the original mitigation measure of implementing barges off the coast is not feasible, but an alternative has not been provided. Alternate Chair Wilcox stated CDFW will have to modify the incidental take permit. The new measure may entail monitoring for potential nesting. It was decided that a letter would be sent from the QSA JPA to CDFW acknowledging that the mitigation measure has not been met by the compliance date but will be met once the updated measure is decided upon. Commissioner Denham asked that this item be included in the next meeting agenda for follow up.

Alternate Commissioner Rodgers asked about Task 8, Managed Marsh, and the high funding amount and deadline for completion. Mrs. Humes stated Phase I releveling was completed in the current fiscal year and therefore that part of the funding allotted for fiscal year 2020 could be removed from the proposed budget. Phase III construction is due to be completed by either this calendar year 2019 or fiscal year 2020. Alternate Chair Wilcox asked why CDFW has not yet provided approval for Phase III. Mrs. Humes stated CDFW wanted a final design to review, which would be presented to CDFW the following week.

Commissioner Barret asked if staffing under Task 2 was for continuing or new positions, and if there were new vehicles included. Mrs. Humes answered that all positions were continuing with one position that needed to be re-filled, and funds would be for the fueling of vehicles and the replacement of one vehicle.

CAO Mathews stated, based on previous discussion, that Phase I releveling under Task 8 for \$1,392,733 would be removed from the proposed budget. Commissioner Barret motioned to approve the Fiscal Year 2020 Budget and Work Plan at a funding level of \$15,006,927, seconded by Alternate Chair Wilcox. The budget was approved unanimously.

IMPLEMENTATION

11. 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 – An environmental specialist position is open to be re-filled shortly.

Task 8 Managed Marsh – Phase I releveled and berm repair was completed the previous week. Replanting of a cell in Phase II took place to transition the cell from emergent to riparian habitat to act as a wind barrier to adjacent fields and test riparian needs for Phase III. The Phase III design is being finalized.

Task 16 Burrowing Owl Mitigation – Burrowing owl subsampling population studies were completed by Black Hawk Environmental and they are hoping to get preliminary numbers out by the end of summer 2019.

Task 19 Pupfish Selenium Drain Studies – This is the first year of conducting this mitigation measure as part of the Regional Water Quality Control Board's conditional agricultural waiver. All monitoring locations have been identified and all equipment has been placed in the field. Additional soil sampling, monitoring, and drain cleaning activities are taking place.

Task 20 Pupfish Construction and Maintenance – IID is working on a desert pupfish drain interconnection plan outline to be presented to the wildlife agencies the following week for review and input. Additionally, two to three staff members will be trained in pupfish trapping starting the following week.

Task 24 Air Quality – SCS Engineers have started operating the air quality program air stations, which has resolved numerous issues that were taking place under management with the previous consultants. Most stations are now running at 100 percent. Surface roughening contractors are working on five projects around the south end of the Salton Sea for a total of 625 project acres to be completed by the end of summer 2019. IID's Energy Department is working to locate and install three additional round-shot cameras. Potential camera locations are: Salton City, New River West, and Bombay Beach. The Anza Borrego camera will be removed in July due to high temperatures. The 2018/2019 Proactive Dust Control Plan and 2017/2018 Emissions Inventory documents were presented to the IID Board as information items on June 4. IID will be meeting with the Imperial County Air Pollution Control District (ICAPCD) to brief them on the documents before they are finalized. Copies of the 2019 Air Quality Mitigation Brochure were provided. This is the first of two to three new brochures for the public. A larger more technical document will also be released most likely in August. The air quality webpage has also been updated with the new documents. Michael Cohen of the Pacific Institute sent an inquiry by email to Mrs. Humes regarding restricting access to exposed playa. Mrs. Humes stated that IID has installed no trespassing signs on IID property and has looked into areas where gates can be used but anything on private property would require working with those land owners.

Alternate Chair Wilcox asked that when IID meets with CDFW regarding the drain interconnection project that those plans also be shared with the Department of Water Resources.

Commissioner Denham asked if the JPA has a contract with ICAPCD for emissions inventory. Alternate Commissioner Shields stated that ICAPCD does not conduct any tasks for the JPA, but the JPA funded an emissions inventory project to establish a baseline. Ms. Smith Hoff of IID stated that ICAPCD operated the monitoring stations in the past. Commissioner Denham asked about the line item in the air quality budget for stakeholder support. Alternate Commissioner Shields stated that data requests and coordination are provided to ICAPCD under that line item. Commissioner Denham asked if a dust violation were to occur would IID or the land owner be notified. Ms. Smith Hoff stated typically a notice would go to the land owner, but the air district chooses. Alternate Commissioner Shields stated ICAPCD recently issued a violation notice to the U.S. Fish and Wildlife Service for a violation near Red Hill Bay. IID will now help the U.S. Fish and Wildlife Service with tillage in that area as a proactive dust control measure. IID is still working to expand the currently accepted best available dust control measures (BACM).

12. Information: Managed Marsh Negotiations Update

Alternate Commissioner Shields gave an update on the managed marsh land purchase negotiations. IID has a new real estate supervisor who will look at recent land sales to come up with a number for a price. IID is interested in taking a credit for the land purchase. Alternate Commissioner Rodgers asked if the purchase has to be completed on the same timeline as Task 8. Alternate Commissioner Shields stated it needs to get done because IID has been fronting the cost of the land and as Phase III is completed it will be a good time to purchase the land. Commissioner Denham asked if the managed marsh has to be completed at a certain time and if the land purchase is necessary to close out the project. Alternate Commissioner Shields answered that a purchase is not necessary to close out the project. Alternate Chair Wilcox asked who would take over management of the marsh once it is complete. Mrs. Humes stated CDFW planned to take over management, but staff has recently changed and it is still to be determined if IID or CDFW would manage the marsh.

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

Alternate Chair Wilcox gave an update on the State SSMP. Easements have been recorded and the state is in the process of finishing the request for proposals (RFP) for 3,770 acres of species conservation habitat on the south end of the Salton Sea. The RFP should be out in September pending approval at the state level. The plan is to move forward with an additional feasibility study on the north end. The air quality program will dovetail off the IID air quality program. Commissioner Denham asked if there was any insight on a new state Salton Sea office being proposed in legislation. Alternate Commissioner Shields stated that a new news reporter in Imperial Valley made this item public. Alternate Chair Wilcox stated

that Eduardo Garcia is trying to move the bill forward and the bill seems to duplicate the Salton Sea Authority. Commissioner Denham asked if staff will be in place in the Imperial Valley when the state starts to move dirt for projects. Alternate Chair Wilcox stated the state will have a Department of Engineering crew at the Salton Sea full time. Alternate Commissioner Rodgers asked if design staff will also be available. Alternate Chair Wilcox stated design staff will go down as needed. Commissioner Barret asked about the north lake project. Alternate Chair Wilcox stated a feasibility study is being carried out to better understand how much water is available for the north lake project.

14. Adjournment

The meeting was adjourned at 11:18 a.m.

DRAFT

**Quantification Settlement Agreement
Joint Powers Authority
Treasurer's Report
at June 30, 2019**

<u>Investment Type</u>	<u>% Limit</u>	<u>% of Portfolio</u>	<u>Amount</u>	<u>Yield</u>
Wells Fargo CEO Account	100%	0%	\$ 4,163.71	0.00%
Local Agency Investment Fund (LAIF)	\$65M - Maximum	82%	33,382,756.12	2.44%
CA Asset Mgmt Program (CAMP)	25%	18%	7,509,546.78	2.59%
Treasury Securities	100%	0%	-	2.52%
Agency Securities	100%	0%	-	0.00%
Commercial Paper	25%	0%	-	2.97%
Total Cash and Investments		<u>100%</u>	<u>\$ 40,896,466.61</u>	<u>2.46%</u>

Interest Earnings (Cash and Investments):

Month Ended June 30, 2019	\$	278,613.54
Fiscal Year to Date	\$	869,687.80

Average Term	25
Average Days to Maturity (730 Days Maximum)	15



 Lisa Marie Harris, Treasurer

Quantification Settlement Agreement
Joint Powers Authority
Treasurer's Report
at June 30, 2019

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)
7/02/2018	SDCWA Advance Payment	\$ 1,750,000.00	
7/02/2018	Coachella Valley Water District	\$ 500,000.00	
7/03/2018	Imperial Irrigation District	\$ 3,500,000.00	
7/26/2018	IID (Other Mitigation #1145)		\$ (661,729.81)
9/05/2018	IID (Other Mitigation #1146)		\$ (583,856.89)
9/12/2018	IID (Other Mitigation #1147)		\$ (671,960.99)
11/15/2018	IID (Other Mitigation #1148)		\$ (900,533.26)
12/20/2018	Imperial Irrigation District	\$ 2,261,221.00	
12/28/2018	Coachella Valley Water District	\$ 5,195,516.00	
12/31/2018	SDCWA	\$ 6,914,667.00	
1/17/2019	IID (Other Mitigation #1149)		\$ (570,580.22)
2/21/2019	IID (Other Mitigation #1150)		\$ (327,647.05)
4/26/2019	IID (Other Mitigation #1151)		\$ (591,997.65)
5/24/2019	SDCWA (FY2018 Audit and Bank Fees)		\$ (11,400.00)
6/20/2019	IID (Other Mitigation #1153)		\$ (135,870.05)
6/27/2019	IID (Other Mitigation #1152)		\$ (992,385.46)
	Total Fiscal Year 6/30/2019 (YTD)	\$ 20,121,404.00	\$ (5,447,961.38)
	Totals to date:	\$ 174,370,034.67	\$ (136,003,399.55)

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

Deposits	\$ 174,370,034.67
Invoices	(136,003,399.55)
Subtotal	38,366,635.12
Interest Earned - Fiscal Year to Date 2019	869,687.80
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
Accrued Interest (not yet received) at 06/30/19	(175,623.01)
Fees Paid - Inception to Date	(9,138.40)
Total Cash & Investments	\$ 40,896,310.84

**Quantification Settlement Agreement
Joint Powers Authority
Treasurer's Report
at June 30, 2019**

Deposit History (Inception-to-Date):

Calendar Year	Payment Type	SDCWA (1)	IID	CVWD	Total
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	-	-	-	-
Totals to date:		<u>\$ 77,392,772.67</u>	<u>\$ 41,389,852.00</u>	<u>\$ 55,587,410.00</u>	<u>\$ 174,370,034.67</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, 2019				
Payment Schedules ⁽²⁾	SDCWA	IID	CVWD	Total
Nominal amount	\$ 13,645,087	\$ 85,331,764	\$ 11,338,532	\$ 110,315,383
Present value (@ 6%)	\$ 11,523,415	\$ 52,567,588	\$ 9,397,607	\$ 73,488,610

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

QSA JPA - Fiscal Year 2019
Portfolio Management
Portfolio Summary
June 30, 2019

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Managed Pool Accounts	40,892,302.90	40,892,302.90	40,892,302.90	99.99	1	1	2.404	2.438
Passbook/Checking Accounts	4,163.71	4,163.71	4,163.71	0.01	1	1	0.000	0.000
	40,896,466.61	40,896,466.61	40,896,466.61	100.00%	1	1	2.404	2.437

Investments

Total Earnings	June 30 Period Ending	Fiscal Year Ending
Current Year	278,613.54	869,687.80
Average Daily Balance	41,993,038.74	
Effective Rate of Return	2.66%	

QSA Joint Powers Authority.

Reporting period 04/01/2019-06/30/2019

Run Date: 07/30/2019 - 14:28

No fiscal year history available

Portfolio JPA
CC
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.6.1

QSA JPA - Fiscal Year 2019
Portfolio Management
Portfolio Details - Investments
June 30, 2019

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Managed Pool Accounts												
SYS1001	1001	CAMP - QSA OPERATING			7,509,546.78	7,509,546.78	7,509,546.78	2.480	AAA	2.480	1	
SYS1000	1000	Local Agency Investment Fund			33,382,756.12	33,382,756.12	33,382,756.12	2.428		2.428	1	
		Subtotal and Average	33,101,944.02		40,892,302.90	40,892,302.90	40,892,302.90			2.438	1	
Passbook/Checking Accounts												
SYS100	100	Wells Fargo Bank			4,163.71	4,163.71	4,163.71			0.000	1	
		Subtotal and Average	2,408,327.24		4,163.71	4,163.71	4,163.71			0.000	1	
Commercial Paper - Discount												
		Subtotal and Average	1,234,827.92									
Treasury - Coupon												
		Subtotal and Average	5,247,939.56									
		Total and Average	41,993,038.74		40,896,466.61	40,896,466.61	40,896,466.61			2.437	1	

QSA JPA - Fiscal Year 2019
Portfolio Management
Activity Summary
July 2018 through June 2019

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Month End	Year	Number of Securities	Total Invested	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
July	2018	3	30,615,934.01	1.968	1.995	1.995	0	0	1	1
August	2018	3	30,623,668.14	2.022	2.050	2.050	0	0	1	1
September	2018	3	29,373,729.19	2.069	2.098	2.098	0	0	1	1
November	2018	6	28,685,194.98	2.344	2.376	2.261	3	0	65	63
December	2018	6	43,005,438.75	1.734	1.758	2.372	0	0	43	35
March	2019	6	42,300,380.23	2.474	2.509	2.479	0	0	44	15
May	2019	6	41,708,382.58	2.396	2.429	2.374	0	0	44	4
June	2019	3	40,896,466.61	2.404	2.437	2.438	0	0	1	1
Average		5	35,901,149.31	2.176%	2.207%	2.258	0	0	25	15

Unaudited
**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**BALANCE SHEET
GENERAL FUND
JUNE 30, 2019**

Assets:

Cash	\$ 4,164
Investments	40,949,447
Mitigation contributions receivable	44,916,036
Interest receivable	<u>29,775,193</u>

Total assets	<u><u>\$ 115,644,840</u></u>
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Liabilities:

Accounts payable	<u>\$ 1,781,910</u>
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Deferred inflows of resources:

Unavailable mitigation contributions	<u>74,534,463</u>
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Fund balance:

Unassigned	<u>39,328,467</u>
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Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 115,644,840</u></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 TWELVE MONTHS ENDED JUNE 30, 2019**

Revenues:

Interest income	\$ 956,501
Mitigation contributions	<u>20,121,404</u>

Total revenues	<u>21,077,905</u>
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Expenditures:

Environmental mitigation	4,908,085
Administrative	<u>11,755</u>

Total expenditures	<u>4,919,840</u>
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Net changes in fund balance	16,158,065
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Fund balance at beginning of year	<u>23,170,402</u>
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Fund balance at end of year	<u><u>\$ 39,328,467</u></u>
------------------------------------	------------------------------------

Unaudited

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**SUPPLEMENTARY INFORMATION - BUDGET STATUS REPORT
FOR THE TWELVE MONTHS ENDED JUNE 30, 2019**

Task No.	Mitigation Tasks	Adopted FY 2019 Budget	Total Expenditures	Variance (Remaining)	Percent Complete
1	QSA Implementation Team	\$ -	\$ -	\$ -	0.0%
2	QSA Implementation Team Biologists	1,157,740	942,883	214,857	81.4%
3	Environmental Reporting and Monitoring	510	-	510	0.0%
4	Salton Sea Salinity and Elevation Program	16,600	4,895	11,705	29.5%
5	Salton Sea Mitigation Water to Salton Sea	16,610	34,142	(17,532)	205.6%
6	Tamarisk Scrub Habitat - Surveys and Mitigation	368,560	-	368,560	0.0%
7	Drain Habitat - Initial Vegetation and Habitat Surveys	-	-	-	0.0%
8	Drain Habitat (Aquatic) - Create/Manage/Monitor "Managed Marsh" Areas	4,555,000	438,618	4,116,382	9.6%
9	Drain Habitat Restrictions/Requirements for Construction and Maintenance	-	-	-	0.0%
10/10A	Worker Education Program Covered Species Training and Manual	600	-	600	0.0%
11	Desert Habitat Survey and Mapping of Right of Way	32,000	-	32,000	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	14,100	-	14,100	0.0%
16	Burrowing Owl Relative Abundance and Distribution Surveys	157,000	-	157,000	0.0%
17	Farmer and Public Education Program	5,000	2,064	2,936	41.3%
18	Desert Pupfish Abundance and Distribution Study	6,000	-	6,000	0.0%
19/19A	Pupfish Selenium Drain Studies	421,000	130,779	290,221	31.1%
20	Pupfish Construction and Maintenance Conservation Measures	933,000	123,472	809,528	13.2%
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	316,000	-	316,000	0.0%
24	Salton Sea Air Quality	7,065,000	3,224,147	3,840,853	45.6%
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	12,000	-	12,000	0.0%
36	JPA Audit Fees	10,350	10,350	-	100.0%
37	JPA Bank Fees	1,600	1,405	195	87.8%
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	-	-	-	0.0%
43	Salton Sea Shoreline Strand Study	10,000	-	10,000	0.0%
44	Pupfish Refugium	30,600	3,174	27,426	10.4%
45	Recreation Facilities at Salton Sea	-	3,911	(3,911)	0.0%
Total Expenditures		\$ 15,129,270	\$ 4,919,840	\$ 10,209,430	32.5%

QSA JPA Budget Execution Rate Report (September 2019)

Large budget items

Budgeted with no expenditures for the year

FISCAL YEAR ENDED JUNE 30, 2019					FISCAL YEAR ENDED JUNE 30, 2018					FISCAL YEAR ENDED JUNE 30, 2017					FISCAL YEAR ENDED JUNE 30, 2016					FISCAL YEAR ENDED JUNE 30, 2015				
No.	Mitigation Tasks	Adopted 2019 Budget	FY	Total Expenditures	Variance	Adopted 2018	FY Budget	Total Expenditures	Variance	Adopted FY 2017 Budget	Total Expenditures	Variance	Adopted 2016 Budget	FY	Total Expenditures	Variance	Adopted 2015 Budget	FY	Total Expenditures	Variance				
1	QSA Implementation Team	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-			
2	QSA Implementation Team Biologists		1,157,740		942,883		1,220,330		1,026,602		967,865		524,202		613,942		559,552		505,547		54,005			
3	Environmental Reporting and Monitoring		510		-		510		-		500		520		-		500		-		500			
4	Salton Sea Salinity and Elevation Program		16,600		4,895		6,600		7,100		6,500		7,624		-		2,800		-		2,800			
5	Salton Sea Mitigation Water to Salton Sea		16,610		34,142		9,963,523		9,851,798		18,412,464		17,589,615		17,483,767		13,729,673		11,607,035		2,122,638			
6	Tamarisk Scrub Habitat - Surveys and Mitigation		368,560		-		208,970		-		75,900		72,055		-		69,000		-		69,000			
7	Drain Habitat - Initial Vegetation and Habitat Surveys		-		-		-		-		-		-		-		-		-		-			
8	Drain Habitat (Aquatic) - Create/Manage/Monitor "Managed Marsh" Areas		4,555,000		438,618		1,896,820		439,409		572,300		837,140		389,963		2,332,530		2,787,567		(455,037)			
9	Drain Habitat - Restrictions/Requirements for Construction and Maintenance		-		-		-		-		-		-		-		-		-		-			
10/10A	Worker Education Program Covered Species Training and Manual		600		-		10,710		-		10,500		10,000		-		-		-		-			
11	Desert Habitat Survey and Mapping of Right of Way		32,000		-		32,890		-		16,800		-		-		25,000		-		25,000			
12	Desert Habitat Create/Maintain Desert Habitat		-		-		-		-		100,000		44,628		-		-		-		-			
13	Changes to Operations on IID Canals to Avoid Covered Species		-		-		-		-		-		17,214		-		-		-		-			
14	Burrowing Owl Worker Annual Education and Manual		-		-		-		-		-		-		-		-		-		-			
15	Pre-Construction Activity Burrowing Owl Surveys and Relocation		14,100		-		20,720		7,164		19,950		-		6,765		14,270		-		14,270			
16	Burrowing Owl Relative Abundance and Distribution Surveys		157,000		-		153,000		-		355,000		14,270		59,509		100,000		28,172		71,828			
17	Farmer and Public Education Program		5,000		2,064		5,000		1,600		7,000		80,000		1,416		6,240		1,435		4,805			
18	Desert Pupfish Abundance and Distribution Study		6,000		-		5,370		8		15,350		7,000		24		1,750		-		1,750			
19/19A	Pupfish Selenium Drain Studies		421,000		130,779		557,820		36,468		114,400		22,757		-		22,840		1,482		21,358			
20	Pupfish Construction and Maintenance Conservation Measures		933,000		123,472		203,390		11,653		40,000		67,451		-		54,080		-		54,080			
21	Salvage of Razorback Suckers when Dewatering Canals		-		-		3,070		-		500		178,180		-		-		-		-			
22	Maintain Habitat on Fallowed Parcels		-		-		-		-		-		-		-		-		-		-			
23	Covered Species Baseline and Monitoring Surveys		316,000		-		339,620		800		128,000		151,863		17,000		122,700		62		122,638			
24	Salton Sea Air Quality		7,065,000		3,224,147		10,787,450		3,483,968		8,320,500		2,163,107		2,797,387		872,000		601,399		270,601			
25	Minimize Dust Emissions from Fallowed Lands		-		-		-		-		-		-		-		-		-		-			
26	Drain Connectivity to Salton Sea Elevation Decrease		-		-		-		-		-		-		-		-		-		-			
27	Grade Spoil/Roads from Drain Maintenance		-		-		-		-		-		-		-		-		-		-			
28	Power Line Markers for Pumpback and Seepage Recovery Systems		-		-		-		-		-		-		-		-		-		-			
29	Prepare and Implement Management Plan for Abandoned Portions of AAC		-		-		-		-		21,000		29,000		-		8,000		-		8,000			
30	Southwestern Willow Flycatcher Surveys and Habitat Monitoring		-		-		-		-		-		-		-		-		-		-			
31	Elf Owl Surveys		-		-		-		-		-		-		-		-		-		-			
32	Desert Tortoise Survey and Avoidance		-		-		-		-		-		-		-		-		-		-			
33	Least Tern Surveys		-		-		-		-		-		-		-		-		-		-			
34	Rail and Bittern Surveys		-		-		-		-		-		-		-		-		-		-			
35	Management and Planning		12,000		-		19,060		1,367		18,870		18,198		4,190		17,696		3,229		14,467			
36	JPA Audit Fees		10,350		10,350		10,350		10,350		12,400		12,147		12,147		11,238		11,911		(673)			
37	JPA Bank Fees		1,600		1,405		1,600		1,526		1,600		1,600		1,609		1,103		1,678		(575)			
38	Financial Advisor		-		-		-		-		-		-		-		-		-		-			
39	Bond Counsel Fees		-		-		-		-		-		-		-		-		-		-			
40	2001 Biological Opinion Measures		-		-		-		-		-		-		-		-		-		-			
41	Brown Pelican Coast		-		-		-		-		-		-		-		-		-		-			
42	Brown Pelican Sea		-		-		-		-		-		-		-		-		-		-			
43	Salton Sea Shoreline Strand Study		10,000		-		50,000		-		20,000		5,000		-		-		-		-			
44	Pupfish Refugium		30,600		3,174		32,960		-		31,600		15,540		1,840		7,920		21,284		(13,364)			
45	Recreation Facilities at Salton Sea		-		3,911		4,590		10,999		9,500		11,092		-		2,500		1,128		1,372			
-	Salton Sea Early Payback Water to Sea		-		-		-		-		-		3,407,600		-		1,703,800		-		1,703,800			
Total		\$	15,129,270	\$	4,919,840	\$	25,534,353	\$	14,890,812	\$	29,278,499	\$	25,287,803	\$	21,389,559	\$	19,665,192	\$	15,571,929	\$	4,093,263			
Execution Rate					33%				58%			80%				85%					79%			
Key drivers of under execution:		1 position vacant March through June Construction of Phase 3 of MMC was not started during this FY BUOW studies were implemented but not invoiced during the FY No pupfish surveys were conducted in FY Selenium Studies were delayed and not fully invoiced No pupfish drains were interconnected No surveys were conducted for covered species, other than those conducted by IID staff Delay in contracting for wet coring, shallow groundwater monitoring and implementation of projects due to permitting Shoreline Strand Imagery captured through Task 24 Imagery Pupfish Refugium O&M minimal, mostly covered under Biological Control Budget				1 position vacant for a few months Construction of Phase 3 of MMC was not started during this FY BUOW studies were not implemented No pupfish surveys were conducted in FY Selenium Studies were not started on time No pupfish drains were interconnected No surveys were conducted for covered species, other than those conducted by IID staff Over optimistic about the amount of dust control projects that could be implemented Shoreline Strand Imagery captured through Task 24 Imagery Pupfish Refugium O&M minimal, mostly covered under Biological Control Budget				1 position vacant for a few months Design of Phase 3 of MMC delayed HCP not updated - no changes to worker education Habitat not surveyed No desert habitat created BUOW surveys were not implemented No pupfish surveys were conducted in FY No pupfish drains were interconnected Baseline surveys only conducted by staff Over optimistic about the amount of dust control projects that could be implemented no AAC mitigation conducted Shoreline Strand not completed Pupfish Refugium O&M minimal, mostly covered under Biological Control Budget				HCP not updated - no changes to worker education Habitat not surveyed No desert habitat created BUOW surveys were not implemented No pupfish surveys were conducted in FY No pupfish drains were interconnected selenium study delayed Baseline surveys only conducted by staff No razorback suckers found Over optimistic about the amount of dust control projects that could be implemented no AAC mitigation conducted Shoreline Strand not completed Pupfish Refugium O&M minimal, mostly covered under Biological Control Budget no recreational facilities mitigated Salton Sea payback water not paid				1 position vacant for a few months Design of Phase 3 of MMC delayed HCP not updated - no changes to worker education Habitat not surveyed No desert habitat created BUOW surveys were not implemented No pupfish surveys were conducted in FY No pupfish drains were interconnected selenium study delayed Baseline surveys only conducted by staff No razorback suckers found Over optimistic about the amount of dust control projects that could be implemented no AAC mitigation conducted Shoreline Strand not completed Pupfish Refugium O&M minimal, mostly covered under Biological Control Budget Pupfish Refugium O&M minimal, mostly covered under Biological Control Budget Salton Sea payback water not paid						

QSA JPA Budget Execution Rate Report (September 2019)

FISCAL YEAR ENDED JUNE 30, 2014					FISCAL YEAR ENDED JUNE 30, 2013			FISCAL YEAR ENDED JUNE 30, 2012		
No.	Mitigation Tasks	Adopted FY 2014 Budget	Total Expenditures	Variance	Adopted FY 2013 Budget	Total Expenditures	Variance	Adopted FY 2012 Budget	Total Expenditures	Variance
1	QSA Implementation Team	\$ 6,853	\$ -	\$ 6,853	\$ 10,790	\$ -	\$ 10,790	\$ 13,107	\$ 1,440	\$ 11,667
2	QSA Implementation Team Biologists	639,649	536,389	103,260	631,132	490,019	141,113	573,756	516,993	56,763
3	Environmental Reporting and Monitoring	2,830	-	2,830	2,772	-	2,772	2,520	-	2,520
4	Salton Sea Salinity and Elevation Program	7,800	-	7,800	11,448	-	11,448	10,600	-	10,600
5	Salton Sea Mitigation Water to Salton Sea	9,682,352	10,580,006	(897,654)	6,781,501	3,834,494	2,947,007	300,000	300,000	-
6	Tamarisk Scrub Habitat - Surveys and Mitigation	11,500	-	11,500	13,251	-	13,251	3,820	-	3,820
7	Drain Habitat - Initial Vegetation and Habitat Surveys	-	-	-	-	-	-	-	-	-
8	Drain Habitat (Aquatic) - Create/Manage/Monitor "Managed Marsh" Areas	1,941,344	390,935	1,550,409	392,330	205,940	186,390	5,326,446	249,921	5,076,525
9	Drain Habitat - Restrictions/Requirements for Construction and Maintenance	-	-	-	-	-	-	-	-	-
10/10A	Worker Education Program Covered Species Training and Manual	35,000	-	35,000	-	-	-	-	-	-
11	Desert Habitat Survey and Mapping of Right of Way	-	-	-	-	-	-	-	-	-
12	Desert Habitat Create/Maintain Desert Habitat	95,000	-	95,000	13,930	-	13,930	2,500	-	2,500
13	Changes to Operations on IID Canals to Avoid Covered Species	-	-	-	-	-	-	-	-	-
14	Burrowing Owl Worker Annual Education and Manual	-	-	-	-	-	-	-	-	-
15	Pre-Construction Activity Burrowing Owl Surveys and Relocation	10,850	4,020	6,830	52,964	756	52,208	15,940	35	15,905
16	Burrowing Owl Relative Abundance and Distribution Surveys	200,000	13,145	186,855	195,000	35,072	159,928	90,000	245,285	(155,285)
17	Farmer and Public Education Program	6,000	2,876	3,124	14,045	260	13,785	13,250	-	13,250
18	Desert Pupfish Abundance and Distribution Study	5,300	14	5,286	5,300	-	5,300	5,000	-	5,000
19/19A	Pupfish Selenium Drain Studies	47,000	-	47,000	84,270	-	84,270	229,500	14,333	215,167
20	Pupfish Construction and Maintenance Conservation Measures	27,000	-	27,000	30,459	-	30,459	49,253	5,800	43,453
21	Salvage of Razorback Suckers when Dewatering Canals	-	-	-	-	-	-	-	-	-
22	Maintain Habitat on Fallowed Parcels	-	-	-	-	-	-	-	-	-
23	Covered Species Baseline and Monitoring Surveys	136,500	151	136,349	100,000	53,333	46,667	100,000	90,752	9,248
24	Salton Sea Air Quality	710,600	348,604	361,996	699,600	286,877	412,723	378,590	344,955	33,635
25	Minimize Dust Emissions from Fallowed Lands	-	-	-	-	-	-	-	-	-
26	Drain Connectivity to Salton Sea Elevation Decrease	-	-	-	-	-	-	-	-	-
27	Grade Spoil/Roads from Drain Maintenance	-	-	-	-	-	-	-	-	-
28	Power Line Markers for Pumpback and Seepage Recovery Systems	11,900	-	11,900	11,900	-	11,900	-	-	-
29	Prepare and Implement Management Plan for Abandoned Portions of AAC	-	-	-	-	-	-	10,000	-	10,000
30	Southwestern Willow Flycatcher Surveys and Habitat Monitoring	-	-	-	20,000	-	20,000	25,000	-	25,000
31	Elf Owl Surveys	-	-	-	-	-	-	-	-	-
32	Desert Tortoise Survey and Avoidance	-	-	-	5,000	-	5,000	5,000	-	5,000
33	Least Tern Surveys	-	-	-	-	-	-	-	-	-
34	Rail and Bittern Surveys	-	-	-	95,000	-	95,000	70,000	-	70,000
35	Management and Planning	17,696	3,950	13,746	24,115	4,618	19,497	32,433	5,713	26,720
36	JPA Audit Fees	10,806	11,680	(874)	10,806	11,452	(646)	10,491	11,230	(739)
37	JPA Bank Fees	1,061	1,603	(542)	1,061	1,708	(647)	1,030	3,200	(2,170)
38	Financial Advisor	-	-	-	-	-	-	-	-	-
39	Bond Counsel Fees	-	-	-	-	-	-	-	-	-
40	2001 Biological Opinion Measures	-	-	-	-	-	-	-	-	-
41	Brown Pelican Coast	-	-	-	-	-	-	-	-	-
42	Brown Pelican Sea	-	-	-	-	-	-	-	-	-
43	Salton Sea Shoreline Strand Study	-	-	-	-	-	-	-	-	-
44	Pupfish Refugium	7,920	-	7,920	6,520	-	6,520	16,060	-	16,060
45	Recreation Facilities at Salton Sea	38,300	-	38,300	-	-	-	-	-	-
-	Salton Sea Early Payback Water to Sea	-	-	-	-	-	-	-	-	-
Total		\$ 13,653,261	\$ 11,893,373	\$ 1,759,888	\$ 9,213,194	\$ 4,924,529	\$ 4,288,665	\$ 7,284,296	\$ 1,789,657	\$ 5,494,639
Execution Rate				87%			53%			25%
Key drivers of under execution:		Monitoring and Reporting costs in house Salton Sea salinity and elevation had not operaional costs Tamarisk scrub covered in task 8 no desert habitat completed overbudgeted public outreach costs no pupfish surveys completed little selenium studies conducted little pupfish connection work done NO AAC mitigation SWIFL not conducted Desert Tortoise not surveyed Rail surveys conducted in house Baseline surveys not completed Pupfish Refugium O&M minimal, mostly covered under Biological Control Budget No recreational faciiliites mitigated			Monitoring and Reporting costs in house Salton Sea salinity and elevation had not operaional costs Tamarisk scrub covered in task 8 no desert habitat completed overbudgeted public outreach costs no pupfish surveys completed little selenium studies conducted little pupfish connection work done NO AAC mitigation SWIFL not conducted Desert Tortoise not surveyed Rail surveys conducted in house Pupfish Refugium O&M minimal, mostly covered under Biological Control Budget			Monitoring and Reporting costs in house Salton Sea salinity and elevation had not operaional costs Tamarisk scrub covered in task 8 no desert habitat completed overbudgeted public outreach costs no pupfish surveys completed little selenium studies conducted little pupfish connection work done NO AAC mitigation SWIFL not conducted Desert Tortoise not surveyed Rail surveys conducted in house Pupfish Refugium O&M minimal, mostly covered under Biological Control Budget		



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July 29, 2019

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AUG 05 2019

IMPORTED WATER DEPT

Commissioner Bruce Wilcox
Quantification Settlement Agreement Joint Powers Authority
c/o San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123

Subject: Request to Fund Red Hill Bay Habitat Project Design Funding Shortfall

Dear Chairman Wilcox:

In 2010, IID entered into a collaboration with United States Fish & Wildlife Service's Sonny Bono Salton Sea National Wildlife Refuge to develop the Red Hill Bay Habitat Project. This project, located on land owned by IID and leased to USFWS, is comprised of bermed, shallow-water basins that will provide habitat and air quality benefits on exposed Salton Sea playa located at the delta of the Alamo River.

The Imperial Irrigation District requests \$89,364.18 in gap funding from the Quantification Settlement Agreement's Joint Powers Authority for the RHB project, using budgeted funds from Task 24 (Air Quality) of the approved Fiscal Year 2020 budget in order to finalize this project for full implementation.

USFWS originally budgeted \$150,000 for contracted engineers to design the project, which includes the mixture of Alamo River and Salton Sea waters to flood up to 600 acres of dry playa. However, in 2017 the design of the project was modified, by adding a floating barge for the pump that would provide Salton Sea water, to address the receding water elevation that would require ongoing pump relocation. The redesign also increased the project area by over 20 acres and included additional overhead electrical improvements. These design changes increased the engineering costs to \$270,364.18, for which \$181,000 of funding is available from a USFWS Cooperative Agreement and the Wildlife Conservation Board, leaving a \$89,364.18 shortfall.

Mr. Bruce Wilcox
July 30, 2019
Page 2

Since the RHB project will provide significant dust control of highly emissive playa at the Salton Sea, this project satisfies a mitigation obligation for the QSA Water Transfer and is critical to the Salton Sea Air Quality Management Plan and the community's health. Absent this project, the estimated costs to design, construct and monitor a proactive dust control project within this project footprint is over \$250,000 for temporary control, which would need to be reconstructed periodically or replaced by a longer-term emission control project, like RHB.

The Task 24 (Salton Sea Air Quality) line item for Proactive Dust Control Projects – Implementation & Construction, has sufficient funds in the FY 2020 approved budget to cover this \$89,364.18 request.

For any additional questions, please contact Jessica Humes at (760) 339-9703.

Sincerely,

A handwritten signature in black ink that reads "Tina Shields". The signature is written in a cursive, flowing style.

Tina Shields, P.E.
Manager, Water Department

cc: QSA JPA Commissioners
Kara Mathews, SDCWA
Jessica Humes, IID