



**QUANTIFICATION SETTLEMENT AGREEMENT JOINT POWERS AUTHORITY  
REGULAR MEETING  
AGENDA  
WEBINAR/CONFERENCE CALL**

**December 10, 2020  
10:00 AM**

Webinar link: [Click here to join the meeting](#)

Conference Call Number: (619) 483-4264 Conference ID Number: 578670141#

**LOCATION**

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 (LIMITED TO 3 MINUTES).

**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 September 30, 2020 (Kara Mathews, SDCWA)

**FINANCIAL MATTERS**

5. Information: Investment update (Representatives from Chandler Asset Management)
6. Information: Treasurer's Report ending September 30, 2020 (Chris Woidzik, SDCWA)
7. Information: Financial Report ending September 30, 2020 (Chris Woidzik, SDCWA)

**IMPLEMENTATION**

8. Information: Status report on implementation of mitigation measures (Jessica Humes, IID)
9. Information: Update on State's Salton Sea Management Program (Gail Sevrens, CDFW)
10. Adjourn



**QUANTIFICATION SETTLEMENT AGREEMENT  
JOINT POWERS AUTHORITY  
VIRTUAL MEETING MINUTES  
September 30, 2020 at 10:00 a.m.**

**Commissioners and Alternates present:**

Jim Barrett, Coachella Valley Water District (CVWD) – Chair  
Robert Cheng, CVWD – Alternate 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 Administrative Officer (CAO)

**Other presenters:**

Shannon Ayala, Davis Farr  
Jessica Humes, IID  
Gail Sevrens, CDFW  
Chris Woidzik, SDCWA

**PRELIMINARY MATTERS**

1. Call to Order  
Chair Barrett called the meeting to order at 10:07 a.m. CAO Mathews reviewed logistics related to the virtual meeting.
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. Information: Commissioner engagement  
CAO Mathews informed the Commission that there will be additional engagement with Commissioners going forward and that she is available as a resource for any items related to QSA JPA.
5. Action: Approval of Minutes of Regular JPA Meeting Held June 9, 2020  
Chair Barrett made a motion to approve the minutes, seconded by Commissioner Rodgers. The minutes were approved unanimously by a roll call vote.

## FINANCIAL MATTERS

### 6. Action: Review and accept fiscal year 2020 Audited Financial Report

Mr. Chris Woidzik introduced Ms. Shannon Ayala from Davis Farr. Ms. Ayala provided information on the audit report, which was an unmodified opinion. The audit results included finance staff being prepared for the audit, no journal entries detected as a result of audit procedures, no significant deficiencies or material weaknesses were identified, and contract testing was completed.

Commissioner Martinez made a motion to accept the 2020 audited financial report, seconded by Commissioner Rodgers. The item was passed unanimously.

### 7. Information: Treasurer's Report ending June 30, 2020

Mr. Woidzik provided a review of the Treasurers' Report ending June 30, 2020, which was also included in the audited financial statements. Total cash and investments was \$45 million. The QSA JPA provided \$10 million to Chandler to invest. Interest income was \$875,000 for the year. Mr. Woidzik stated that a representative from Chandler would provide an update at the next JPA meeting.

### 8. Information: Financial Report ending June 30, 2020

Mr. Woidzik provided a review of the Financial Report ending June 30. He reviewed the quarterly financial statements including the assets and liabilities. Total expenses over the fiscal year were \$15 million. Tasks with the most expenditures this quarter were: Task 5 – Mitigation water at \$7 million; Task 24 - Salton Sea Air Quality at \$2.5 million; and Task 8 - Drain Habitat Aquatic Managed Marsh at \$900,000. The budget status report shows 68% of the budget spent in the fiscal year. Chair Barrett stated he was happy to see the actual expenditures closer to the budgeted amount this year compared to past years.

## IMPLEMENTATION

### 9. Information: Status Report on implementation of mitigation measures

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

- *Mitigation Measure 2 – Implementation Team Biologists*: IID has an opening for an environmental specialist II which is a promotional opportunity that will then be backfilled.
- *Mitigation Measure 8 – Drain Habitat for Managed Marsh Complex*: IID is continuing work on Phase 3. Riparian habitat furrows and irrigation turnouts are installed on three of the four fields. Emergent wetland cells have been constructed. The first batch of riparian trees will arrive in October and then another batch is expected at the beginning of the year.
- *Mitigation Measure 16 – Burrowing Owl Abundance Surveys*: Blackhawk Environmental completed surveys this year and will provide a report in the coming months.
- *Mitigation Measure 20 – Pupfish*: IID staff has been surveying the IID drains. The first round of surveys is complete, the second round of surveys is in progress, and the goal is to complete a third round by the end of the year.
- *Mitigation Measure 24 – Air Quality*: IID is working on an Alamo South extension project that is almost ready to be implemented. IID is finalizing the solicitation packet for Clubhouse groundwater test wells. IID is working on aquatic resources delineation for projects on the east and west sides of the Salton Sea to be submitted to the US Army Corps of Engineers. IID received a Bureau of Reclamation grant for a project near Po Road. Grant funds are for NEPA permitting and design for the portion of the project located on Reclamation-owned land.

### 10. Information: Update on Red Hill Bay Notices of Violation

Ms. Tina Shields from IID provided an update on the notices of violation for the Red Hill Bay project that IID and US Fish and Wildlife Service received in June issued by the Imperial County Air Pollution Control District. IID is working through the regulatory and legal issues, and plans to implement a BACM (best available control measure) project in that area to comply with county standards. The project will require extension of electrical service and installation of pumps to bring water to the site. This project will likely hit the budget this fiscal year and additional funds will be

included in next year's budget. IID currently estimates the full BACM project will cost \$5 million to \$6 million.

Commissioner Martinez requested an overview of the U.S. Fish and Wildlife role in the Red Hill Bay project. Ms. Shields stated that the notices were issued to IID as the landowner and to U.S. Fish and Wildlife Service as the project proponent. IID is addressing site access issues which are complicated by the notices of violations being issued.

11. Information: Update on State Salton Sea Management Program

Ms. Gail Sevens, Salton Sea Program Manager for the California Department of Fish and Wildlife, provided an update on the state's Salton Sea Management Program. The presentation included a high level overview and update of program activities. The four program priorities are: making progress on the 10 year plan, establishing a pathway beyond the 10 year plan, building the SSMP team, and strengthening partnerships with local stakeholders. She reported that the state is making progress on the Species Conservation Habitat project where work will begin this fall and the full 3,770 acres will be completed by 2023. The Dust Suppression Action Plan was completed in July and includes projects through the end of 2022. The state is working on environmental planning for the projects included in the 10 year plan, with U.S. Army Corps of Engineers as NEPA lead agency. The Final Environmental Assessment is expected in summer 2021. As part of the establishment of a long-term pathway, the state is evaluating the range of feasible restoration alternatives including water importation. The solicitation for an independent review panel to analyze the feasibility of water importation did not receive any bids. The governor's budget includes funding for 10 new positions in the SSMP, five of them are currently posted openings that are based in the Salton Sea local area. To strengthen partnerships, there is a community engagement plan being developed, and memorandums of understanding have been executed with the Salton Sea Authority on the North Lake project and with the Imperial County Air Pollution Control District on Desert Shores.

Commissioner Martinez asked about whether water importation was still an active effort. Ms. Sevens stated that there had been two requests for proposals (RFPs) but no proposers responded. She clarified that the RFPs she was referring to were for independent reviewers of proposals that were received for water importation projects. Proposals have been received for importation projects but so far there were not any bids for the independent reviewers to set up expert panels to review the feasibility of the proposed projects.

12. Adjournment

The meeting was adjourned 11:02 a.m.

**Quantification Settlement Agreement  
Joint Powers Authority  
Treasurer's Report  
at September 30, 2020**

<b><u>Investment Type</u></b>	<b><u>% Limit</u></b>	<b><u>% of Portfolio</u></b>	<b><u>Amount</u></b>
Local Agency Investment Fund (LAIF)	\$75M - Maximum	57%	\$ 20,167,990.85
Treasury Securities	100%	14%	5,051,329.73
Federal Agency Securities	100%	13%	4,611,350.35
Medium Term Notes	100%	7%	2,390,904.60
Supranationals	100%	4%	1,501,794.09
Chandler Managed Account (BNY)	100%	3%	944,386.07
Asset Back Securities	100%	1%	512,080.08
CA Asset Mgmt Program (CAMP)	25%	0%	59,861.25
CEO Account (Wells Fargo)	100%	0%	15,112.47
Total Cash and Investments		100%	\$ 35,254,809.49
Effective Rate of Return			1.16%
<b><u>Interest Earnings (Cash and Investments):</u></b>			
Fiscal Year to Date			\$ 72,326.67
Average Term			437
Average Days to Maturity (730 Days Maximum)			401

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**Lisa Marie Harris, Treasurer**

**Quantification Settlement Agreement  
Joint Powers Authority  
Treasurer's Report  
at September 30, 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)
	Total Fiscal Year 6/30/2020	\$ 11,654,013.00	\$ (8,417,595.87)
7/01/2020	SDCWA Annual Operating Cost	\$ 850,000.00	
7/15/2020	Mitigation # 1165		\$ (594,990.32)
7/31/2020	Mitigation # 1166		\$ (8,049,806.92)
8/27/2020	Mitigation # 1167		\$ (723,123.47)
9/25/2020	Mitigation # 1168		\$ (1,389,081.98)
	<b>Total Fiscal Year 6/30/2020 (YTD)</b>	<b>\$ 850,000.00</b>	<b>\$ (10,757,002.69)</b>
	Totals to date:	<u>\$ 186,874,047.67</u>	<u>\$ (155,177,998.11)</u>

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

Deposits	\$ 186,874,047.67
Invoices	(155,177,998.11)
Subtotal	31,696,049.56
Interest Earned - Fiscal Year to Date 2021	72,326.67
Interest Earned - Fiscal Year 2020	875,225.18
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	(9,654.08)
Interest not yet received at September 30, 2020	(91,701.81)
Total Cash & Investments	<u>\$ 35,254,809.49</u>

**Quantification Settlement Agreement**  
**Joint Powers Authority**  
**Treasurer's Report**  
**at September 30, 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
2020	Advance Payment	850,000.00	1,825,000.00	-	2,675,000.00
		-	-	-	-
	Totals to date:	<u>\$ 81,052,825.67</u>	<u>\$ 48,488,462.00</u>	<u>\$ 57,332,760.00</u>	<u>\$ 186,874,047.67</u>

<sup>(1)</sup> 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.

<b>Total Outstanding Balance Due as of September 30, 2020</b>				
<b>Payment Schedules <sup>(2)</sup></b>	<b>SDCWA</b>	<b>IID</b>	<b>CVWD</b>	<b>Total</b>
Nominal amount	\$ 9,985,034	\$ 78,233,154	\$ 9,593,182	\$ 97,811,370
Present value (@ 6%)	\$ 8,730,880	\$ 49,928,872	\$ 8,153,263	\$ 66,813,015

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

*Unaudited*  
**QUANTIFICATION SETTLEMENT AGREEMENT  
JOINT POWERS AUTHORITY**

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2020**

**Assets:**

Cash	\$ 15,112
Investments	35,328,816
Mitigation contributions receivable	36,042,699
Interest receivable	<u>30,131,061</u>

**Total assets** \$ 101,517,688

**Liabilities:**

Accounts payable	<u>\$ 1,430,849</u>
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**Deferred inflows of resources:**

Unavailable mitigation contributions	<u>66,086,755</u>
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**Fund balance:**

Unassigned	<u>34,000,084</u>
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**Total liabilities, deferred inflows of resources,  
and fund balance** \$ 101,517,688



*Unaudited*  
**QUANTIFICATION SETTLEMENT AGREEMENT  
JOINT POWERS AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020**

<b>Revenues:</b>	
Interest income	\$ 7,786
Mitigation contributions	<u>850,000</u>
<b>Total revenues</b>	<b><u>857,786</u></b>
<b>Expenditures:</b>	
Environmental mitigation	1,083,035
Administrative	<u>1,617</u>
<b>Total expenditures</b>	<b><u>1,084,652</u></b>
<b>Net changes in fund balance</b>	(226,866)
<b>Fund balance at beginning of year</b>	<u>34,226,950</u>
<b>Fund balance at end of year</b>	<b><u><u>\$ 34,000,084</u></u></b>

**Unaudited**

**QUANTIFICATION SETTLEMENT AGREEMENT  
JOINT POWERS AUTHORITY**

**SUPPLEMENTARY INFORMATION - BUDGET STATUS REPORT  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020**

<b>Task No.</b>	<b>Mitigation Tasks</b>	<b>Amended FY 2021 Budget</b>	<b>Total Expenditures</b>	<b>Variance (Remaining)</b>	<b>Percent Complete</b>
1	QSA Implementation Team	\$ -	\$ -	\$ -	0.0%
2	QSA Implementation Team Biologists	1,093,590	187,281	906,309	17.1%
3	Environmental Reporting and Monitoring	540	-	540	0.0%
4	Salton Sea Salinity and Elevation Program	16,330	2,991	13,339	18.3%
5	Salton Sea Mitigation Water to Salton Sea	-	-	-	0.0%
6	Tamarisk Scrub Habitat - Surveys and Mitigation	72,740	-	72,740	0.0%
7	Drain Habitat - Initial Vegetation and Habitat Surveys	-	-	-	0.0%
8	Drain Habitat (Aquatic) - Create/Manage/Monitor "Managed Marsh" Areas	4,860,210	658,794	4,201,416	13.6%
9	Drain Habitat Restrictions/Requirements for Construction and Maintenance	-	-	-	0.0%
10/10A	Worker Education Program Covered Species Training and Manual	640	-	640	0.0%
11	Desert Habitat Survey and Mapping of Right of Way	33,950	-	33,950	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	3,290	-	3,290	0.0%
16	Burrowing Owl Relative Abundance and Distribution Surveys	245,890	-	245,890	0.0%
17	Farmer and Public Education Program	7,300	-	7,300	0.0%
18	Desert Pupfish Abundance and Distribution Study	6,400	10,477	(4,077)	163.7%
19/19A	Pupfish Selenium Drain Studies	310,450	86,209	224,241	27.8%
20	Pupfish Construction and Maintenance Conservation Measures	253,390	1,740	251,650	0.7%
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	171,870	-	171,870	0.0%
24	Salton Sea Air Quality	7,785,200	134,372	7,650,828	1.7%
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	12,730	-	12,730	0.0%
36	JPA Audit Fees	10,770	-	10,770	0.0%
37	JPA Bank Fees	3,000	1,617	1,383	53.9%
38	Financial Advisor	16,000	-	16,000	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	58,540	1,171	57,369	2.0%
43	Salton Sea Shoreline Strand Study	-	-	-	0.0%
44	Pupfish Refugium	31,930	-	31,930	0.0%
45	Recreation Facilities at Salton Sea	-	-	-	0.0%
<b>Total Expenditures</b>		<b>\$ 14,994,760</b>	<b>\$ 1,084,652</b>	<b>\$ 13,910,108</b>	<b>7.2%</b>