



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

**March 11, 2021  
9:00 AM**

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

Conference Call Number: (619) 483-4264 Conference ID Number: 5328739#

**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 December 10, 2020 (Kara Mathews, SDCWA)
5. Information: Website (Kara Mathews, SDCWA)

**FINANCIAL MATTERS**

6. Information: Fiscal Year 2021 Audit Engagement (Chris Woidzik, SDCWA and Shannon Ayala, Davis Farr)
7. Information: Treasurer's Report ending December 31, 2020 (Chris Woidzik, SDCWA)
8. Information: Financial Report ending December 31, 2020 (Chris Woidzik, SDCWA)

**IMPLEMENTATION**

8. Information: Status report on implementation of mitigation measures (Jessica Humes, IID)
9. Information: Update on Air Quality Mitigation Program Dust Control Projects (Jessica Humes, IID)
10. Information: Update on State Salton Sea Management Program (Gail Sevens, CDFW)
11. Adjourn

**NOTE:** All items identified as information, discussion, or action items on the agenda may be deliberated by and become subject to consideration and alternative action by the QSA Joint Powers Authority. This meeting may be recorded.



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

**Commissioners and Alternates present:**

Arturo Delgado, California Natural Resources Agency (CNRA) – Chair  
Jim Barrett, Coachella Valley Water District (CVWD) – Commissioner  
Henry Martinez, Imperial Irrigation District (IID) – Commissioner  
Dan Denham, San Diego County Water Authority (SDCWA) – Commissioner  
Robert Cheng, Coachella Valley Water District (CVWD) – Alternate Commissioner  
Kelly Rodgers, San Diego County Water Authority (SDCWA) – Alternate Commissioner  
Tina Shields, Imperial Irrigation District (IID) – Alternate Commissioner

**JPA staff present:**

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

**Others present:**

Mike Cohen, Pacific Institute  
Mia Corral, Chandler Asset Management  
Jessica Humes, IID  
Genny Lynkiewicz, Chandler Asset Management  
Alan Okewole, SDCWA  
Ivory Reyburn, CVWD  
Jessica Schroeder, CNRA  
Gail Sevens, CDFW  
Chris Woidzik, SDCWA

**PRELIMINARY MATTERS**

1. Call to Order

Chair Delgado called the meeting to order at 10:08 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 September 30

Commissioner Barrett made a motion to approve the minutes, seconded by Commissioner Martinez.  
The minutes were approved unanimously by a roll call vote.

## FINANCIAL MATTERS

### 5. Information: Investment update (Representatives from Chandler Asset Management)

Mr. Chris Woidzik introduced Ms. Genny Lynkiewicz of Chandler Asset Management to present an investment update.

Ms. Lynkiewicz presented an economic update including employment, unemployment claims, inflation, gross domestic product, and bond yields. She touched on the QSA JPA's account profile, which included objectives and strategies, compliance, portfolio characteristics, sector distribution, issuers, quality distribution and the duration of the distribution as well as investment performance. Lastly, Ms. Lynkiewicz reviewed the holdings report and the transactions portfolio.

### Information: Treasurer's Report ending September 30, 2020 (Chris Woidzik, SDCWA)

Mr. Woidzik provided a review of the Treasurer's Report ending September 30, 2020. The month ended with \$35.2 million in cash and investments. It dropped by \$10 million from last quarter due to Salton Sea mitigation water being paid off. He mentioned there was a good amount in LAIF at \$20M, but it is trending down. Total deposits were \$2.6 million, and four invoices were paid totaling \$10.7 million in mitigation expenses. He mentioned \$5 million will be sent to Chandler Asset for investing in the turn of the new year. Lastly, he reviewed outstanding balances for each agency, which totaled \$97.8 million or \$66.8 million at six percent present value.

### 6. Information: Financial Report ending September 30, 2020 (Chris Woidzik, SDCWA)

Mr. Woidzik provided a review of the Financial Report ending September 30, 2020. Total assets were \$101.5 million with \$1.4 million in liabilities. Total revenues were \$857,800, expenditures at \$1.0 million with a fund balance of \$34 million. Approximately 7 percent of the budget was spent to date.

## IMPLEMENTATION

### 7. Information: Status report on implementation of mitigation measures (Jessica Humes, IID)

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

*Mitigation Measure 2 – Implementation Team Biologists:* The IID biologist team currently has two vacancies: Environmental Specialist II to fill a vacancy and an Environmental Specialist 1, which is a new position. The positions should post in the next couple of weeks.

*Mitigation Measure 24 – Air Quality:* IID just completed the Alamo South extension surface roughening project and is working on vegetation enhancements within those extension areas and planning to plant and irrigate in February or March 2021. Also, IID is working on the annual emissions estimate, proactive dust control plan for air quality, and on the annual mitigation report which will be finalized by March 31, 2021.

*Mitigation Measure 8 – Drain Habitat for Managed Marsh Complex:* IID has completed all of the earthwork for the Managed Marsh Phase 3 project area. Ms. Humes showed and described photos of the project. She gave an overview of the area describing buffer zones, two riparian areas and emergent wetlands in the middle. IID started the project earlier in the year with tile installation, main conveyance of water, and water entry. The riparian furrows were planted with 6,000 trees in October. The two ponds of the emergent wetlands were filled, and the banks were seeded with silkgrass and cattail for erosion control.

Mr. Mike Cohen asked for a general estimate of total acreage for the dust suppression projects through 2020.

Ms. Humes responded that 2,300 to 2,400 acres is the estimate and IID would be able to provide a full acreage count once the Alamo Extension was added in coming weeks.

Alternate Commissioner Cheng asked if there were air monitoring stations for PM50 near the riparian furrows and asked about the effectiveness of the furrows to abate the dust issues and if it's possible to quantify the benefits they have provided.

Ms. Humes responded that there are monitoring stations in the vicinity and that the furrows especially on the western edges of the project have been really effective in dust control by catching the sand and dust. However furrows need maintenance, and IID is extending the surface roughening further west on more exposed playa. Ms. Humes indicated that she would provide more details at the next meeting. Alternate Commissioner Cheng requested that information on air quality standards and rules be included in the presentation.

8. Information: Update on State's Salton Sea Management Program (Gail Sevens, CDFW)

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. She described four main priority programs, which included making significant, visible progress on implementation of the SSMP Phase 1 of the 10-year plan; establishing long-term pathway beyond the 10-year plan; building the capacity of the SSMP team; and strengthening partnerships with local leaders and communities.

9. Adjournment

The meeting was adjourned 10:56 a.m.

DRAFT



**QUANTIFICATION  
SETTLEMENT AGREEMENT  
JOINT POWERS AUTHORITY  
AUDIT COMMITTEE MEETING  
FISCAL YEAR ENDED JUNE 30, 2021**

# Agenda

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**Audit  
Engagement  
Letter**

**SAS 114  
Planning  
Letter**

# Audit Engagement Letter

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- ❑ No changes to engagement letter language from prior year
- ❑ Slight increase in fees from the prior year
- ❑ Scope of the audit
  - ❑ Express an opinion that the financial statements and disclosures are free of material misstatement
  - ❑ Internal controls are evaluated to assess the risk of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures (not to provide any assurances on the effectiveness of controls)
- ❑ Auditors provide no responsibility for:
  - ❑ Introductory information
  - ❑ Supplementary information

# SAS 114 Planning Letter

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- ❑ Requirement to have two-way communication with the committee about fraud and fraud risk
- ❑ Communicates modifications to approach:
  - ❑ Review of interest income and receivables.



# Questions?

**Shannon Ayala | Partner**

Davis Farr LLP | 5927 Priestly Drive, Suite 201 | Carlsbad, CA 92008

| Direct:760.298.5872 | Email:sayala@davisfarr.com



**February 8, 2021**

**Quantification Settlement Agreement  
Joint Powers QSA  
4677 Overland Avenue  
San Diego, CA 92123**

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide **Quantification Settlement Agreement Joint Powers QSA** (the "QSA").

**ENGAGEMENT OBJECTIVES**

We will audit the QSA's basic financial statements, as of **June 30, 2021** and for the year then ended, and the related notes to the financial statements.

Accounting Standards generally accepted in the United States of America ("US GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the QSA's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the QSA's RSI in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by US GAAP and will be subjected to certain limited procedures but will not be audited.

1. Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies the QSA's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion in relation to the financial statements as a whole.

1. Budget Status Report

## **OUR RESPONSIBILITIES**

The objective of our audit is the expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with US GAAP and to report on the fairness of the additional information referred to above when considered in relation to the financial statements taken as a whole.

We will also provide a report, which does not include an opinion on, Internal controls related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will each include a paragraph that states the report is solely to describe the scope and testing of internal control over financial reporting and compliance, and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and that the report is not suitable for any other purpose.

## **Audit**

Our audit will be conducted in accordance with US GAAS, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion and render the required reports. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If, for any reason, we are unable to complete the audit, or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts (e.g., tests of the physical existence of inventories, direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions, etc.). We may also request written representations from the QSA's attorneys as part of the engagement, and they may bill the QSA for responding to this inquiry.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the QSA or to acts by management or employees acting on behalf of the QSA.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal controls, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental

regulations that do not have a direct and material effect on the financial statements. We will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and any material abuse that comes to our attention. Our responsibility, as auditors, is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

### **Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and Government Auditing Standards.

### **Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the QSA's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The services described above do not relieve management or those charged with governance of their responsibilities.

### **THOSE CHARGED WITH GOVERNANCE**

The preparation and presentation of the financial statements of the QSA are the responsibility of management with oversight from those charged with governance. Those charged with governance are also responsible for overseeing the strategic direction of the QSA and any obligations related to its accountability, resolving disagreements between management and us regarding financial reporting, appointing us to perform the services described above, and informing us about all known or suspected fraud involving the QSA. In turn, we will provide those charged with governance with any communications required by the professional standards described above.

### **MANAGEMENT'S RESPONSIBILITIES**

Management is responsible for all management decisions and performing all management functions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee these services, any bookkeeping services, tax services, or other services we provide. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for them.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with (a) access to all information they are aware of that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of this engagement, and (c) unrestricted access to persons within the QSA from whom we determine it necessary to obtain information.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities, for the selection and application of accounting principles, for the safeguarding of assets, and for the preparation and fair presentation of the financial statements in conformity with US GAAP even though we may assist management with their preparation. Accordingly, management may be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that management has reviewed and approved the financial statements and related notes prior to their issuance and has accepted responsibility for them.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the QSA involving (a) management, (b) employees who have significant roles in internal controls, and (c) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of any known allegations of fraud or suspected fraud affecting the QSA received in communications from employees, former employees, regulators, or others. In addition, management is also responsible for identifying and ensuring that the QSA complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

During the course of our engagement, we will request information and explanations from management regarding the QSA. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. In view of the foregoing, the QSA agrees to release our firm, its shareholders, and other personnel from any liability and costs relating to our services under this letter resulting from false or misleading representations made to us by any member of the QSA's management.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other related studies. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. Management is responsible for providing its views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and for the timing and format for providing that information.

### **ENGAGEMENT FEES**

We estimate that our fixed fees for the services previously outlined will be \$10,770.

Additionally, our fees are dependent on the availability, quality, and completeness of the QSA's records and, where applicable, upon the QSA's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., QSA employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.).

Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate as soon as reasonably practicable.

### **OTHER ENGAGEMENT MATTERS**

This letter set forth the rights and responsibilities of the parties with respect to the services to be provided. This engagement is being undertaken solely for the benefit of the parties to this agreement and no other person shall be entitled to enforce the terms of this agreement.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report on the most recent peer review of our firm.

The workpapers for this engagement will be retained in accordance with our firm policy. If we are aware that a federal awarding agency, pass-through QSA, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the workpapers.

The undersigned is the engagement partner responsible for supervising the engagement and signing the report.

We appreciate the opportunity to provide these services and believe this letter accurately summarizes the significant terms of our engagement. Please sign the enclosed copy of this letter and return it to us.

Very truly yours,



**Shannon Ayala, CPA**  
Davis Farr LLP

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The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

**Quantification Settlement Agreement  
Joint Powers QSA**

**Member of Management:**

By Kara Mathews  
Title Chief Administrative Officer  
Date February 12, 2021

Christopher Woidzik

Digitally signed by Christopher Woidzik  
DN: cn=Christopher Woidzik, o=San Diego County Water Authority, ou=Finance Department, email=cwoidzik@sdewa.org, c=US  
Date: 2021.02.12 15:07:29 -08'00'

**Date of Board of Directors Approval of Contract:**

August 25, 2016



## Report on the Firm's System of Quality Control

### **Davis Farr LLP**

Irvine, California;

and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Davis Farr LLP (the firm) in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and examination of a service organization (SOC 1, Type 2 Report).

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **CPAs ■ Advisors**

4120 Concourse, Suite 100, Ontario, CA 91764  
909.948.9990 / 800.644.0696 / FAX 909.948.9633  
gyl@gylcpa.com  
www.gylcpa.com





## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Davis Farr LLP in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Davis Farr LLP has received a peer review rating of *pass*.

GFL LLP

Ontario, California  
September 23, 2019

March 4, 2021

To the Board of Commissioners  
Of the Quantification Settlement  
Agreement Joint Powers Authority  
San Diego, California

We are in the process of planning the audit of the Quantification Settlement Agreement Joint Powers Authority (the "QSA JPA") for the year ending June 30, 2021.

Professional auditing standards require that, as a part of our audit, we inquire of those in governance to ascertain whether or not the Board of Commissioners (the "Board") has knowledge of matters that might have a bearing on the auditor's risk assessment for the annual audit of the QSA JPA's financial statements.

Examples of these matters are:

- Known or suspected instances of employee fraud
- Areas in which the internal controls of the QSA JPA are thought by the Board to be weak
- Known or suspected misstatements in the accounting records of the QSA JPA
- Known or suspected use of improper accounting practices by the QSA JPA
- Any awareness of pressure upon the QSA JPA or QSA JPA management with respect to achieving certain financial results
- Matters that warrant particular attention during the audit
- Information about unusual transactions or other matters relevant to the audit

Generally, the scope of the audit is limited to *matters involving amounts that would be significant to the financial statements of the QSA JPA taken as a whole*. If additional time is required to respond to the concerns of the Board, we will estimate for the Board the costs involved.

Auditing Standards require the auditors to communicate the planned scope and timing of the audit. Additionally, at the conclusion of the audit, we plan to meet with the Board to communicate the auditor's responsibilities under generally accepted auditing standards and significant findings from the audit.

#### *Timing of Audit*

We will begin the interim audit procedures in April 2021 and our final audit examination in August 2021. We anticipate being completed with fieldwork in August 2021. We plan to present the audit reports and results of the audit to the Board of Commissioners at the completion of the audit.

*Planned Scope of Audit*

In addition to our standard audit approach, our engagement team plans to address the following risk areas as follows:

- Review of Member Contributions: We will confirm 100% of member agency contributions to the QSA JPA by sending letters to each of the member agencies to verify amounts paid.
- Each year, we are required to include an element of unpredictability in our audit. This year we are planning to review interest income and the related receivable.

If any member of the Board has information relevant to our audit (matters involving amounts that would be significant to the financial statements of the QSA JPA taken as a whole), please contact the undersigned at 760.298.5872 or sayala@davisfarr.com.

Very truly yours,



Shannon Ayala  
Davis Farr LLP

# QSA JPA Audit Calendar FY2021

| MARCH 2021 |    |    |    |    |    |    |
|------------|----|----|----|----|----|----|
| S          | M  | T  | W  | T  | F  | S  |
|            | 1  | 2  | 3  | 4  | 5  | 6  |
| 7          | 8  | 9  | 10 | 11 | 12 | 13 |
| 14         | 15 | 16 | 17 | 18 | 19 | 20 |
| 21         | 22 | 23 | 24 | 25 | 26 | 27 |
| 28         | 29 | 30 | 31 |    |    |    |

| APRIL 2021 |    |    |    |    |    |    |
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| S          | M  | T  | W  | T  | F  | S  |
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| 11         | 12 | 13 | 14 | 15 | 16 | 17 |
| 18         | 19 | 20 | 21 | 22 | 23 | 24 |
| 25         | 26 | 27 | 28 | 29 | 30 |    |

| MAY 2021 |    |    |    |    |    |    |
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| 9        | 10 | 11 | 12 | 13 | 14 | 15 |
| 16       | 17 | 18 | 19 | 20 | 21 | 22 |
| 23       | 24 | 25 | 26 | 27 | 28 | 29 |
| 30       | 31 |    |    |    |    |    |

| JUNE 2021 |    |    |    |    |    |    |
|-----------|----|----|----|----|----|----|
| S         | M  | T  | W  | T  | F  | S  |
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| 6         | 7  | 8  | 9  | 10 | 11 | 12 |
| 13        | 14 | 15 | 16 | 17 | 18 | 19 |
| 20        | 21 | 22 | 23 | 24 | 25 | 26 |
| 27        | 28 | 29 | 30 |    |    |    |

| JULY 2021 |    |    |    |    |    |    |
|-----------|----|----|----|----|----|----|
| S         | M  | T  | W  | T  | F  | S  |
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| 4         | 5  | 6  | 7  | 8  | 9  | 10 |
| 11        | 12 | 13 | 14 | 15 | 16 | 17 |
| 18        | 19 | 20 | 21 | 22 | 23 | 24 |
| 25        | 26 | 27 | 28 | 29 | 30 | 31 |

| AUGUST 2021 |    |    |    |    |    |    |
|-------------|----|----|----|----|----|----|
| S           | M  | T  | W  | T  | F  | S  |
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| 1           | 2  | 3  | 4  | 5  | 6  | 7  |
| 8           | 9  | 10 | 11 | 12 | 13 | 14 |
| 15          | 16 | 17 | 18 | 19 | 20 | 21 |
| 22          | 23 | 24 | 25 | 26 | 27 | 28 |
| 29          | 30 | 31 |    |    |    |    |

| SEPTEMBER 2021 |    |    |    |    |    |    |
|----------------|----|----|----|----|----|----|
| S              | M  | T  | W  | T  | F  | S  |
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| 12             | 13 | 14 | 15 | 16 | 17 | 18 |
| 19             | 20 | 21 | 22 | 23 | 24 | 25 |
| 26             | 27 | 28 | 29 | 30 |    |    |

|  |                   |
|--|-------------------|
|  | QSA Board Meeting |
|  | A/P               |
|  | Accounting Staff  |
|  | Controller        |
|  | Davis Farr        |
|  | SDCWA Closed      |

| OCTOBER 2021 |    |    |    |    |    |    |
|--------------|----|----|----|----|----|----|
| S            | M  | T  | W  | T  | F  | S  |
|              |    |    |    |    | 1  | 2  |
| 3            | 4  | 5  | 6  | 7  | 8  | 9  |
| 10           | 11 | 12 | 13 | 14 | 15 | 16 |
| 17           | 18 | 19 | 20 | 21 | 22 | 23 |
| 24           | 25 | 26 | 27 | 28 | 29 | 30 |
| 31           |    |    |    |    |    |    |

| NOVEMBER 2021 |    |    |    |    |    |    |
|---------------|----|----|----|----|----|----|
| S             | M  | T  | W  | T  | F  | S  |
|               | 1  | 2  | 3  | 4  | 5  | 6  |
| 7             | 8  | 9  | 10 | 11 | 12 | 13 |
| 14            | 15 | 16 | 17 | 18 | 19 | 20 |
| 21            | 22 | 23 | 24 | 25 | 26 | 27 |
| 28            | 29 | 30 |    |    |    |    |

| DECEMBER 2021 |    |    |    |    |    |    |
|---------------|----|----|----|----|----|----|
| S             | M  | T  | W  | T  | F  | S  |
|               |    |    | 1  | 2  | 3  | 4  |
| 5             | 6  | 7  | 8  | 9  | 10 | 11 |
| 12            | 13 | 14 | 15 | 16 | 17 | 18 |
| 19            | 20 | 21 | 22 | 23 | 24 | 25 |
| 26            | 27 | 28 | 29 | 30 | 31 |    |

| DATE            | ACTIVITY  | RESPONSIBLE      |
|-----------------|---|------------------|
| March 1         | 12/31 quarterly financial and treasury reports finalized  | Controller       |
| March 3         | Audit Calendar finalized and engagement letter approved   | Controller       |
| March 4         | Davis Farr planning presentation forwarded to Controller for inclusion in board meeting materials                       | Davis Farr       |
| March 11th      | <b>Board meeting</b> - 2nd qtr financial reports, FY21 audit calendar & auditor required communications                 | Board            |
| May 13          | 3/31 quarterly financial and treasury reports finalized   | Controller       |
| May 17-21       | Auditor - SDCWA and QSA combined interim fieldwork  | Davis Farr       |
| June (TBD)      | <b>Board meeting</b> - 3rd qtr financial reports  | Board            |
| July 29         | May and June invoice estimates/accrual due from IID   | Accounts Payable |
| August 13       | Draft financial statements and treasury reports due to Controller   | Accounting Staff |
| August 19       | FYE20 audit schedules completed and reviewed  | Accounting Staff |
| August 19       | Draft financial statements to Auditor (pre-fieldwork)   | Controller       |
| August 23-27    | Auditor - year-end fieldwork  | Davis Farr       |
| August 27       | Auditor review responses due on draft financial statements  | Davis Farr       |
| September 1     | Final draft financial statements approved and forwarded to Auditor  | Controller       |
| September 8     | Technical review responses due on draft financial statements  | Davis Farr       |
| September 9     | Management rep. letter routed for signature   | Controller       |
| September 13    | Final financial statements and management rep. letter to Auditor  | Controller       |
| September 15    | Auditor issues audit opinion & emails completed financial statements  | Davis Farr       |
| September 22    | Auditor delivers bound FY21 financial statements  | Davis Farr       |
| September (TBD) | <b>Board Meeting</b> - 4th qtr financial reports. Presentation on FY21 financial statements; audit results (Davis Farr) | Board            |
| December 1      | 9/30 quarterly financial and treasury reports finalized   | Controller       |
| December (TBD)  | <b>Board Meeting</b> - 1st qtr financial reports.   | Board            |

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

| <b><u>Investment Type</u></b>                           | <b><u>%<br/>Limit</u></b> | <b><u>% of<br/>Portfolio</u></b> | <b><u>Amount</u></b> |
|---|---------------------------|----------------------------------|----------------------|
| Local Agency Investment Fund (LAIF)                     | \$75M - Maximum           | 58%                              | \$ 21,013,856.53     |
| Treasury Securities                                     | 100%                      | 13%                              | 4,550,407.39         |
| Federal Agency Securities                               | 100%                      | 15%                              | 5,359,022.85         |
| Medium Term Notes                                       | 100%                      | 7%                               | 2,387,726.46         |
| Supranationals  | 100%                      | 4%                               | 1,501,368.75         |
| Chandler Managed Account (BNY)                          | 100%                      | 2%                               | 757,832.17           |
| Asset Back Securities                                   | 100%                      | 1%                               | 482,791.40           |
| CA Asset Mgmt Program (CAMP)                            | 25%                       | 0%                               | 59,883.66            |
| CEO Account (Wells Fargo)                               | 100%                      | 0%                               | 21,641.05            |
| Total Cash and Investments                              |                           | 100%                             | \$ 36,134,530.26     |
| Effective Rate of Return                                |                           |                                  | 0.76%                |
| <b><u>Interest Earnings (Cash and Investments):</u></b> |                           |                                  |                      |
| Fiscal Year to Date                                     |                           |                                  | \$ 136,778.80        |
| Average Term  |                           |                                  | 460                  |
| Average Days to Maturity (730 Days Maximum)             |                           |                                  | 391                  |




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**Lisa Marie Harris, Treasurer**

**Quantification Settlement Agreement  
Joint Powers Authority  
Treasurer's Report  
at December 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)   |
|            | Total Fiscal Year 6/30/2020       | \$ 11,654,013.00  | \$ (8,417,595.87)   |
| 11/06/2020 | Mitigation # 1169                 |                   | \$ (968,333.72)     |
| 12/15/2020 | Mitigation # 1170                 |                   | \$ (450,278.43)     |
| 12/22/2020 | IID Annual Operating Cost         | \$ 2,726,346.00   |                     |
| 12/28/2020 | CVWD Annual Operating Cost        | \$ 738,869.00     |                     |
| 12/29/2020 | SDCWA Annual Operating Cost       | \$ 1,050,836.00   |                     |
| 12/31/2020 | Mitigation # 1171                 |                   | \$ (2,296,549.09)   |
|            | Total Fiscal Year 6/30/2020 (YTD) | \$ 5,366,051.00   | \$ (14,472,163.93)  |
|            | Totals to date:                   | \$ 191,390,098.67 | \$ (158,893,159.35) |

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

|  |                   |
|--|-------------------|
| Deposits                                       | \$ 191,390,098.67 |
| Invoices                                       | (158,893,159.35)  |
| Subtotal                                       | 32,496,939.32     |
| Interest Earned - Fiscal Year to Date 2021     | 136,778.80        |
| 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                  | (9,853.26)        |
| Interest not yet received at December 31, 2020 | (77,123.75)       |
| Total Cash & Investments                       | \$ 36,134,530.26  |

**Quantification Settlement Agreement**  
**Joint Powers Authority**  
**Treasurer's Report**  
**at December 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             |
| 2020                 | Advance Payment     | 850,000.00              | 1,825,000.00            | -                       | 2,675,000.00             |
| 2020                 | Original Payment    | 1,050,836.00            | 2,726,346.00            | 738,869.00              | 4,516,051.00             |
|                      |                     | -                       | -                       | -                       | -                        |
|                      | Totals to date:     | <u>\$ 82,103,661.67</u> | <u>\$ 51,214,808.00</u> | <u>\$ 58,071,629.00</u> | <u>\$ 191,390,098.67</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 December 31, 2020</b> |              |               |              |               |
|--|--------------|---------------|--------------|---------------|
| <b>Payment Schedules <sup>(2)</sup></b>                      | <b>SDCWA</b> | <b>IID</b>    | <b>CVWD</b>  | <b>Total</b>  |
| Nominal amount   | \$ 8,934,198 | \$ 75,506,808 | \$ 8,854,313 | \$ 93,295,319 |
| Present value (@ 6%)   | \$ 7,811,591 | \$ 47,932,570 | \$ 7,791,140 | \$ 63,535,301 |

<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  
DECEMBER 31, 2020**

**Assets:**

|                                     |                   |
|-------------------------------------|-------------------|
| Cash                                | \$ 21,641         |
| Investments                         | 36,158,318        |
| Mitigation contributions receivable | 35,262,012        |
| Interest receivable                 | <u>28,341,609</u> |

|                     |                             |
|---------------------|-----------------------------|
| <b>Total assets</b> | <b><u>\$ 99,783,580</u></b> |
|---------------------|-----------------------------|

**Liabilities:**

|                  |                   |
|------------------|-------------------|
| Accounts payable | <u>\$ 259,665</u> |
|------------------|-------------------|

**Deferred inflows of resources:**

|                                      |                   |
|--------------------------------------|-------------------|
| Unavailable mitigation contributions | <u>63,535,301</u> |
|--------------------------------------|-------------------|

**Fund balance:**

|            |                   |
|------------|-------------------|
| Unassigned | <u>35,988,614</u> |
|------------|-------------------|

|   |                             |
|---|-----------------------------|
| <b>Total liabilities, deferred inflows of resources,<br/>and fund balance</b> | <b><u>\$ 99,783,580</u></b> |
|---|-----------------------------|



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

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

**Revenues:**

|                          |                  |
|--------------------------|------------------|
| Interest income          | \$ 28,421        |
| Mitigation contributions | <u>5,366,051</u> |

|                       |                         |
|-----------------------|-------------------------|
| <b>Total revenues</b> | <b><u>5,394,472</u></b> |
|-----------------------|-------------------------|

**Expenditures:**

|                          |              |
|--------------------------|--------------|
| Environmental mitigation | 3,628,690    |
| Administrative           | <u>4,118</u> |

|                           |                         |
|---------------------------|-------------------------|
| <b>Total expenditures</b> | <b><u>3,632,808</u></b> |
|---------------------------|-------------------------|

|                                    |           |
|------------------------------------|-----------|
| <b>Net changes in fund balance</b> | 1,761,664 |
|------------------------------------|-----------|

|  |                   |
|--|-------------------|
| <b>Fund balance at beginning of year</b> | <u>34,226,950</u> |
|--|-------------------|

|                                    |                                    |
|------------------------------------|------------------------------------|
| <b>Fund balance at end of year</b> | <b><u><u>\$ 35,988,614</u></u></b> |
|------------------------------------|------------------------------------|

**Unaudited**

**QUANTIFICATION SETTLEMENT AGREEMENT  
JOINT POWERS AUTHORITY**

**SUPPLEMENTARY INFORMATION - BUDGET STATUS REPORT  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

| <b>Task No.</b>           | <b>Mitigation Tasks</b>  | <b>Amended<br/>FY 2021<br/>Budget</b> | <b>Total<br/>Expenditures</b> | <b>Variance<br/>(Remaining)</b> | <b>Percent<br/>Complete</b> |
|---------------------------|--|---------------------------------------|-------------------------------|---------------------------------|-----------------------------|
| 1                         | QSA Implementation Team  | \$ -                                  | \$ -                          | \$ -                            | 0.0%                        |
| 2                         | QSA Implementation Team Biologists                                       | 1,093,590                             | 342,986                       | 750,604                         | 31.4%                       |
| 3                         | Environmental Reporting and Monitoring                                   | 540                                   | -                             | 540                             | 0.0%                        |
| 4                         | Salton Sea Salinity and Elevation Program                                | 16,330                                | 5,597                         | 10,733                          | 34.3%                       |
| 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                             | 2,040,655                     | 2,819,555                       | 42.0%                       |
| 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                               | 117,255                       | 193,195                         | 37.8%                       |
| 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                             | 1,108,809                     | 6,676,391                       | 14.2%                       |
| 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                                 | 4,118                         | (1,118)                         | 137.3%                      |
| 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>\$ 3,632,808</b>           | <b>\$ 11,361,952</b>            | <b>24.2%</b>                |