



QSA JPA MEETING

MARCH 11, 2021

9:00 AM



PRELIMINARY MATTERS

1. Call to Order
2. Roll Call - Determination of Quorum
3. Public Comment (Limited to 3 min)



ORGANIZATIONAL MATTERS

4. Approve minutes of regular QSA JPA meeting held December 10, 2020 (Action)



FINANCIAL MATTERS

5. Website (Information)



FINANCIAL MATTERS

6. Fiscal Year 2021 Audit Engagement (Information)



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

March 11, 2021

Agenda

7

**Audit
Engagement
Letter**

**SAS 114
Planning
Letter**

Audit Engagement Letter

8

- ❑ 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

9

- ❑ 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





FINANCIAL MATTERS

7. Treasurer's Report ending December 31, 2020 (Information)

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

<u>Investment Type</u>	<u>% Limit</u>	<u>% of Portfolio</u>	<u>Amount</u>
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%
<u>Interest Earnings (Cash and Investments):</u>			
Fiscal Year to Date			\$ 136,778.80

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

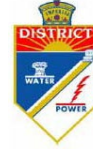
Deposit & Invoice Activity:

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)

QSA Joint Powers Authority

Deposit History (Inception-to-Date):

Calendar Year	Payment Type	SDCWA (I)	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	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:	\$ 82,103,661.67	\$ 51,214,808.00	\$ 58,071,629.00	\$ 191,390,098.67



Total Outstanding Balance Due as of December 31, 2020				
Payment Schedules ⁽²⁾	SDCWA	IID	CVWD	Total
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

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



FINANCIAL MATTERS

8. Financial Report ending December 31, 2020 (Information)



BALANCE SHEET GENERAL FUND DECEMBER 31, 2020

Assets:

Cash	\$ 21,641
Investments	36,158,318
Mitigation contributions receivable	35,262,012
Interest receivable	28,341,609
Total assets	\$ 99,783,580

Liabilities:

Accounts payable	\$ 259,665
------------------	------------

Deferred inflows of resources:

Unavailable mitigation contributions	63,535,301
--------------------------------------	------------

Fund balance:

Unassigned	35,988,614
------------	------------

Total liabilities, deferred inflows of resources, and fund balance	\$ 99,783,580
---	----------------------



**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	5,366,051
	<hr/>
Total revenues	5,394,472

Expenditures:

Environmental mitigation	3,628,690
Administrative	4,118
	<hr/>
Total expenditures	3,632,808

Net changes in fund balance	1,761,664
Fund balance at beginning of year	34,226,950
	<hr/>
Fund balance at end of year	\$ 35,988,614

Task No.	Mitigation Tasks	Amended FY 2021 Budget	Total Expenditures	Variance (Remaining)	Percent Complete
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%
Total Expenditures		\$ 14,994,760	\$ 3,632,808	\$ 11,361,952	24.2%



IMPLEMENTATION

8. Status report on implementation of mitigation measures (Information)



IMPLEMENTATION

9. Update on Air Quality Mitigation Program Dust Control Projects (Information)



IMPLEMENTATION

10. Update on State's Salton Sea Management Program (Information)



11. Adjourn

Information

Air Quality Mitigation Program Dust Control Projects

3/9/2021



IID
A century of service.

Air Quality Regulatory Framework



- Clean Air Act establishes National Ambient Air Quality Standards (NAAQS) for public health.
- PM₁₀ NAAQS:
150 micrograms per cubic meter (µg/m³), 24-hour average



Trains



Ships



Planes



- State must prepare State Implement Plans (SIP) to describe how the State will attain NAAQS, based on SIPs prepared by State agencies (e.g., Dept of Pesticide Regulation) and local agencies.



Cars



Trucks



Buses



- State delegates authority for control of local sources to local agencies.
- Local agencies must prepare SIPs to describe how local areas will attain NAAQS.
- Enforcement of regulations



Construction

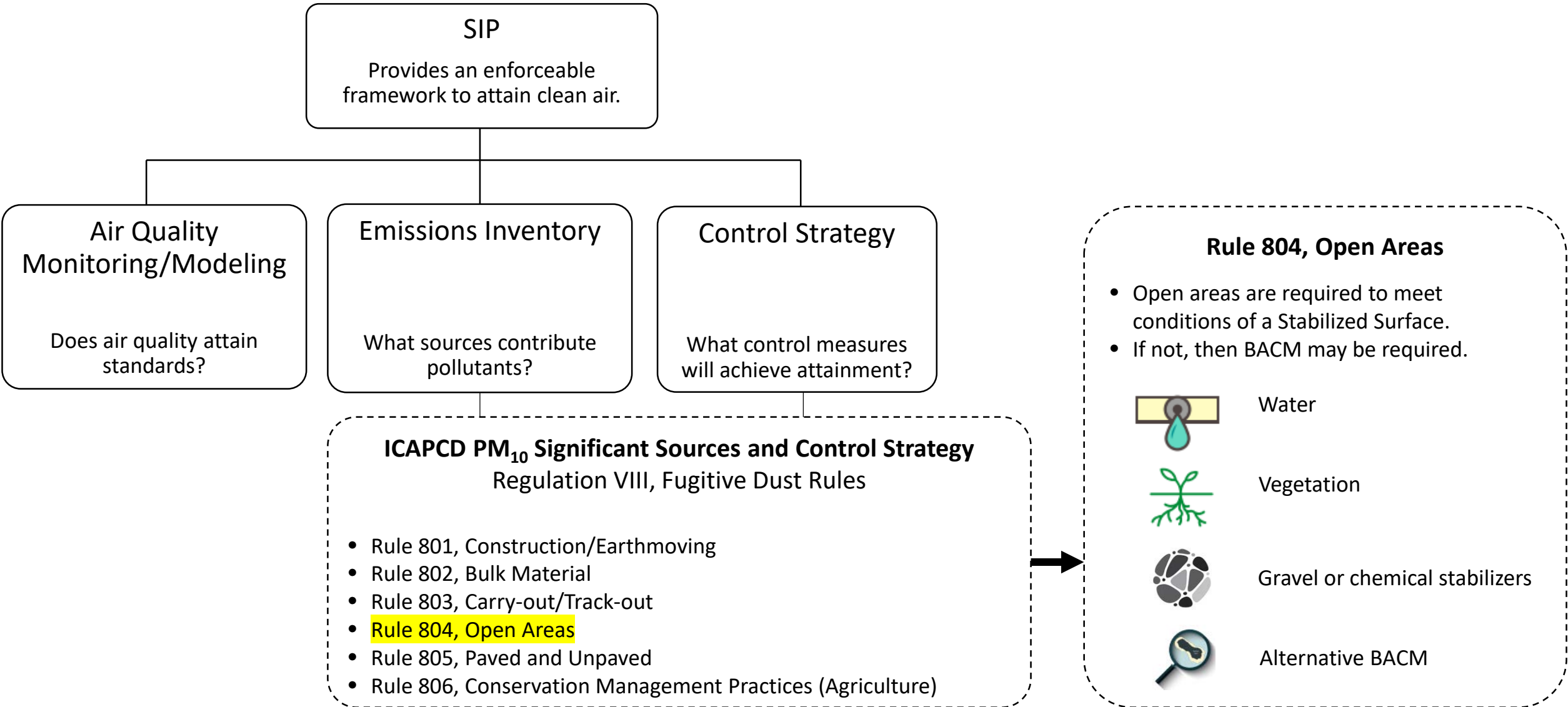


Bulk Materials



Open Areas

What does the State Implementation Plan include?



PM₁₀ Emissions – Imperial County and Salton Sea

ICAPCD Emissions Inventory

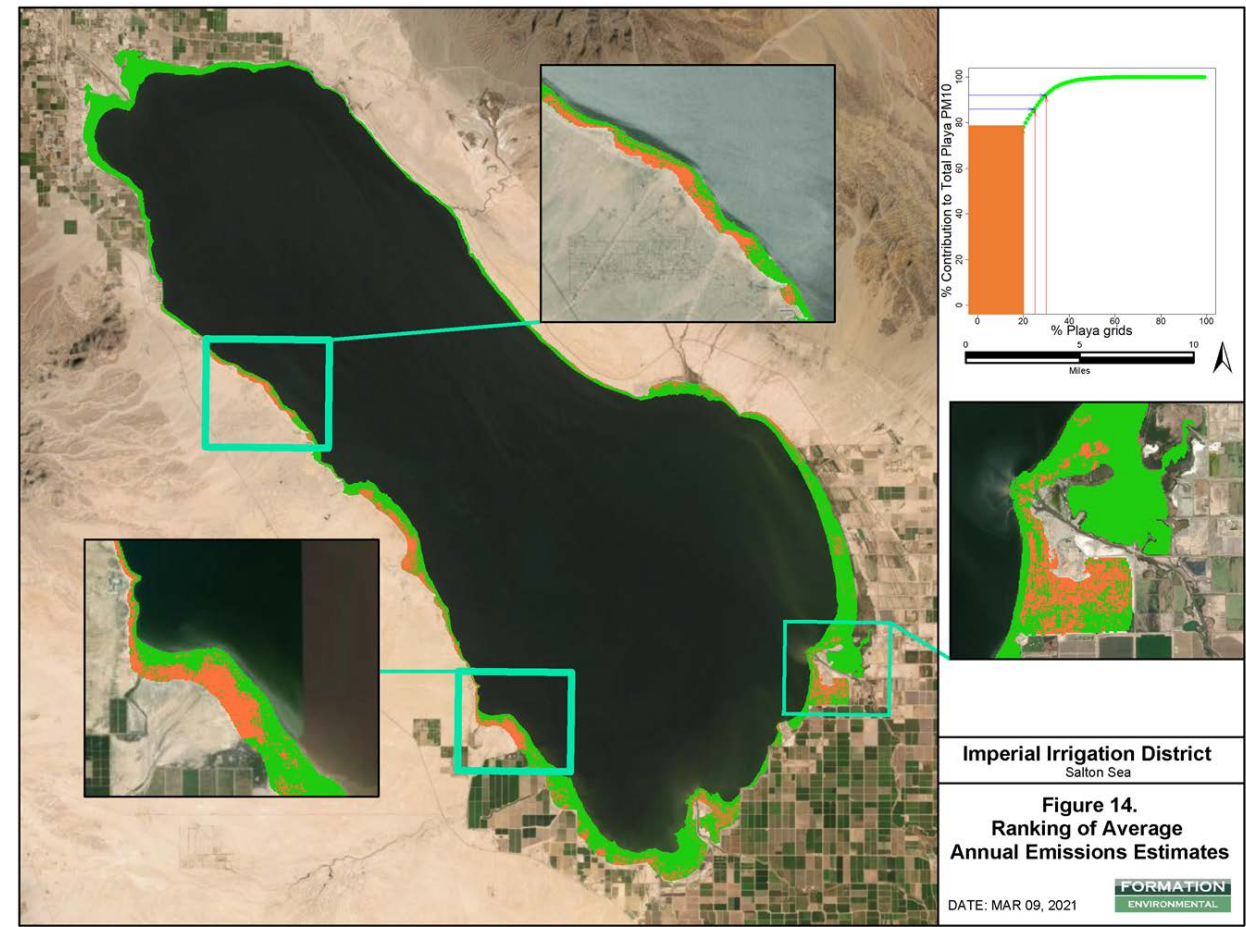
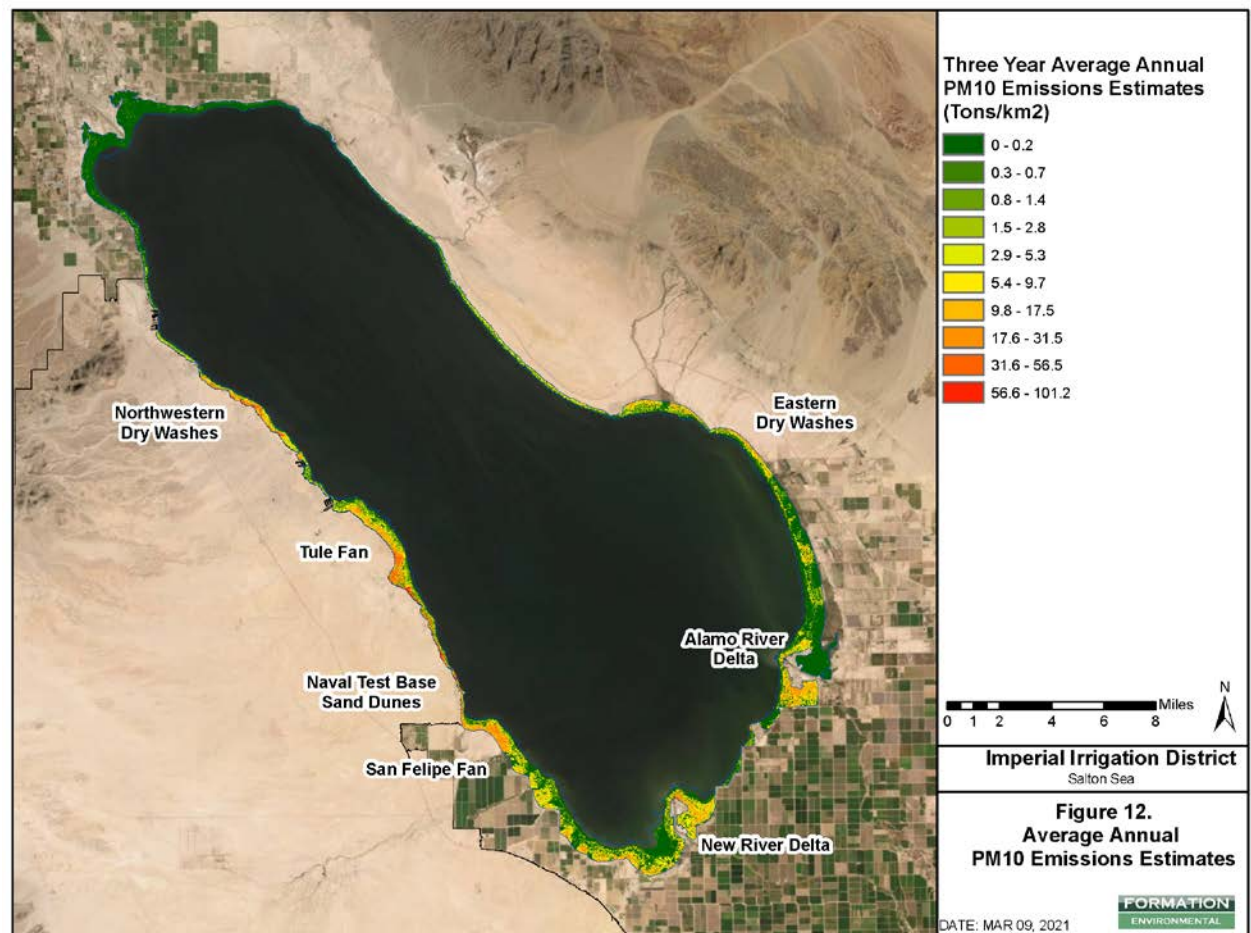
Source Category	Emissions (tons per day – tpd)
ICAPCD 2018 SIP¹	2016
Electrical Utilities	0.09
Cogeneration	0.00
Manufacturing and Industrial	0.04
Service and Commercial	0.07
Fuel Combustion	0.00
Industrial Processes:	
Mineral Processes	3.67
Food/Agriculture	0.31
Residential Fuel Combustion	0.05
Farming:	
Tilling	4.87
Harvest	0.99
Cattle	2.62
Construction	3.02
Paved Road Dust	1.16
Entrained Unpaved Road Dust:	
City/County	18.38
Canal	30.74
BLM/USFS	1.39
Farm	1.37
Windblown Dust:	
Open Areas-Urban	0.00
Open Areas-Others ²	199.96
Non-Pasture Agricultural Lands	10.77
Pasture	1.79
Fires	0.00
Waste Burning	1.30
Cooking	0.08
On-Road Mobile	0.43
Other Mobile	1.07
Total	284.17

IID Salton Sea Playa – Annual Emission Estimate

Annual Emissions Estimation Year	Playa PM10 Emissions Estimates (tons per day – tpd)
2016/ 2017	1.02
2017/ 2018	1.23
2018/ 2019	1.06
Three Year Average	1.12

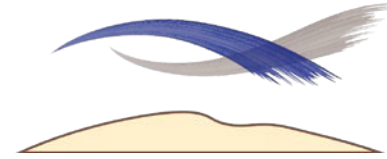
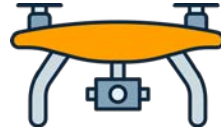
0.53% of all emissions

Salton Sea – Annual Emission Estimate

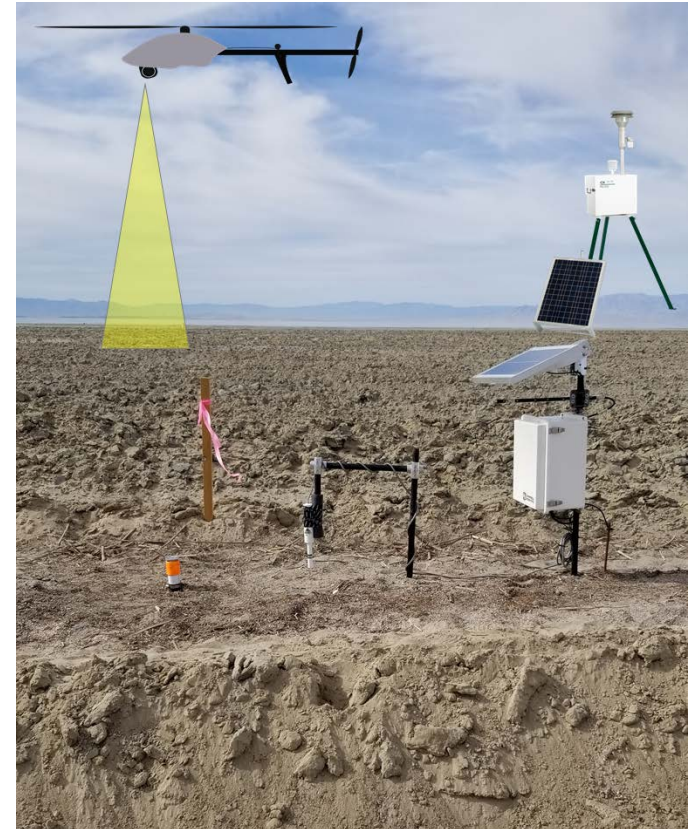




Question 2: Dust Control Performance



1. Spatial Roughness Mapping using LiDAR
2. Sand Motion Monitoring
3. Upwind / Down Wind Monitoring
4. Visual Surveillance



Sand Motion



Upwind



Downwind



May 2020

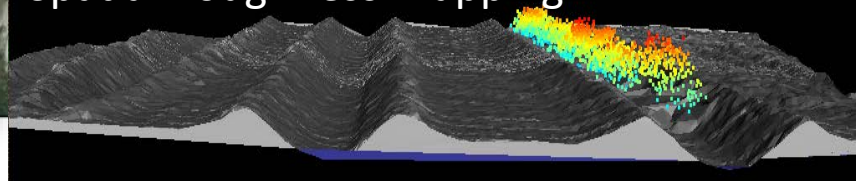
Upwind
162 $\mu\text{g}/\text{m}^3$

Upwind
75 $\mu\text{g}/\text{m}^3$

Downwind
89 $\mu\text{g}/\text{m}^3$

Downwind
100 $\mu\text{g}/\text{m}^3$

Spatial Roughness Mapping



Nov 2020

Legend

Sand Catch (g)

- 0 - 5
- 6 - 10
- 11 - 20
- 21 - 30
- 31 - 80

★ 5/12/2020 BGI Concentrations ($\mu\text{g}/\text{m}^3$)

80 to 90% CE

90 to 95% CE

Notes:

1. Background Satellite Imagery:
Collected by Pleiades October 9, 2020.

Salton Sea Air Quality Program
Imperial Irrigation District

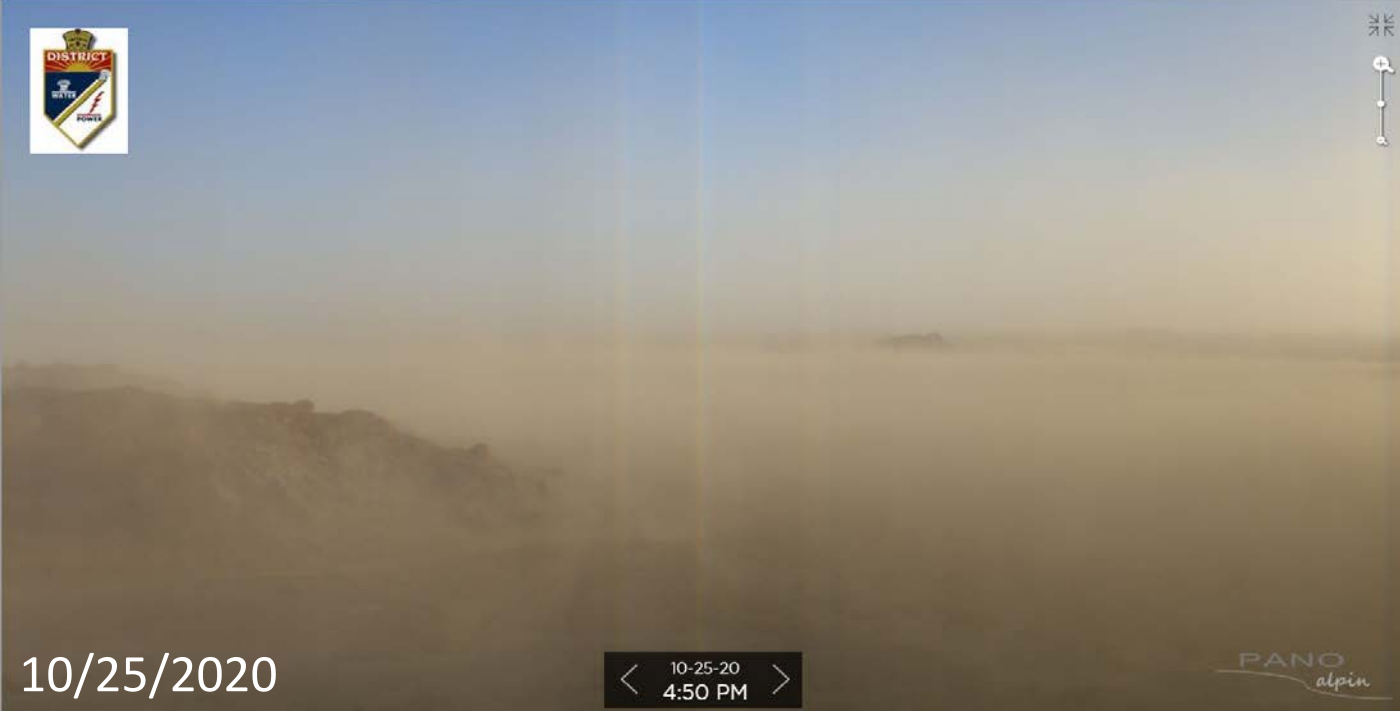
Figure 1.
Alamo South
Saltation Flux Results



DATE: MAR 05, 2021

Control Efficiency During Construction / Establishment – Sand Motion Spring 2020

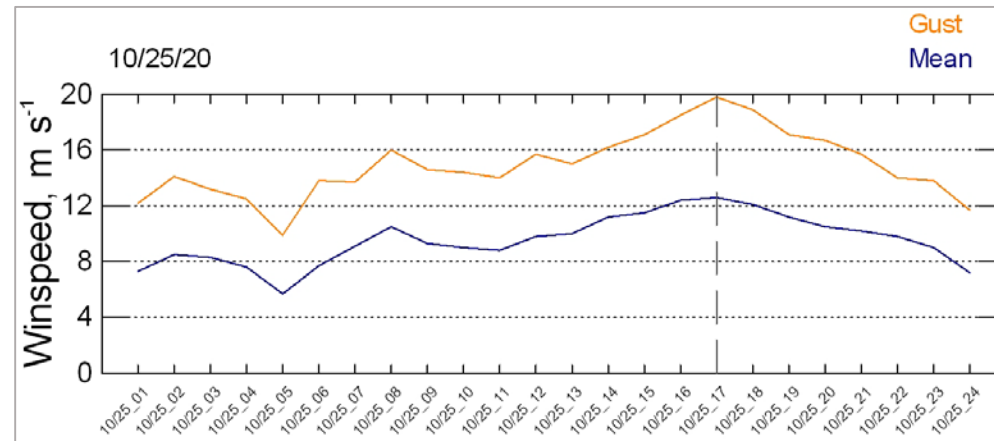




10/25/2020

< 10-25-20
4:50 PM >

PANO
alpin



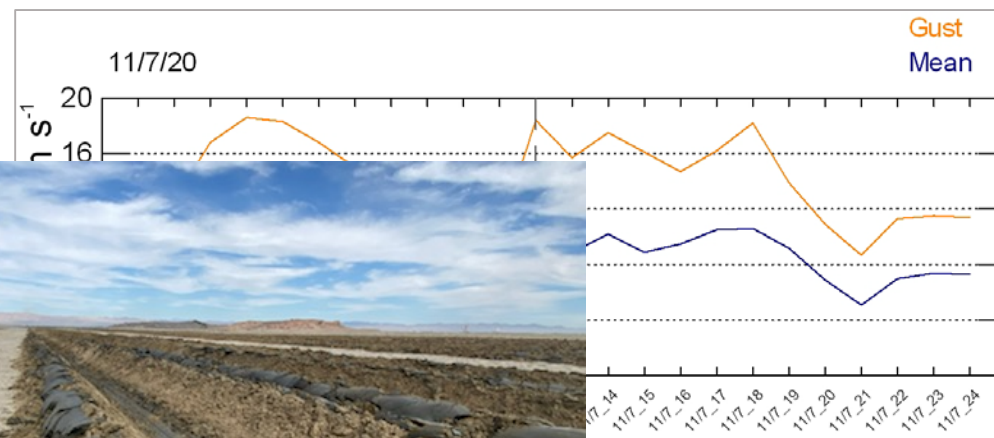
Wind speed $\sim 12.6 \text{ m s}^{-1}$
Wind gust $\sim 19.8 \text{ m s}^{-1}$



11/7/2020

< 11-07-20
11:50 AM >

PANO



Wind speed $\sim 9.8 \text{ m s}^{-1}$
Wind gust $\sim 18.4 \text{ m s}^{-1}$