



**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
VIRTUAL MEETING MINUTES
September 7, 2022, at 2:00 p.m.**

Commissioners and Alternates present:

Tonya Marshall, California Department of Fish and Wildlife (CDFW) – Chair
 Jim Barrett, Coachella Valley Water District (CVWD) – Commissioner
 Dan Denham, San Diego County Water Authority (SDCWA) – Commissioner
 Kelly Rodgers, San Diego County Water Authority (SDCWA) – Alternate Commissioner
 Tina Shields, Imperial Irrigation District (IID) – Alternate Commissioner

QSA JPA staff present:

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

Others present:

Earl Withycombe, California Air Resources Board	Cindy Matejovsky, IID
Jessica Schroeder, CDFW	Michael Cohen, Pacific Institute
Miguel Hernández, California Natural Resources Agency (CNRA)	Dennis Davis, SDCWA
Shana Rapoport, Colorado River Board of California	Deborah Hodgins, SDCWA
Joanna Hoff, IID	Wendy Joplin, SDCWA
Jessica Humes, IID	Alan Okewole, SDCWA
	Darren Simon, SDCWA
	Angela Tomayko, SDCWA
	Chris Woidzik, SDCWA

PRELIMINARY MATTERS

1. Call to Order
Chair Tonya Marshall called the meeting to order at 2:00 p.m.
2. Roll Call
There was a quorum of the Commission present at the time of the meeting.
3. Action: Adopt Resolution No. 2022-04 of the Commission of the Quantification Settlement Agreement Joint Powers Authority Authorizing Remote Teleconference/Virtual Meetings of the Legislative Body for the Period of September 7, 2022 to October 7, 2022 Pursuant to Brown Act Provisions (Jeff Ferre, BBK)
Commissioner Barrett made a motion to adopt the resolution, which was seconded by Commissioner Denham. The resolution was adopted unanimously by a roll call vote.

4. Public Comment

Michael Cohen (Pacific Institute) inquired about the status of conversations between Imperial County and IID to reduce dust emissions by minimizing vehicle access on IID lands.

Alternate Commissioner Shields responded that she was not aware of any recent conversations.

ORGANIZATIONAL MATTERS

5. Information: Appointment of Tonya Marshall, California Department of Fish and Wildlife Salton Sea Program Manager, as the California Department of Fish and Wildlife representative (Alexi Schnell, SDCWA)

CAO Schnell stated that the QSA JPA received notice from CDFW that Tonya Marshall will serve as the state's alternate representative and chair of the Commission as of August 1, 2022.

6. Action: Approve minutes of regular QSA JPA meeting held June 6, 2022 (Alexi Schnell, SDCWA)

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

FINANCIAL MATTERS

7. Information: Treasurer's Report ending June 30, 2022 (Chris Woidzik, SDCWA)

CAO Schnell noted that Chandler Asset Management would provide an investment update at the next QSA JPA meeting. Mr. Woidzik then handed the Treasurer's Report presentation over to Alan Okewole (SDCWA).

Mr. Okewole provided a review of the Treasurer's Report ending June 30, 2022. The quarter ended with \$36.7 million in cash and investments. The majority of that was in asset-backed securities of approximately \$22 million, held by Chandler Asset Management amongst others, with the remainder of \$14.4 million in the Local Agency Investment Fund (LAIF). The effective rate of return is approximately 0.72%, and the interest received (fiscal year to date) was \$264,804.05. No deposits were made in the quarter and four invoices were paid totaling approximately \$1.3 million. Mr. Okewole reported the updated total outstanding balance due was \$82.4 million, or \$58.1 million at net present value at 6%.

8. Information: Financial Report ending June 30, 2022 (Chris Woidzik, SDCWA)

Mr. Woidzik provided a review of the Financial Report ending June 30, 2022. Total assets were \$93.5 million with \$1.5 million in liabilities. Unavailable mitigation contributions were \$58.1 million, and the total fund balance was \$33.9 million. Total revenues were \$9.8 million and total expenditures \$6.1 million. Approximately 52% of the fiscal year 2022 budget was spent. Mr. Woidzik concluded with a summary of expenses on Tasks 2, 8 and 24, as included in the Budget Status Report.

Alternate Commissioner Shields informed the Commission that IID is exploring two options with its board to pay off IID's remaining financial commitments to the QSA JPA through advance payment. She also noted that IID's proposed advance payment could bolster the QSA JPA's cash flow as Salton Sea air quality project expenditures ramp up.

Commissioner Denham inquired whether IID considered an advance payment option beyond 2022. Alternate Commissioner Shields responded that her staff explored pay-off options for 2022 and 2023; however, based on IID's current financial situation and other long-term considerations, IID staff is recommending the 2022 pay-off option to their board.

IMPLEMENTATION

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

Ms. Humes provided an update on various mitigation measures:

Task 8 – Drain Habitat (Aquatic) – Managed Marsh Complex: IID completed its annual selenium sampling in the Managed Marsh areas and staff is waiting for the results.

Task 15 – Pre-Construction Activity Burrowing Owl Surveys and Relocation: IID reported on-going inspections for pre-construction activities. Several IID construction projects are planned after the end of the burrowing owl breeding season (end of September).

Task 18 – Pupfish Monitoring: In May 2022, IID, along with CDFW, started presence/absence surveys for pupfish in IID drains. IID and CDFW will conclude the surveys in September 2022.

Task 24 – Salton Sea Air Quality Mitigation: IID reported that two solicitations closed for the Clubhouse and Bombay Beach groundwater wells. IID staff will present the major work authorization for three shallow groundwater wells at Clubhouse to its board in September 2022. Construction is expected to start as soon as the contract is executed and conclude by December 2022.

IID is preparing CEQA documentation for a Bombay Beach plot study that will use water from groundwater wells to be installed in the area. A vegetation project is planned nearby. IID is also preparing for a surface roughening project near the Poe Road area. Work is expected to start in September 2022 pending any inclement weather.

Michael Cohen (Pacific Institute) inquired whether certain air quality projects from FY 2022 were deferred to the current fiscal year (FY 2023). He also asked for the rough acreage of the planned vegetation projects near the shallow groundwater wells.

Ms. Humes responded in the affirmative. She added that the solicitation process for the Clubhouse and Bombay Beach shallow groundwater wells took longer than expected. This also impacted the timing of the planned vegetation projects adjacent to and reliant upon the shallow groundwater wells at both sites. Both groundwater projects and associated vegetation projects will now be implemented in FY 2023. Ms. Humes offered to send the requested acreage information to Mr. Cohen.

10. Information: Managed Marsh land valuation (Tina Shields, IID)

Alternate Commissioner Shields shared that IID received the independent appraisal for the Managed Marsh areas, and it is under reviewed by IID staff. One initial issue identified by IID staff is that the appraisal only covers Phases 1 and 2 of the project, not Phase 3. Subject to change based on IID staff's review, the lands underlying Phases 1 and 2 were appraised at approximately \$6.5 million.

Alternate Commissioner Shields proposed that IID apply the appraisal's acreage valuation to Phase 3 to obtain the total land valuation for the marsh property and asked the Commission whether it agreed with that approach. Using the appraisal's acreage valuation for Phase 3 would increase the total land valuation to approximately \$9.5 million.

Commissioner Denham responded that he agrees with IID's approach to value Phase 3; however, he asked if the appraisal took the time value of money into consideration. He also asked if the QSA JPA budgeted for a reimbursement payment to IID in 2022.

Alternate Commissioner Shields responded that the third-party appraiser took into account recent sales within the vicinity of the marsh land to determine the land value of the marsh property. She also responded that a budget amendment would be brought before the Commission for approval to authorize the payment to IID. CAO Schnell commented that the QSA JPA has enough cash available to cover the approximately \$9.5 million payment to IID.

Commissioner Barrett also supported IID's approach to value Phase 3.

11. Information: Update on State Salton Sea Management Program (Miguel Hernández, CNRA)
Miguel Hernández, Public Affairs Officer for the Salton Sea Management Program (SSMP) at CNRA, provided the SSMP Update. Mr. Hernández reported the following items to the Commission:

Salton Sea Species Conservation Habitat (SCH) Project: Overall, the 4,100-acre project is 60% complete; major construction activities continue to progress. The SCH project is the state's first large-scale habitat restoration project that will create a network of ponds and provide important fish and bird habitat while also suppressing dust emissions to protect regional air quality. Key recent accomplishments include the following:

- Project design has been completed,
- Perimeter berms for habitat ponds are 90% complete,
- Bird nesting and loafing islands are 75% complete, and
- Work on the saline intake, northern berm, and New River intake are ongoing.

The project is on schedule and expected to be completed in 2023.

Vegetation Enhancement Projects: In partnership with the U.S. Bureau of Reclamation, the SSMP continues work on the three vegetation enhancement projects near communities around the Salton Sea. The projects cover approximately 1,700 acres and are located near the communities of Salton City and Bombay Beach. The projects aim to establish and enhance native vegetation on the exposed lakebed to create habitat for desert wildlife and reduce wind-blown dust.

The project is divided into two phases, with the first phase completed. Construction began in 2021 and initial bale placement and site modifications have been completed at the Clubhouse and West Bombay Beach sites. In addition, planting and seeding on approximately 35 acres was completed last spring at the Clubhouse site. Work at the Tule Wash project site began in July 2022. Planting and seeding are scheduled to restart this fall as the weather cools and will continue until vegetation communities are established across all three sites.

Mr. Hernández identified the following Salton Sea engagement opportunities and events hosted by either the SSMP team or SSMP partners:

- Army Corps of Engineers Extends Public Comment Period on Draft Environmental Assessment – August 20, 2022
 - The U.S. Army Corps of Engineers released the Draft Environmental Assessment for the State of California's SSMP Phase 1: 10-Year Plan. The public review period was extended to 5:00 p.m. on August 20.
- SSMP Long-Range Plan Committee Meeting – September 7, 2022
 - A virtual meeting to discuss updates and receive feedback on the development of the Long-Range Plan.
- Salton Sea Independent Review Panel Meeting – September 30, 2022
 - The Independent Review Panel assessed the feasibility of water importation into the Salton Sea and presented its findings at the meeting. The panel released its feasibility and summary reports to the public. The feasibility report provided a detailed analysis of the technical and economic feasibility of importation concepts. The summary report described the overall review process, including the Panel's major findings and recommendations.

12. Adjournment

Before the meeting was adjourned, CAO Schnell informed meeting attendees that the next QSA JPA meeting date could be moved to November 2022 to avoid foreseeable scheduling conflicts in December 2022.

The meeting was adjourned at 2:34 p.m.