



**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
REGULAR MEETING**

AGENDA

WEBINAR/CONFERENCE CALL

January 18, 2024

1:30 PM

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

Conference Call Number: (858) 284-4608 **Conference ID Number:** 208 632 705#

Conference Call Locations:

San Diego County Water Authority
Lobby Conference Room
4677 Overland Avenue
San Diego, CA 92123

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

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

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

PRELIMINARY MATTERS

1. Call to Order
2. Approval of any Commissioner requests for remote participation
3. Roll call, determination of quorum
4. Public comment, opportunity for members of the public who wish to address the Authority on matters within the Authority's jurisdiction

ORGANIZATIONAL MATTERS

5. Action: Approve minutes of regular QSA JPA meeting held September 11, 2023 (Alexi Schnell, SDCWA)
6. Information: Appointment of Jamie Asbury, Imperial Irrigation District (IID) General Manager, as the IID alternate representative (Alexi Schnell, SDCWA)
7. Information: Appointment of Alexi Schnell, Colorado River Program Manager, as the SDCWA alternate representative (Alexi Schnell, SDCWA)

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.

FINANCIAL MATTERS

8. Action: Review and accept fiscal year 2023 Audited Financial Report (Shannon Ayala, Davis Farr)
9. Information: Investment update (Genny Lynkiewicz, Chandler Asset Management)
10. Action: Approve the proposed QSA JPA Fiscal Year (FY) 2024 amended budget of \$12,028,330 to fund increases to FY 2024 financial advisor and bank fees (Alexi Schnell, SDCWA)
11. Information: Treasurer's Report ending September 30, 2023 (Alan Okewole, SDCWA)
12. Information: Financial Report ending September 30, 2023 (Chris Woidzik, SDCWA)

IMPLEMENTATION

13. Information: Status report on implementation of mitigation measures (Jessica Humes, IID)
14. Information: Update on State Salton Sea Management Program (Miguel Hernández, CNRA)
15. Adjourn



**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
VIRTUAL MEETING MINUTES
September 11, 2023, at 2 p.m.**

Commissioners and Alternates present:

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

QSA JPA staff present:

Alexi Schnell, SDCWA – Chief Administrative Officer (CAO)

Others present:

Jessica Schroeder, CDFW	Michael Cohen, Pacific Institute
Miguel Hernández, California Natural Resources Agency (CNRA)	Patrick O'Dowd, Salton Sea Authority
Samantha Arthur, CNRA	Dennis Davis, SDCWA
Rick Aragon, CVWD	Deborah Hodgins, SDCWA
Shannon Ayala, Davis Farr	Wendy Joplin, SDCWA
Joanna Hoff, IID	Alan Okewole, SDCWA
Jessica Humes, IID	Darren Simon, SDCWA
Cindy Matejovsky, IID	Chris Woidzik, SDCWA

PRELIMINARY MATTERS

1. Call to Order
Chair Marshall called the meeting to order at 2:04 p.m.
2. Roll Call
There was a quorum of the Commission present at the time of the meeting.
3. Public Comment
Micheal Cohen (Pacific Institute) inquired if the QSA JPA has any thoughts on SB 583, specifically the bill language regarding coordination and consultation between the proposed Salton Sea Conservancy and the QSA JPA.

Commissioner Barrett opined that a broad requirement for the Salton Sea Conservancy to consult the QSA JPA will likely not be an issue.

Commissioner Shields commented that the QSA JPA's limited functions do not allow it to operate outside of its defined responsibilities, which are centered on administering funding of environmental mitigation measures related to the QSA water transfers. IID, as the QSA JPA implementing agency, has an interest in coordinating on all projects around the Salton Sea for effective planning, but it is unclear what other coordination could occur between the Salton Sea Conservancy and the QSA JPA.

CAO Schnell responded that QSA JPA staff will follow up separately to address Mr. Cohen's question.

ORGANIZATIONAL MATTERS

4. Action: Approve minutes of regular QSA JPA meeting held June 15, 2023 (Alexi Schnell, SDCWA)
Chair Marshall made a motion to approve the minutes, which was seconded by Commissioner Barrett. The minutes were approved unanimously by a roll call vote.
5. Information: Introduction of Samantha Arthur, Assistant Secretary for Salton Sea Policy (Alexi Schnell, SDCWA)
CAO Schnell introduced Samantha Arthur as the Assistant Secretary for Salton Sea Policy at the CNRA and invited her to share a few words with the Commission.

Ms. Arthur shared that she started in her new role at the end of April 2023 to lead the Salton Sea Management Program (SSMP), which is a joint program between the CNRA, California Department of Water Resources (DWR), and CDFW to implement habitat and dust suppression projects at the Salton Sea. Near-term efforts aim to cover 30,000 acres of exposed lakebed while long-term efforts, proceeding on a parallel track, explore viable pathways for the Salton Sea far into the future. Ms. Arthur noted that efforts at the Salton Sea by the SSMP and QSA JPA complement each other, and she highlighted the importance of coordination to provide the best outcome for the region surrounding the sea.

IMPLEMENTATION

6. Information: Update on Inflation Reduction Act funding for the Salton Sea, and on the Salton Sea Restoration Fund (Samantha Arthur, CNRA and Tonya Marshall, CDFW)
This agenda item was requested by Commissioner Denham at the June 15, 2023, QSA JPA meeting, to provide the Commission with an update on the status of the \$250 million in federal funds for the Salton Sea and an update on the balance of the Salton Sea Restoration Fund (SSRF).

Ms. Arthur started with the update on Inflation Reduction Act funding, sharing that in December 2022, the Department of the Interior, IID, CVWD, and California entered into an agreement. Through the agreement, the federal government would provide \$245 million to California to accelerate implementation of projects at the Salton Sea, including projects designed to cover 30,000 acres of exposed lakebed. The federal funds were divided into two categories: \$20 million available immediately and \$225 million contingent upon water conservation efforts by IID. California has entered into a grant agreement with the Bureau of Reclamation for the \$20 million to implement SSMP projects, specifically expansion of the Species Conservation Habitat (SCH) project. Ms. Arthur expressed interest in providing another update at a future meeting.

Chair Marshall provided the update on the SSRF, which was established by state legislation for various purposes related to the restoration of the Salton Sea and is administered by the CDFW Director. The SSRF receives funds from several sources including annual IID payments and transfers from Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River, and Coastal Protection Fund of 2006). According to the fund condition statement for the SSRF, the fund balance at the end of fiscal year (FY) 2024 is projected to be \$8.07 million.

Commissioner Denham commented that he thought the SSRF would have funding in the hundred-million-dollar range based on past state legislative appropriations and asked for clarification on the fund balance. He also inquired whether the SSRF was the primary funding source for the CDFW Bermuda Dunes office.

Chair Marshall responded that there were prior appropriations to DWR for Salton Sea projects that were spent on the SCH project and that the SSRF is the primary funding source for the Bermuda Dunes office. According to the fund condition statement for the SSRF, \$296,000 of Proposition 84 funds will be transferred in FY 2024 to CDFW to support the Bermuda Dunes office.

Ms. Arthur added that the SSMP annual report includes an accounting spreadsheet that shows the full scope of funds used for SSMP activities, which would include the larger expenditures for implemented SSMP projects.

7. Information: Update on State Salton Sea Management Program (Miguel Hernández, CNRA)

Miguel Hernández, Public Affairs Officer for the SSMP at CNRA, provided the SSMP Update. Mr. Hernández reported the following items to the Commission:

Recent Storm Impacts: There were minimal impacts from Hurricane Hilary and the following monsoonal storm to active restoration projects at the sea. The SCH, which was built to withstand a 100-year flood event, received a higher than normal inflow of water from the storms. The stormwater passed through the New River diversion structure flood gates without incident and flowed to the sea. Some minor erosion occurred to a berm located between the SCH interception ditch and flood buffer zone. Vegetation enhancement projections near Bombay Beach and Salton City received a substantial amount of stormwater that displaced some grass bales used as part of the project. Stormwater is expected to benefit the growth of new vegetation at these sites.

Mr. Hernández identified the following Salton Sea engagement opportunity hosted by the SSMP team:

- SSMP Community Engagement Committee – September 14, 2023
 - The Committee provided a public status update on its Community Needs Strategy document and discussed options for distributing the document to community members for feedback.

FINANCIAL MATTERS

8. Information: Treasurer's Report ending June 30, 2023 (Alan Okewole, SDCWA)

Mr. Okewole provided a review of the Treasurer's Report ending June 30. The quarter ended with \$76.6 million in cash and investments. Approximately \$64 million of that amount was managed by Chandler Asset Management. The effective rate of return for the portfolio was reported at 2.64%, and the interest received (FY to date) was \$2.02 million. Four invoices were paid, totaling approximately \$10.5 million. Mr. Okewole reported that the Water Authority and CVWD paid off their outstanding balances to the QSA JPA on July 3.

Commissioner Barrett asked if the approximately -\$454,000 in interest not yet received on June 30 was a loss. He also inquired if the QSA JPA could pursue an average investment maturity greater than the 1.44 years reported in Chandler Asset Management's June 30 portfolio summary.

Mr. Okewole explained that the negative amount just reflects current market conditions and is not a loss because the QSA JPA holds its investments until maturity. He also explained the factors behind the lower average investment maturity for the QSA JPA portfolio, including short-term investments that allow for portfolio liquidity. Mr. Okewole stated that he would work with CAO Schnell and his team to explore options for increasing the average.

Chris Woidzik added that some of the short-term investments were purchased in the past when the QSA JPA was anticipating large expenditures and needed more liquidity. Now that these investments are maturing, they potentially can be reinvested for longer periods; however, it is a balancing act between investing for longer periods and having enough cash to respond to the QSA JPA's needs.

9. Information: Financial Report ending June 30, 2023 (Chris Woidzik, SDCWA)

Mr. Woidzik stated that the annual QSA JPA audit concluded on September 8, with an unmodified opinion, the highest level that can be received. The QSA JPA auditor will provide a presentation to the Commission to review the audit at the next QSA JPA meeting.

Mr. Woidzik provided a review of the Financial Report ending June 30. Total assets were \$82.3 million with \$1.9 million in liabilities. Unavailable mitigation contributions were \$6.61 million as of June 30; however, this was paid off by the Water Authority and CVWD on July 3. The total fund balance was \$73.7 million. Total revenues were \$54.8 million and total expenditures were \$14.9 million. Through June 30, 60% of the FY 2023 budget was spent. Mr. Woidzik provided a summary of expenses on Tasks 2, 8A, and 24, as included in the Budget Status Report.

Commissioner Barrett asked why there was a large amount of unspent funds for Task 24 (Salton Sea Air Quality) and whether the solicitation process is creating delays that prevent funds from being spent on projects in the FY that they were originally budgeted for.

Jessica Humes (IID) explained that IID had plans to complete two large projects under Task 24 in FY 2023: the Clubhouse vegetation project and piezometer groundwater monitoring installation around the Salton Sea. The Clubhouse vegetation project was delayed by the solicitation process, which took longer than expected. Funding for this project has been included in the QSA JPA FY 2024 budget. The piezometer project is expected to start in October 2023. IID also expected to be further along with the Bombay Beach groundwater wells that were expected to start in May 2023 but were delayed to August 2023. Additionally, recent storm activity caused some delays to active projects. Ms. Humes agreed that delays in the solicitation process are part of the problem. For future budgets, IID plans to complete all design work before the solicitation process and not budget for projects before the process is complete, which should reduce the chance of having a large amount of unspent budget at the FY end.

Micheal Cohen (Pacific Institute) asked if there is a formal trigger for the state to take responsibility for expenses beyond those covered by the \$73.7 million balance in the QSA JPA's portfolio now that the QSA JPA water agencies have satisfied their payment obligations.

CAO Schnell responded that a letter was sent to the CDFW in January 2022 to inform the agency that the QSA JPA anticipated that the Environmental Mitigation Cost Limitation of \$133 million (2003 \$) will be exceeded within two years from the date of the letter. That said, CAO Schnell noted that the QSA JPA is not projected to run out of money until FY 2031 assuming a 75% budget execution rate. Assuming a 100% budget execution rate, funds could run out by FY 2029. The QSA JPA is closely watching the cash flow and coordinating with the state for the future transition of responsibilities.

10. Information: Update on audit contract with Davis Farr, LLP (Chris Woidzik, SDCWA)

Mr. Woidzik also updated the Commission on the status of the QSA JPA audit contract award to Davis Farr, LLP, noting that only the completion of the contract remains. The new audit fee is \$10,090/year, a slight decrease from the last audit contract fee at approximately \$10,350/year. The decrease reflects an easier audit process going forward due to the responsiveness and accuracy of IID and Water Authority staff in managing QSA JPA funds as well as the end of member agency contributions. The term of the audit contract is three years with two one-year extension options.

IMPLEMENTATION CONTINUED

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

Ms. Humes provided an update on various mitigation measures:

Task 2 – QSA Implementation Team Biologist – IID recently filled a vacancy created in spring 2023 by a departing water conservation data tech. With the vacancy filled, the team is fully staffed.

Task 8 – Drain Habitat (Aquatic) – Managed Marsh Complex: An unexpected storm event on September 1 released heavy rain that pushed sediment into Phase 3 of the project. IID staff are on site reshaping furrows and removing sediment from inlet and outlet structures. Repair work is ongoing to damaged gates that delivered water to furrows on the site. Trees are being delivered in mid-October for planting around the end of October.

Task 15 – Pre-Construction Activity Burrowing Owl Surveys and Relocation: IID reported ongoing pre-construction inspections for operation and maintenance activities. IID staff are also doing inspections of emergency repair work from recent storm damage.

Task 18 – Desert Pupfish Abundance and Distribution Study: IID reported that staff completed all presence/absence surveys within IID drains at the south end of the Salton Sea. Staff is compiling field data from the surveys for a report to CDFW and U.S. Fish and Wildlife Service. IID also reported that two new IID environmental specialists are training with CDFW staff for pupfish surveying.

Task 24 – Salton Sea Air Quality Mitigation: IID started drilling for its Bombay Beach shallow groundwater wells, which work started for in July 2023. Some work is delayed due to the saturated soils from recent storms. Other efforts delayed by recent storms include IID's piezometer project and its 30-day pump test of Clubhouse shallow groundwater wells, which was rescheduled. The Bombay Beach vegetation enhancement project design is being completed along with preliminary wetland delineation and permit application. The cost for IID's vegetation project came back higher than what the state is paying for their vegetation project, so IID is planning to buy hay bales and handle some work internally to bring down the cost.

12. Adjournment

Before the meeting was adjourned, CAO Schnell informed meeting attendees that QSA JPA staff are working to schedule the next meeting date in January 2024.

The meeting was adjourned at 2:48 p.m.



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January 8, 2024

QSA Joint Powers Authority Commissioners
c/o Alexi Schnell, JPA Chief Administrative Officer
QSA Joint Powers Authority
San Diego County Water Authority
4677 Overland Avenue
San Diego, California 92123

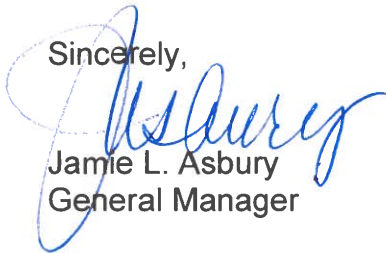
Subject: Imperial Irrigation District Commissioner Appointment

Dear QSA Joint Powers Authority Commissioners,

Effective immediately please designate myself, Jamie Asbury, as the alternate Imperial Irrigation District Commissioner representative to the Quantification Settlement Agreement Joint Powers Authority governing body to fill that vacant role. I can be reached at jasbury@iid.com or (760) 339-9477.

If you have any questions, please contact Tina Shields at (760)339-9038 or tlshields@iid.com.

Sincerely,



Jamie L. Asbury
General Manager

cc: Tanya Marshal, CDFW/QSA JPA Chair
Jim Barrett/Robert Cheng, CWWD
Dan Denham, SDCWA
Jeff Ferre, Best, Best and Krieger

QSA Joint Powers Authority Commissioners

C/O Alexandra Schnell, Chief Administrative Officer
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123

January 9, 2024

RE: Appointment of Alternate Commissioner

Dear QSA JPA Commissioners,

Effective immediately, the Water Authority has appointed Alexandra Schnell, Colorado River Program Manager, to the position of Alternate Commissioner of the Quantification Settlement Agreement Joint Powers Authority (QSA JPA). This appointment is consistent with the QSA JPA Creation and Funding Agreement.

Sincerely,



Dan Denham
General Manager

Cc: Tonya Marshall, California Department of Fish and Wildlife
Jim Barrett, Coachella Valley Water District
Tina Shields, Imperial Irrigation District
Jeff Ferre, Best Best & Krieger LLP



**QUANTIFICATION
SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
AUDIT RESULTS
FISCAL YEAR ENDED JUNE 30, 2023**

Audit Reports

2

- ❑ Basic Financial Statements
 - ❑ Unmodified opinion dated September 8, 2023
 - ❑ The financial statements and footnotes are presented fairly, in all material respects, in accordance with generally accepted accounting principles
- ❑ Communication to Those in Governance
- ❑ Government Auditing Standards Opinion

Audit Results

3

- ❑ Finance staff was prepared for the audit
- ❑ There were no journal entries detected as a result of audit procedures
- ❑ There were no material weaknesses or significant deficiencies in internal control

Area of Audit Focus

4

- Early pay off calculations and payments from IID for Fiscal Year 2023
- Early pay off calculations and payments from CVWD and SDCWA for Fiscal Year 2024 and noted as a subsequent event in the financial statements
- Evaluated any information technology agreements for applicability with GASB 96

Questions?

Shannon Ayala | Partner

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

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





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

We have audited the financial statements of the Quantification Settlement Agreement Joint Powers Authority (QSA JPA) as of and for the year ended June 30, 2023, and have issued our report thereon dated September 8, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 20, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of QSA JPA solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our letter dated March 7, 2023.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm have complied with all relevant ethical requirements regarding independence. The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence under the American Institute of Certified Public Accountants ("AICPA") independence standards, contained in the Code of Professional Conduct.

Significant Risks Identified

We have identified the following significant risks:

- GASB 96: Lease Implementation: We reviewed expenses to verify no Subscription Based IT Agreements exist as of June 30, 2023 and apply to GASB 96.
- Risk of errors in invoices paid to Imperial Irrigation District: We tested 67% of invoices paid to Imperial Irrigation District to ensure the mitigation expense account was recorded properly.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the QSA JPA is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimate of the fair value of investments.

Management's estimate of the fair value of investments is based on the valuation inputs consistent with the market used to measure the fair value of investments. We evaluated the key factors and assumptions used to develop the fair value measurement and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the QSA JPA's financial statements relate to the cash and investments disclosures.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no such misstatements noted.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the QSA JPA's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated September 8, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the QSA JPA, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the QSA JPA's auditors.

This report is intended solely for the information and use of the Board of Commissioners, and management of QSA JPA and is not intended to be and should not be used by anyone other than these specified parties.

DavisFarr LLP

Irvine, California
September 8, 2023

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
San Diego, California**

Basic Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
Fiscal Years Ended June 30, 2023 and 2022**

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the Quantification Settlement Agreement Joint Powers Authority (QSA JPA), as of and for the year June 30, 2023, and 2022, and the related notes to the financial statements, which collectively comprise the QSA JPA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the QSA JPA, as of June 30, 2023, and 2022, and the respective changes in financial position and the statement of revenues, expenditures and changes in fund balance and budget to actual statements of the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the QSA JPA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

QSA JPA's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the QSA JPA's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the QSA JPA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the QSA JPA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the QSA JPA's basic financial statements. The *Budget Status Report Expenditures* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The *Budget Status Report Expenditures* is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Budget Status Report Expenditures* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2023 on our consideration of the QSA JPA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the QSA JPA's internal control over financial reporting and compliance.

DavisFarr LLP

Irvine, California
September 8, 2023

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QUANTIFICATION SETTLEMENT AGREEMENT JOINT POWERS AUTHORITY
Management's Discussion and Analysis
(Unaudited)

This section of the financial statements presents a discussion and analysis of the financial performance of the Quantification Settlement Agreement Joint Powers Authority (QSA JPA) for the fiscal years ended June 30, 2023 and 2022. Please read it in conjunction with the QSA JPA basic financial statements, which follow this section.

Overview of the Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the finances of the QSA JPA. The QSA JPA's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

- The Statements of Net Position and Statements of Activities are *government-wide financial statements*, providing both long-term and short-term information about the QSA JPA's overall financial status.
- The Balance Sheets and Statements of Revenues, Expenditures, and Changes in Fund Balance are *governmental fund financial statements*, focusing on individual parts of the QSA JPA and reporting the QSA JPA's operations in more detail than the government-wide financial statements.
- The governmental fund Balance Sheets and the governmental fund Statements of Revenues, Expenditures, and Changes in Fund Balance also provide a reconciliation to facilitate the comparison between the governmental fund and governmental activities.

Reporting the QSA JPA as a Whole

The accompanying government-wide financial statements include two statements that present financial data for the QSA JPA as a whole, the Statements of Net Position and the Statements of Activities. These statements report all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All current fiscal year revenues and expenses are taken into account regardless of when cash is received or paid.

The Statements of Net Position present information on the QSA JPA's assets and liabilities with the difference between the two reported as net position. Over time, increases and decreases in the net position may serve as an indicator of whether the financial position of the QSA JPA is improving or deteriorating.

The Statements of Activities present information showing how the QSA JPA's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that only result in cash flows in future fiscal periods.

Reporting the Major Fund of the QSA JPA

The governmental fund financial statements provide detailed information about the General Fund of the QSA JPA. Some funds are required to be established by State law or bond covenants. All of the QSA JPA's basic services are reported in the General Fund, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The General Fund is reported using the modified accrual basis of accounting, which measures cash and all other current financial assets that can be readily converted to cash. The General Fund's financial statements provide a detailed short-term view of the QSA JPA's general government operations and the basic services provided. General Fund information helps determine the financial resources that can be spent in the near future to finance the QSA JPA's programs. The differences between governmental activities (reported in the Statements of Net Position and the Statements of Activities) and the General Fund are described in separate reconciliation statements following the General Fund's financial statements.

The Structure of the QSA JPA

The QSA JPA is comprised of four agencies whose primary purpose is to administer the environmental mitigation measures related to the “Agreement for the Transfer of Conserved Water by and between Imperial Irrigation District (IID) and San Diego County Water Authority (SDCWA)” and the “Agreement for Acquisition of Conserved Water by and between IID and Coachella Valley Water District (CVWD)”. The agency members of the QSA JPA are the California Department of Fish and Wildlife (State of California), CVWD, IID, and SDCWA.

Condensed Financial Information

**Quantification Settlement Agreement
Joint Powers Authority
Condensed Statements of Net Position
(In Millions)**

	June 30,		
	2023	2022	2021
Total assets	\$ 82.3	\$ 93.5	\$ 97.6
Total liabilities	2.0	1.5	2.0
Total net position	\$ 80.3	\$ 92.0	\$ 95.6

Fiscal Year 2023 Compared to Fiscal Year 2022

Total assets include cash and investments, mitigation contributions receivable, and interest receivable which includes accrued interest due from contributing agencies in relation to the QSA JPA Creation and Funding Agreement (the Agreement) for environmental mitigation contributions. At June 30, 2023, assets totaled \$82.3 million, a decrease of \$11.2 million or 12.0 percent when compared to the prior fiscal year. Total assets are lower than the prior fiscal year due to decreases in mitigation contributions receivable of \$21.7 million and interest receivable of \$30.9 million primarily due to IID paying off their outstanding balance of each amounting to \$48.5 million. The early payoff resulted in an immediate increase to cash and investments, but this was reduced through the payment of mitigation expenses, most notably a \$9.2 million payment to IID for the use of the Managed Marsh land from which mitigation efforts are underway. At June 30, 2023, the mitigation contributions receivable of \$6.4 million represents the net present value of mitigation receivables due from two of the member agencies in accordance with the Agreement. Refer to Note 3 for further information on the Agreement.

Total liabilities include accounts payable. At June 30, 2023, liabilities totaled \$2.0 million, an increase of \$0.5 million or 33.3 percent when compared to the prior fiscal year due to an increase in environmental mitigation expenses to be paid at the end of the fiscal year.

Net position is unrestricted and totaled \$80.3 million at June 30, 2023, a decrease of \$11.7 million or 12.7 percent from the prior fiscal year as a result of the above changes.

Fiscal Year 2022 Compared to Fiscal Year 2021

Total assets include cash and investments, mitigation contributions receivable, and interest receivable which includes any cumulative accrued interest not yet received from the contributing agencies in relation to the QSA JPA Creation and Funding Agreement (the Agreement) for environmental mitigation contributions. At June 30, 2022, assets totaled \$93.5 million, a decrease of \$4.1 million or 4.2 percent when compared to the prior fiscal year. Total assets are lower than the prior fiscal year primarily due to decreases from the following: \$6.6 million in cash and investments due to the payments for environmental mitigation requirements, and \$7.1 million in mitigation contributions receivable due to principal payments received from the member agencies, and \$0.2 million in interest receivable; and offset by an increase of \$9.8 million in cash and

investments due to \$10.9 million of member agencies mitigation contributions received and \$1.1 million of unrealized losses in the QSA JPA investments portfolio. (It should be noted that the QSA JPA has not realized losses on its investments as it holds securities until maturity and the market value reduction is due to interest rate changes.) At June 30, 2022, the mitigation contributions receivable of \$28.2 million represents the net present value of mitigation receivables from the member agencies in accordance with the Agreement. Refer to Note 3 for further information on the Agreement.

Total liabilities include accounts payable. At June 30, 2022, liabilities totaled \$1.5 million, a decrease of \$0.5 million or 25.0 percent when compared to the prior fiscal year due to a decrease in environmental mitigation expenses to be paid at the end of the fiscal year.

Net position is unrestricted and totaled \$92.0 million at June 30, 2022, a decrease of \$3.6 million or 3.8 percent from the prior fiscal year as a result of the above changes.

**Quantification Settlement Agreement
Joint Powers Authority
Condensed Statements of Activities
(In Millions)**

	June 30,		
	2023	2022	2021
Program expenses	\$ 15.0	\$ 6.1	\$ 9.4
Program revenues	<u>1.2</u>	<u>3.6</u>	<u>3.8</u>
Net program expenses	(13.8)	(2.5)	(5.6)
General revenues	<u>2.1</u>	<u>(1.1)</u>	<u>-</u>
Changes in net position	(11.7)	(3.6)	(5.6)
Net position - beginning of year	<u>92.0</u>	<u>95.6</u>	<u>101.2</u>
Net position - end of year	<u><u>\$ 80.3</u></u>	<u><u>\$ 92.0</u></u>	<u><u>\$ 95.6</u></u>

Fiscal Year 2023 Compared to Fiscal Year 2022

Program expenses include environmental mitigation and general operating expenses. For the year ended June 30, 2023, governmental activities expenses totaled \$15.0 million, an increase of \$8.9 million or 145.9 percent when compared to the prior fiscal year due to increases from the following tasks: \$9.2 million for the reimbursement to IID for appraised value of managed marsh land, \$0.3 million for funding the biologist team, and \$0.1 million for the tamarisk scrub habitat surveys and mitigation; and offset by decreases from the following tasks: \$0.6 million for the Salton Sea air quality monitoring, and \$0.1 million for the pupfish construction and maintenance conservation measures.

Program revenues include member contributions which totaled \$1.2 million for the year ended June 30, 2023, a decrease of \$2.4 million or 66.7 percent when compared to the prior fiscal year due to the timing of revenue received but in accordance with the approved member payments schedule.

Fiscal Year 2022 Compared to Fiscal Year 2021

Program expenses include environmental mitigation and general operating expenses. For the year ended June 30, 2022, governmental activities expenses totaled \$6.1 million, a decrease of \$3.3 million or 35.1 percent when compared to the prior fiscal year due to decreases from the following tasks: \$2.2 million for the managed marsh areas, \$0.9 million for the Salton Sea air quality monitoring, \$0.1 million for funding the biologist team, \$0.1 million for the desert pupfish abundance and distribution study, and \$0.1 million for the pupfish selenium drain studies; and offset by an increase from the following task: \$0.1 million for the pupfish construction and maintenance conservation measures.

Program revenues include member contributions which totaled \$3.6 million for the year ended June 30, 2022, a decrease of \$0.2 million or 5.3 percent when compared to the prior fiscal year due to the timing of revenue received but in accordance with the approved member payments schedule.

General Fund Budgetary Highlights

The QSA JPA Commission adopts an annual budget for the payment of environmental costs for QSA water transfer mitigation projects in the Imperial Valley. The annual budget provides revenues, generated from agency contributions and interest earnings, to meet anticipated fiscal year mitigation expenditures.

Fiscal year 2023 expenditures were \$10.4 million less than budget primarily due to the deferral of items under the Salton Sea air quality mitigation program and savings on the reimbursement cost to IID for use of managed marsh property.

Contacting the QSA JPA Financial Management

The QSA JPA financial report is designed to provide the QSA JPA's Board of Commissioners, creditors, and investors with a general overview of the QSA JPA's accountability for the financial resources it manages. If you have questions about this report or need additional financial information, contact the Finance Department at the San Diego County Water Authority, 4677 Overland Avenue, San Diego, California 92123 or via the website at <http://www.sdcwa.org>.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Cash and investments	\$ 75,325,625	\$ 35,265,108
Mitigation contributions receivable	6,417,747	28,198,988
Interest receivable	534,486	29,994,975
Total assets	82,277,858	93,459,071
Liabilities:		
Accounts payable	1,938,890	1,468,043
Net position:		
Unrestricted	\$ 80,338,968	\$ 91,991,028

See accompanying notes to the basic financial statements.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**STATEMENTS OF ACTIVITIES
FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Program Expenses		
Governmental Activities:		
Environmental mitigation	\$ 14,969,452	\$ 6,086,015
Program Revenues		
Governmental Activities:		
Operating grants and contributions:		
Mitigation contributions	<u>1,181,684</u>	<u>3,576,582</u>
Net program expenses	<u>(13,787,768)</u>	<u>(2,509,433)</u>
General Revenues		
Interest income (loss)	<u>2,135,708</u>	<u>(1,082,974)</u>
Changes in net position	(11,652,060)	(3,592,407)
Net position - beginning of year	<u>91,991,028</u>	<u>95,583,435</u>
Net position - end of year	<u><u>\$ 80,338,968</u></u>	<u><u>\$ 91,991,028</u></u>

See accompanying notes to the basic financial statements.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**BALANCE SHEETS
GENERAL FUND
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Cash and investments	\$ 75,325,625	\$ 35,265,108
Mitigation contributions receivable	6,417,747	28,198,988
Interest receivable	534,486	29,994,975
Total assets	\$ 82,277,858	\$ 93,459,071
Liabilities:		
Accounts payable	\$ 1,938,890	\$ 1,468,043
Deferred inflows of resources:		
Unavailable mitigation contributions	6,610,280	58,111,593
Fund balance:		
Unassigned	73,728,688	33,879,435
Total liabilities, deferred inflows of resources, and fund balance	\$ 82,277,858	\$ 93,459,071

See accompanying notes to the basic financial statements.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**RECONCILIATION OF THE BALANCE SHEETS OF THE GENERAL FUND
TO THE STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Fund balance of the General Fund	\$ 73,728,688	\$ 33,879,435
Amounts reported for governmental activities in the Statements of Net Position are different because:		
The General Fund does not report revenues that are not available to pay for current period expenditures.	<u>6,610,280</u>	<u>58,111,593</u>
Net position of governmental activities	<u><u>\$ 80,338,968</u></u>	<u><u>\$ 91,991,028</u></u>

See accompanying notes to the basic financial statements.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Revenues:		
Interest income (loss)	\$ 2,135,708	\$ (1,082,974)
Mitigation contributions	<u>52,682,997</u>	<u>10,884,302</u>
Total revenues	<u>54,818,705</u>	<u>9,801,328</u>
Expenditures:		
Environmental mitigation	<u>14,969,452</u>	<u>6,086,015</u>
Net changes in fund balance	39,849,253	3,715,313
Fund balance - beginning of year	<u>33,879,435</u>	<u>30,164,122</u>
Fund balance - end of year	<u>\$ 73,728,688</u>	<u>\$ 33,879,435</u>

See accompanying notes to the basic financial statements.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF THE GENERAL FUND TO THE STATEMENTS OF ACTIVITIES
FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
Net changes in fund balance	\$ 39,849,253	\$ 3,715,313
<p>Amounts reported for governmental activities in the Statements of Activities are different because:</p>		
Revenues that are not available to liquidate liabilities of the current period that were not previously recognized in the General Fund, but were recognized in the Statements of Activities in prior years.	(51,501,313)	(7,307,720)
Changes in net position of governmental activities	\$ (11,652,060)	\$ (3,592,407)

See accompanying notes to the basic financial statements.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Amended Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues			
Interest income (loss)	\$ 245,000	\$ 2,135,708	\$ 1,890,708
Mitigation contributions	52,682,997	52,682,997	-
Total revenues	<u>52,927,997</u>	<u>54,818,705</u>	<u>1,890,708</u>
Expenditures			
Current:			
Environmental mitigation	25,067,528	14,969,452	10,098,076
Net change in fund balance	27,860,469	39,849,253	11,988,784
Fund balance - beginning of year	<u>33,879,435</u>	<u>33,879,435</u>	<u>-</u>
Fund balance - end of year	<u>\$ 61,739,904</u>	<u>\$ 73,728,688</u>	<u>\$ 11,988,784</u>

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Adopted Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues			
Interest income	\$ 95,200	\$ (1,082,974)	\$ (1,178,174)
Mitigation contributions	10,884,302	10,884,302	-
Total revenues	<u>10,979,502</u>	<u>9,801,328</u>	<u>(1,178,174)</u>
Expenditures			
Current:			
Environmental mitigation	11,698,380	6,086,015	5,612,365
Net change in fund balance	(718,878)	3,715,313	4,434,191
Fund balance - beginning of year	<u>30,164,122</u>	<u>30,164,122</u>	<u>-</u>
Fund balance - end of year	<u>\$ 29,445,244</u>	<u>\$ 33,879,435</u>	<u>\$ 4,434,191</u>

See accompanying notes to the basic financial statements.

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**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**Notes to the Basic Financial Statements
Fiscal Years Ended June 30, 2023 and 2022**

Note 1: Nature of Business and Significant Accounting Policies

Nature of Entity

The Quantification Settlement Agreement Joint Powers Authority (QSA JPA) was organized on January 1, 2004, under the California Joint Powers Act (the Act) for the primary purpose of paying for environmental mitigation requirements and environmental mitigation costs by and through the collection, investing, and disbursement of funds. The QSA JPA consists of four agencies, each with one representative on the QSA JPA's Board of Commissioners (the Board). The member agencies are the California Department of Fish and Wildlife (State of California), the Imperial Irrigation District (IID), the Coachella Valley Water District (CVWD), and the San Diego County Water Authority (SDCWA).

On October 10, 2003, the IID, CVWD, and Metropolitan Water District of Southern California executed the Quantification Settlement Agreement (QSA) which settled a variety of long-standing Colorado River disputes regarding the priority, use, and transfer of Colorado River water; established the terms for the further distribution of Colorado River water among those entities for a period of time based upon budgets; and included as a necessary component thereof the implementation of the 1998 IID/SDCWA Transfer Agreement and the IID/CVWD Acquisition Agreement.

Basis of Accounting

The *basic financial statements* of the QSA JPA are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

Government-wide financial statements display information about the reporting governmental entity as a whole. Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board (GASB).

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**Notes to the Basic Financial Statements (Continued)
Fiscal Years Ended June 30, 2023 and 2022**

Note 1: Nature of Business and Significant Accounting Policies (Continued)

Government-wide Financial Statements (Continued)

In the government-wide financial statements, Net Position is categorized as unrestricted because the net position does not meet the definition of Net Investment in Capital Assets or Restricted Net Position.

Direct expenses reported include environmental mitigation. Program revenues include revenues derived from environmental mitigation contributions from member agencies. Governmental fund revenues represented by noncurrent receivables are recognized as revenues in the government-wide financial statements.

Fund Financial Statements

The underlying accounting system of the QSA JPA is organized and operated on the basis of a separate fund that has a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures, as appropriate. Financial statements for the General Fund are presented after the government-wide financial statements.

Governmental Fund – General Fund

In the General Fund financial statements, Fund Balance is categorized as unassigned because the amount does not meet the definition of non-spendable, restricted, committed, or assigned fund balance.

In the fund financial statements, the General Fund is presented using the *modified-accrual basis of accounting*. Revenues are recognized when they become *measurable* and *available*, provided they are received within 60 days from the end of the fiscal year.

Revenue recognition is subject to the *measurable* and *availability* criteria for the General Fund in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (for example, the related goods or services are provided).

In the General Fund financial statements, amounts are recorded using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of available spendable resources. Governmental fund operating statements present increases (revenues) and decreases (expenditures) in fund balance. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**Notes to the Basic Financial Statements (Continued)
Fiscal Years Ended June 30, 2023 and 2022**

Note 1: Nature of Business and Significant Accounting Policies (Continued)

Governmental Fund – General Fund (Continued)

Noncurrent portions of long-term receivables are reported in the General Fund financial statements in spite of their spending measurement focus. However, the noncurrent portions of long-term receivables are not considered available spendable resources since they do not represent net current assets. Governmental fund revenues represented by noncurrent receivables are not recognized and are reported as deferred inflows of resources in the General Fund until they become current receivables.

In addition to liabilities, the General Fund financial statements reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The QSA JPA has unavailable mitigation contributions that qualifies for reporting in this category.

Due to the spending measurement focus, expenditure recognition for the General Fund excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as expenditures or fund liabilities.

Environmental Mitigation Contributions

The principal portion of the QSA JPA's revenues are environmental mitigation contributions received from the member agencies. The costs for environmental mitigation requirements up to and not to exceed a present value of \$133,000,000 are required to be paid by the IID, CVWD, and SDCWA with the balance of the expenditures above the present value of \$133,000,000 to be paid by the State of California. GASB Statement No. 33 requires the entire \$133,000,000 to be recorded as a receivable when all eligibility requirements have been met (for example, funding is not dependent upon certain future events). In the fund financial statements, the unavailable revenue was originally recorded as the same amount because the revenue does not represent available spendable resources and this amount has been reduced as the members have made their contributions.

Budgets and Budgetary Accounting

Annual budgets adopted by the Board provide for operations of the QSA JPA. Budgetary controls are set by the Board. The legally adopted budget requires that expenditures not exceed appropriations in total for the QSA JPA. The Board may make appropriation adjustments to the budget during the year as deemed necessary.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**Notes to the Basic Financial Statements (Continued)
Fiscal Years Ended June 30, 2023 and 2022**

Note 2: Cash and Investments

The carrying value of cash and investments held by the QSA JPA as of June 30 consisted of the following:

	2023	2022
Deposits	\$ 10,132	\$ 10,452
Investments	75,315,493	35,254,656
Total cash and investments	\$ 75,325,625	\$ 35,265,108

Investments Authorized by the California Government Code and Investment Policy

The QSA JPA uses the investment policy of the SDCWA for purposes of investments. The following table identifies the investment types that are authorized for the QSA JPA by the California Government Code (Gov't Code), Sections 53600 et seq, and the QSA JPA's Investment Policy (Inv. Policy). The table also identifies certain provisions of the California Government Code (or the QSA JPA's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Investment Types	Maximum Maturity		Maximum Percentage of Portfolio		Maximum Investment in One Issuer		Minimum Rating	
	Gov't. Code	Inv. Policy	Gov't. Code	Inv. Policy	Gov't. Code	Inv. Policy	Gov't. Code	Inv. Policy
Municipal securities	None	None	None	30%	None	5%	None	A
U.S. Treasury securities	None	None	None	None	None	None	None	None
Federal agency securities	None	None	None	None	None	None	None	None
Bankers' acceptances	180 days	180 days	40%	40%	30%	5%	None	A-1
Commercial paper	270 days	270 days	40% ⁽¹⁾	30%	10% ⁽²⁾	5%	A-1	A-1
Non-negotiable certificates of deposit	5 years	5 years	None	30% ⁽³⁾	None	None	None	None
Placement service deposits	5 years	5 years	50%	30% ⁽³⁾	None	None	None	None
Negotiable certificates of deposit	5 years	5 years	30%	30% ⁽³⁾	None	5%	None	A-1 or A
Repurchase agreements	1 year	1 year	None	20%	None	None	None	A
Medium-term notes	5 years	5 years	30%	30%	10% ⁽²⁾	5%	A	A
Mutual funds	n/a	n/a	20%	20%	10%	10%	AAA ⁽⁴⁾	AAA ⁽⁴⁾
Money market mutual funds	n/a	n/a	20%	20%	None	20%	AAA ⁽⁴⁾	AAA ⁽⁴⁾
Mortgage pass-through and asset backed securities ⁽⁵⁾	5 years	5 years	20%	20%	None	5%	AA	AA
County pooled investment funds	n/a	⁽⁶⁾	None	⁽⁶⁾	None	⁽⁶⁾	None	⁽⁶⁾
JPA pools (other investment pools)	n/a	n/a	None	25%	None	None	None	AAA
Supranationals	5 years	5 years	30%	15%	None	5%	AA	AA
Local agency investment fund (LAIF)	n/a	n/a	None	⁽⁷⁾	None	None	None	None

Notes:

⁽¹⁾ SB 998, until January 1, 2026, allows for a maximum of 40% of the portfolio to be invested in eligible commercial paper for local agencies that have more than \$100 million in assets under management.

⁽²⁾ The combined maximum portfolio exposure to the commercial paper and medium-term notes of any single issuer is 10% per Govt. Code Section 53601(h)(k).

⁽³⁾ The combined investment policy maximum portfolio exposure to certificates of deposit, placement service certificates of deposit and negotiable certificates of deposit is 30%.

⁽⁴⁾ A mutual fund and a money market mutual fund must receive the highest ranking by not less than two Nationally Recognized Statistical Rating Organizations authorized by Govt. Code Sections 53601 and 53635.

⁽⁵⁾ Limitations in this section apply to securities not issued by the U.S. Treasury or Federal Agencies.

⁽⁶⁾ These investments are not authorized by the investment policy.

⁽⁷⁾ The investment policy's maximum investment amount is the maximum permitted by LAIF.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**Notes to the Basic Financial Statements (Continued)
Fiscal Years Ended June 30, 2023 and 2022**

Note 2: Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk where changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates. One of the ways that the QSA JPA manages its exposure to interest rate risk is by investing in LAIF to provide the liquidity needed for operations.

Information about the sensitivity of the fair values of the QSA JPA's investments to market interest rate fluctuations is provided by the following tables that show the distribution of the QSA JPA's investments by terms to maturity as of June 30, 2023 and 2022, respectively.

Investment Type	June 30, 2023	Maturities in Years		
		Less than 1	1-3	4-5
U.S. Treasury securities	\$ 25,862,903	\$ 15,992,420	\$ 8,261,626	\$ 1,608,857
Federal agency securities	23,062,067	9,331,697	13,730,370	-
Medium-term notes	10,058,406	486,029	9,368,487	203,890
CAMP JPA pools	8,624,664	8,624,664	-	-
LAIF	4,310,615	4,310,615	-	-
Asset backed securities	1,439,708	-	955,421	484,287
Commercial Paper	980,005	980,005	-	-
Supranationals	955,330	-	955,330	-
Money market mutual funds	21,795	21,795	-	-
Total	\$ 75,315,493	\$ 39,747,225	\$ 33,271,234	\$ 2,297,034

Investment Type	June 30, 2022	Maturities in Years		
		Less than 1	1-3	4-5
LAIF	\$ 14,200,199	\$ 14,200,199	\$ -	\$ -
U.S. Treasury securities	9,406,937	3,401,505	2,804,225	3,201,207
Federal agency securities	5,936,833	1,476,583	2,390,795	2,069,455
Medium-term notes	3,881,329	1,125,780	1,819,283	936,266
Supranationals	1,213,102	244,698	233,523	734,881
Commercial Paper	394,759	394,759	-	-
Asset backed securities	120,281	-	120,281	-
CAMP JPA pool	60,063	60,063	-	-
Money market mutual funds	41,153	41,153	-	-
Total	\$ 35,254,656	\$ 20,944,740	\$ 7,368,107	\$ 6,941,809

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**Notes to the Basic Financial Statements (Continued)
Fiscal Years Ended June 30, 2023 and 2022**

Note 2: Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the following tables, is the minimum rating required (where applicable) by the Gov't. Code or the Inv. Policy, and the actual rating for each issuer as of June 30, 2023 and 2022, respectively.

Investment Type	June 30, 2023	Minimum Rating	Exempt from Disclosure	Rating as of Fiscal Year Ended June 30, 2023			
				AAA	AA	A/A-1	Not Rated
U.S. Treasury Securities	\$ 25,862,903	n/a	\$ 25,862,903	\$ -	\$ -	\$ -	\$ -
Federal agency Securities	23,062,067	n/a	-	-	22,329,137	732,930	-
Medium-term notes	10,058,406	A	-	1,061,586	945,470	8,051,350	-
CAMP JPA Pools	8,624,664	AAAm	-	8,624,664	-	-	-
LAIF	4,310,615	n/a	-	-	-	-	4,310,615
Asset backed Securities	1,439,708	AA	-	1,439,708	-	-	-
Commercial Paper	980,005	A-1	-	-	-	980,005	-
Supranationals	955,330	AA	-	955,330	-	-	-
Money markets mutual funds	21,795	AAAm	-	21,795	-	-	-
Total	\$ 75,315,493		\$ 25,862,903	\$ 12,103,083	\$ 23,274,607	\$ 9,764,285	\$ 4,310,615

Investment Type	June 30, 2022	Minimum Rating	Exempt from Disclosure	Rating as of Fiscal Year Ended June 30, 2022			
				AAA	AA	A/A-1	Not Rated
LAIF	\$ 14,200,199	n/a	\$ -	\$ -	\$ -	\$ -	\$ 14,200,199
U.S. Treasury securities	9,406,937	n/a	9,406,937	-	-	-	-
Federal agency securities	5,936,833	n/a	-	-	5,936,833	-	-
Medium-term notes	3,881,329	A	-	343,505	601,795	2,936,029	-
Supranationals	1,213,102	AA	-	1,213,102	-	-	-
Commercial Paper	394,759	A-1	-	-	-	394,759	-
Asset backed securities	120,281	AA	-	120,281	-	-	-
CAMP JPA Pools	60,063	AAAm	-	60,063	-	-	-
Money market mutual funds	41,153	AAAm	-	41,153	-	-	-
Total	\$ 35,254,656		\$ 9,406,937	\$ 1,778,104	\$ 6,538,628	\$ 3,330,788	\$ 14,200,199

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**Notes to the Basic Financial Statements (Continued)
Fiscal Years Ended June 30, 2023 and 2022**

Note 2: Cash and Investments (Continued)

Concentration of Credit Risk

For the fiscal years ended, June 30, 2023 and 2022, investments in any one issuer that represents five percent or more of investments (other than U.S. Treasury securities, money market mutual funds, and external investment pools, which are all exempt) are as follows:

		June 30, 2023	
Issuer	Investment Type	Reported Amount	% of Total Investments
Federal Home Loan Bank	Federal agency securities	\$ 12,984,786	20.8%
Federal Farm Credit Bank	Federal agency securities	5,652,483	9.1%

		June 30, 2022	
Issuer	Investment Type	Reported Amount	% of Total Investments
Federal Home Loan Mtg. Corp.	Federal agency securities	\$ 2,607,373	7.0%
Federal National Mtg. Assn.	Federal agency securities	2,338,298	7.0%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (for example, broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Gov't. Code and the Inv. Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the Gov't. Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure QSA JPA deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**Notes to the Basic Financial Statements (Continued)
Fiscal Years Ended June 30, 2023 and 2022**

Note 2: Cash and Investments (Continued)

Fair Value Measurement

The QSA JPA categorizes certain assets and liabilities within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of investments. The three levels of the fair value hierarchy are as follows:

LEVEL 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities. As of June 30, 2023 and 2022, there are no Level 1 investments.

LEVEL 2: Inputs are significant other observable inputs for the asset or liability.

LEVEL 3: Inputs are significant unobservable inputs for the asset or liability. As of June 30, 2023 and 2022, there are no Level 3 investments.

The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured as an exit price for financial investments.

The QSA JPA utilizes valuation techniques consistent with market, cost, or income approaches to determine fair value. The most appropriate technique is utilized to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments in CAMP JPA Pool and LAIF are not subject to fair value categorization. The following is a summary of the QSA JPA investments based on the method for measuring value as of June 30, 2023 and 2022:

	Significant Other Observable Inputs (Level 2)	
	June 30, 2023	June 30, 2022
Investments by fair value level		
U.S. Treasury securities	\$ 25,862,903	\$ 9,406,937
Federal agency securities	23,062,067	5,936,833
Medium-term notes	10,058,406	3,881,329
Asset backed securities	1,439,708	120,281
Commercial Paper	980,005	394,759
Supranationals	955,330	1,213,102
Total investments by fair value level	\$ 62,358,419	\$ 20,953,241
Investments measured at cost		
CAMP JPA Pool ⁽¹⁾	8,624,664	60,063
LAIF ⁽²⁾	4,310,615	14,200,199
Money market mutual funds ⁽³⁾	21,795	41,153
Total investments measured at cost	12,957,074	14,301,415
Total investments	\$ 75,315,493	\$ 35,254,656

Notes:

⁽¹⁾ Measured at amortized cost.

⁽²⁾ Reported based on the pro-rata share of the fair value provided by LAIF for their entire portfolio.

⁽³⁾ Reported as a stable one-dollar value per share.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**Notes to the Basic Financial Statements (Continued)
Fiscal Years Ended June 30, 2023 and 2022**

Note 2: Cash and Investments (Continued)

Investments in State Investment Pool

The QSA JPA is a voluntary participant in the LAIF that is regulated by Gov't Code Section 16429.1 under the oversight of the Treasurer of the State of California. Fair value of the QSA JPA's investment in the pool is reported in the accompanying financial statements at amounts based upon the QSA JPA's pro-rata share of the fair value provided by LAIF for their entire portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investments in CAMP JPA Pool

The QSA JPA is a voluntary participant in the California Asset Management Program (CAMP), a California Joint Powers Authority that falls under Gov't Code Section 53601(p), which is directed by a Board of Trustees that is made up of experienced local government finance directors and treasurers. The investments are recorded on an amortized cost basis.

Note 3: Mitigation Contributions Receivable

The QSA JPA administers the funding of environmental mitigation requirements related to IID's transfer with the SDCWA and a water acquisition agreement with the CVWD. The QSA JPA was formed pursuant to the QSA JPA Creation and Funding Agreement (the Agreement) executed on October 10, 2003, and is comprised of representatives from the IID, CVWD, SDCWA, and the State of California. Under the Agreement, the collective financial contributions made by the three water agencies are capped at \$133 million (in 2003 dollars), with the balance to be paid by the State of California.

As a means of managing cash-flow requirements for mitigation activities, the Agreement permits the three water agencies to adjust their payment schedules by rescheduling future payments from outer years to budget years in the near term. Advanced payments are discounted at six percent from the date of the scheduled payment to the date of the advance. Payment schedules have been modified twice to meet the environmental mitigation funding obligations of the QSA JPA. On April 25, 2007, the QSA JPA agencies executed an agreement to advance payments during fiscal years 2008 and 2009 totaling \$13,194,508, with a collective nominal credit of \$25,792,750 against future contributions. On May 20, 2015, the IID, CVWD, and SDCWA executed an agreement to advance payments during fiscal years 2016-2022 totaling \$40,500,000, with a collective nominal credit of \$127,341,394 against future contributions.

In September 2022, IID completed an early payoff of \$48,458,655 for its remaining QSA JPA environmental mitigation contributions, consistent with the advance funding provision.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**Notes to the Basic Financial Statements (Continued)
Fiscal Years Ended June 30, 2023 and 2022**

Note 3: Mitigation Contributions Receivable (Continued)

As of June 30, 2023 and 2022, the total mitigation contributions receivable balance was as follows:

	Final Contributions Fiscal Year	2023	2022
	IID	2023	\$ -
CVWD	2026	3,187,971	5,561,053
SDCWA	2026	3,229,776	4,478,654
Total		<u>\$ 6,417,747</u>	<u>\$ 28,198,988</u>

Note 4: Interest Receivable

Interest receivable consists of the following items: (1) accrued interest due from LAIF and BNY, (2) accrued interest for the six month period of January through June due from the contributing member agencies related to their annual mitigation contribution payments due on December 31, and (3) cumulative unpaid accrued interest receivable due from IID. Refer to Note 3 for further information on the Agreement.

As of June 30, 2023 and 2022, the total interest receivable balance was as follows:

	2023	2022
(1) Accrued interest due from LAIF and BNY	\$ 341,953	\$ 82,370
(2) Accrued interest due from member agencies	192,533	1,692,571
(3) Cumulative unpaid accrued interest due from IID	-	28,220,034
Total	<u>\$ 534,486</u>	<u>\$ 29,994,975</u>

Note 5: Deferred Inflows of Resources

The unavailable mitigation contributions are directly related to the mitigation contributions receivable and consists of the total outstanding principal balance of \$6,417,747 and \$28,198,988 at June 30, 2023 and 2022, respectively, plus interest receivable on unpaid member balances of \$192,533 and \$29,912,605 at June 30, 2023 and 2022, respectively, for a total unavailable mitigation contributions balance of \$6,610,280 and \$58,111,593 at June 30, 2023 and 2022, respectively.

Note 6: Insurance

The QSA JPA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted workers; and natural disasters. The QSA JPA is insured through the IID, which performs all of the work related to the Joint Powers Agreement. The QSA JPA reimburses IID for any costs incurred as a result of QSA JPA activities.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**Notes to the Basic Financial Statements (Continued)
Fiscal Years Ended June 30, 2023 and 2022**

Note 7: Commitments and Contingencies

The QSA JPA may be subject to lawsuits and claims arising out of the normal course of business. As of the date of this disclosure, and to the QSA JPA's actual knowledge, there are no lawsuits or claims currently pending against the QSA JPA. By way of background, in December 2011, the Court of Appeal upheld the QSA JPA Agreement. (*Quantification Settlement Agreement Cases* (2011) 201 Cal.App.4th 758.). In May 2015, all remaining legal challenges affecting the QSA JPA were dismissed (*Quantification Settlement Agreement Cases* (2015) 237 Cal. App. 4th 72.).

Note 8: Subsequent Events

In July 2023, CVWD and SDCWA completed an early payoff of their remaining funding commitments to the QSA JPA consistent with the Agreement in the amounts of \$3,285,204 and \$3,328,284, respectively.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**SUPPLEMENTARY INFORMATION - BUDGET STATUS REPORT EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2023**

No.	Mitigation Tasks	Amended FY 2023 Budget	Total Expenditures	Variance
1	QSA Implementation Team	\$ -	\$ -	\$ -
2	QSA Implementation Team Biologists	1,197,060	1,243,889	(46,829)
3	Environmental Reporting and Monitoring	560	-	560
4	Salton Sea Salinity and Elevation Program	8,000	5,128	2,872
5	Salton Sea Mitigation Water to Salton Sea	-	-	-
6	Tamarisk Scrub Habitat - Surveys and Mitigation	74,920	62,816	12,104
7	Drain Habitat - Initial Vegetation and Habitat Surveys	-	-	-
8	Drain Habitat (Aquatic) - Create/Manage/Monitor "Managed Marsh" Areas	564,080	360,101	203,979
8A	Reimbursement to IID for Appraised Value of Managed Marsh Land	9,685,748	9,182,030	503,718
8B	Reimbursement to IID for Third-Party Appraiser	2,500	2,500	-
9	Drain Habitat Restrictions/Requirements for Construction and Maintenance	-	-	-
10/10A	Worker Education Program Covered Species Training and Manual	-	-	-
11	Desert Habitat Survey and Mapping of Right of Way	-	-	-
12	Desert Habitat Create/Maintain Desert Habitat	-	-	-
13	Changes to Operations on IID Canals to Avoid Covered Species	-	-	-
14	Burrowing Owl Worker Annual Education and Manual	-	-	-
15	Pre-Construction Activity Burrowing Owl Surveys and Relocation	3,390	135	3,255
16	Burrowing Owl Relative Abundance and Distribution Surveys	-	2,762	(2,762)
17	Farmer and Public Education Program	7,600	5,646	1,954
18	Desert Pupfish Abundance and Distribution Study	6,750	9,238	(2,488)
19/19A	Pupfish Selenium Drain Studies	317,310	90,053	227,257
20	Pupfish Construction and Maintenance Conservation Measures	257,500	4,722	252,778
21	Salvage of Razorback Suckers when Dewatering Canals	-	-	-
22	Maintain Habitat on Fallowed Parcels	-	-	-
23	Covered Species Baseline and Monitoring Surveys	-	-	-
24	Salton Sea Air Quality	12,822,120	3,957,503	8,864,617
25	Minimize Dust Emissions from Fallowed Lands	-	-	-
26	Drain Connectivity to Salton Sea Elevation Decrease	-	-	-
27	Grade Spoil/Roads from Drain Maintenance	-	-	-
28	Power Line Markers for Pumpback and Seepage Recovery Systems	-	-	-
29	Prepare and Implement Management Plan for Abandoned Portions of AAC	-	-	-
30	Southwestern Willow Flycatcher Surveys and Habitat Monitoring	-	-	-
31	Elf Owl Surveys	-	-	-
32	Desert Tortoise Survey and Avoidance	-	-	-
33	Least Tern Surveys	-	-	-
34	Rail and Bittern Surveys	-	-	-
35	Management and Planning	-	-	-
36	JPA Audit Fees	10,770	10,770	-
37	JPA Bank Fees	3,090	1,855	1,235
38	Financial Advisor	16,000	16,117	(117)
39	Bond Counsel Fees	-	-	-
40	2001 Biological Opinion Measures	-	-	-
41	Brown Pelican Coast	-	-	-
42	Brown Pelican Sea	55,920	-	55,920
43	Salton Sea Shoreline Strand Study	-	-	-
44	Pupfish Refugium	32,890	14,187	18,703
45	Recreation Facilities at Salton Sea	-	-	-
46	QSA JPA Website Maintenance Services	1,320	-	1,320
Total Expenditures		\$ 25,067,528	\$ 14,969,452	\$ 10,098,076



Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

Independent Auditor's Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Quantification Settlement Agreement Joint Powers Authority (QSA JPA), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise QSA JPA's basic financial statements, and have issued our report thereon dated September 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the QSA JPA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the QSA JPA's internal control. Accordingly, we do not express an opinion on the effectiveness of QSA JPA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether QSA JPA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DavisFarrLLP

Irvine, California
September 8, 2023

Quantification Settlement Agreement JPA

Period Ending December 31, 2023

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com



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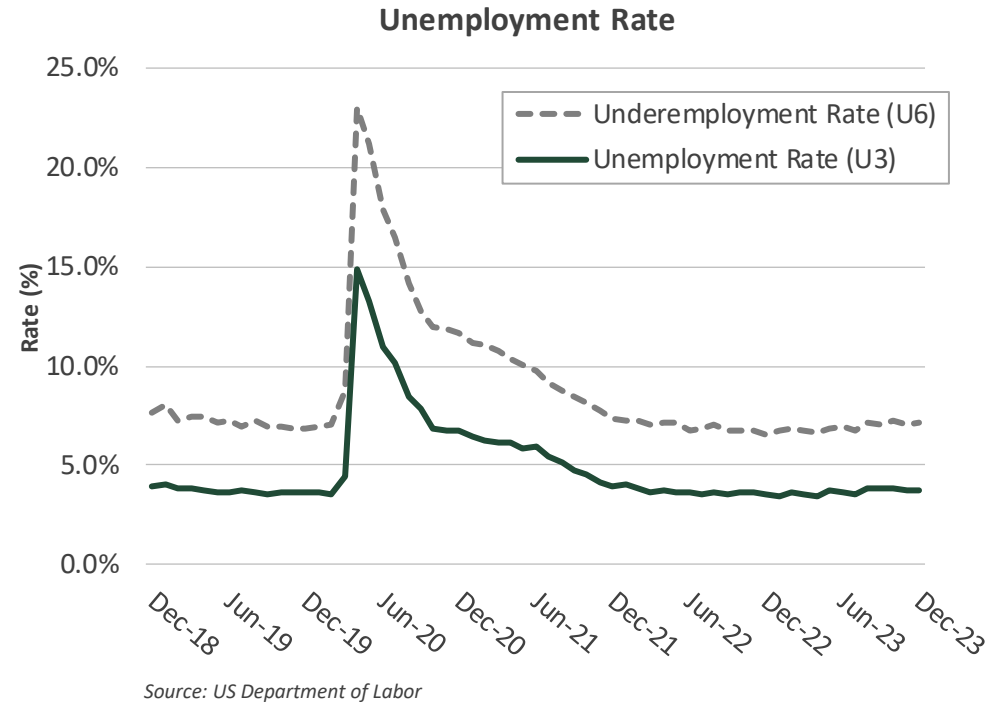
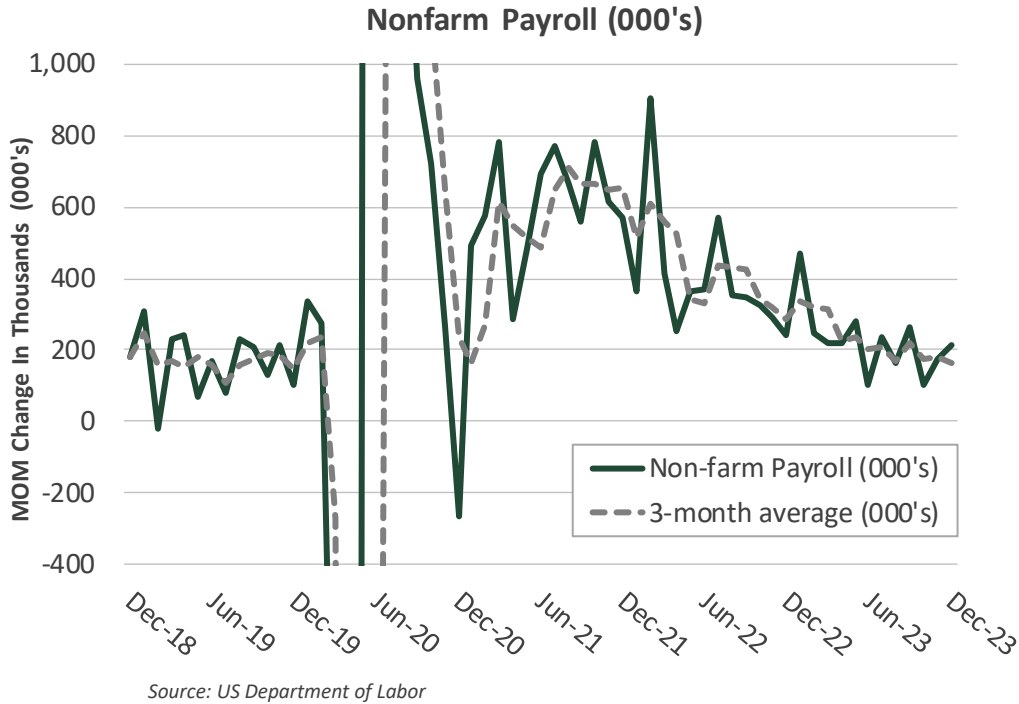
SECTION 1	Economic Update
SECTION 2	Account Profile
SECTION 3	Consolidated Information
SECTION 4	Portfolio Holdings
SECTION 5	Transactions

Section 1 | Economic Update

Economic Update

- Recent economic data has shown above trend growth fueled by a rise in consumer spending and a continuing healthy US job market. Inflationary trends are subsiding, but core levels remain above the Fed's target. Given the cumulative effects of restrictive monetary policy and tighter financial conditions, we believe the economy will gradually soften and the Fed will loosen monetary policy in 2024.
- As expected at the December meeting, the Federal Open Market Committee voted unanimously to leave the Federal Funds rate unchanged at a target range of 5.25 - 5.50%. Fed Chair Powell signaled that the federal funds rate is likely at or near its peak. The new Summary of Economic Projections reflected Core PCE inflation reaching the target 2% level in 2026 without a significant increase in unemployment. We believe the FOMC will loosen monetary policy in mid-2024 as inflation and economic growth continue to moderate.
- US Treasury rates fell steeply across the yield curve in December on decelerating inflation readings and a more dovish Federal Reserve outlook. The 2-year Treasury yield declined 43 basis points to 4.25%, the 5-year Treasury yield dropped 42 basis points to 3.85%, and the 10-year Treasury yield decreased 45 basis points to 3.88%. The inversion between the 2-year Treasury yield and 10-year Treasury yield widened to -37 basis points at December month-end versus -35 basis points at November month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was -55 basis points. The inversion between 3-month and 10-year Treasuries widened to -146 basis points in December from -107 basis points in November. Interest rates peaked in 2023 followed by the Fed's dovish pivot late in the year, resulting in a decline in yields across the curve and signaling less restrictive monetary policy in 2024. The shape of the yield curve indicates that the probability of recession persists.

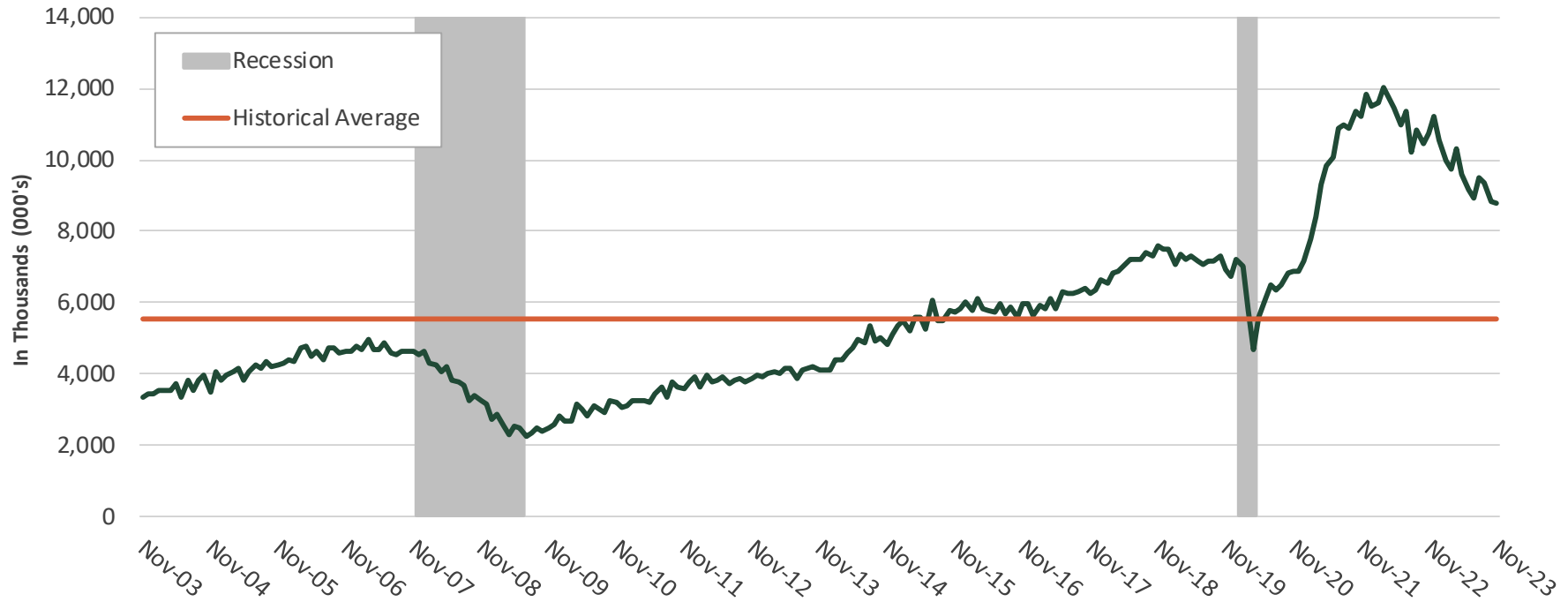
Employment



The U.S. economy added 216,000 jobs in December, exceeding consensus expectations of 175,000, and the last two months were revised down by 71,000 jobs. Leading sectors included government, leisure, hospitality, and healthcare. The trajectory of job creation is gradually moderating, with the three-month moving average payrolls at 165,000 and the six-month moving average at 193,000. The unemployment rate remained unchanged at 3.7%, and the labor participation rate decreased to 62.5% from 62.8%, falling well below the pre-pandemic level of 63.3%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons rose to 7.1% from 7.0% last month. Average hourly earnings rose 4.1% year-over-year in December, increasing from a 4.0% gain last month. Employment remains strong by historical standards, but data are trending toward a less robust labor market outlook.

Job Openings & Labor Turnover Survey

Job Openings

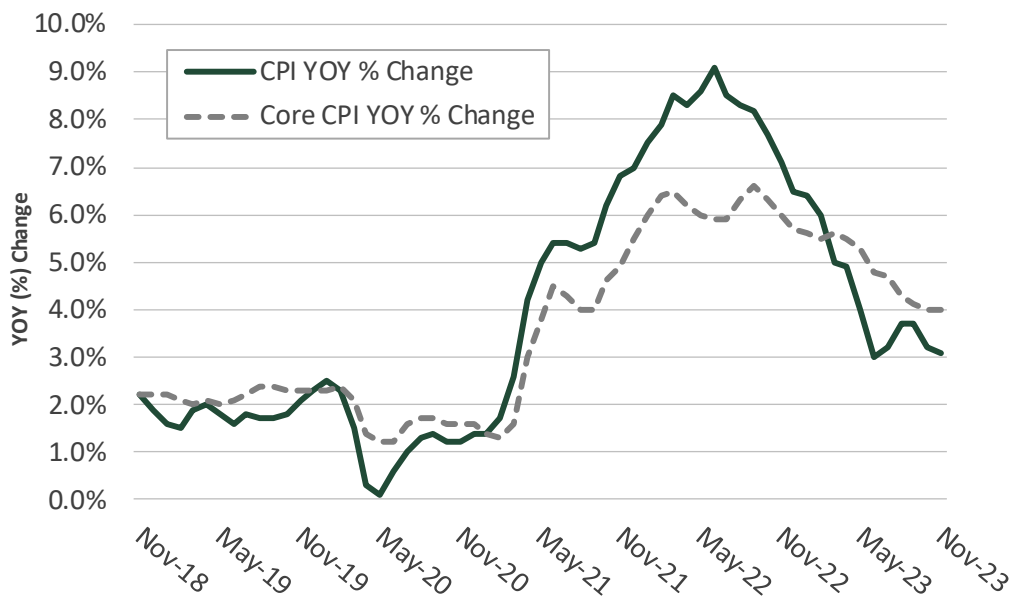


Source: US Department of Labor

The Labor Department's Job Openings and Labor Turnover Survey (JOLTS) dipped to 8.79 million in November, compared to an upwardly revised 8.85 million for October. While on a downward trend, job openings still represent a healthy ratio of around 1.4 jobs for each unemployed individual. The quits rate declined to 2.2%, hovering around pre-pandemic levels, down from its high of 3.0% in mid-2022 when labor demand far outstripped supply. While the current level of job openings remains elevated from a historical perspective, the trend is decelerating.

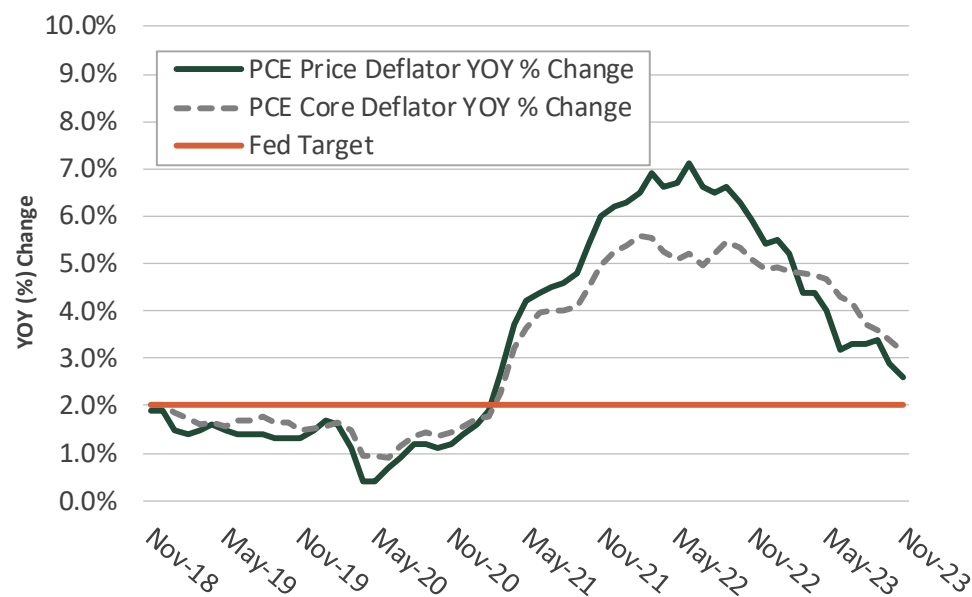
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)

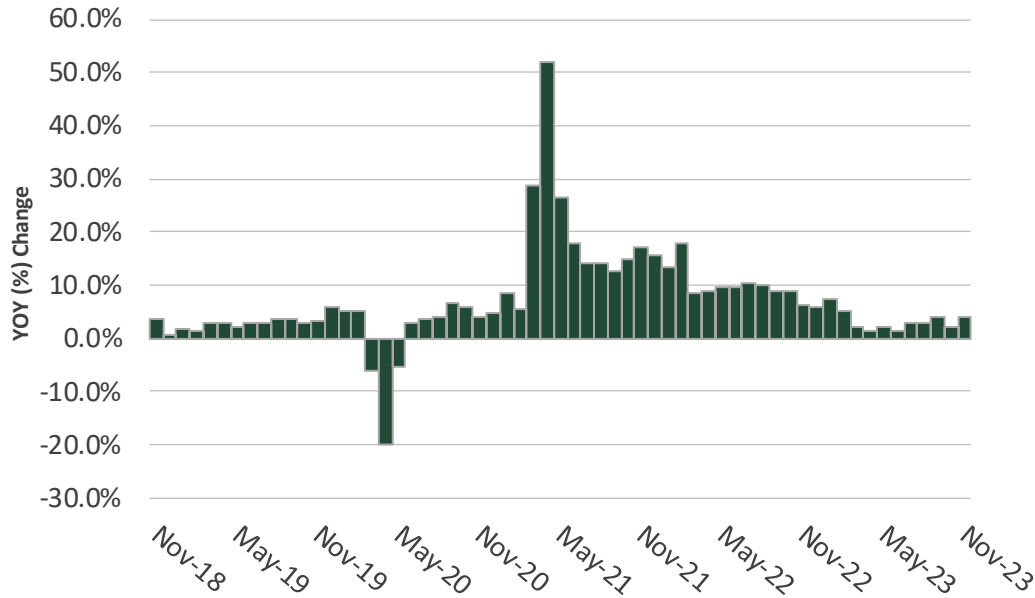


Source: US Department of Commerce

The Consumer Price Index (CPI) increased 0.1% month-over-month and 3.1% year-over-year in November, edging down from 3.2% year-over-year in October. The Core CPI, which excludes volatile food and energy components, was up 0.3% month-over-month and 4.0% year-over-year, unchanged from October as expected. Shelter was the largest contributor to November's Core CPI monthly advance, accounting for 70% of the increase. The Personal Consumption Expenditures (PCE) Index eased more than expected in November, as headline inflation fell 0.1% month-over-month and rose 2.6% year-over-year, down from a 2.9% increase in October. Core PCE, the Federal Reserve's preferred inflation gauge, increased 0.1% month-over-month and decelerated to 3.2% year-over-year in November from a 3.4% year-over-year increase in October. The trend is moderating, but inflation remains above the Fed's 2% target.

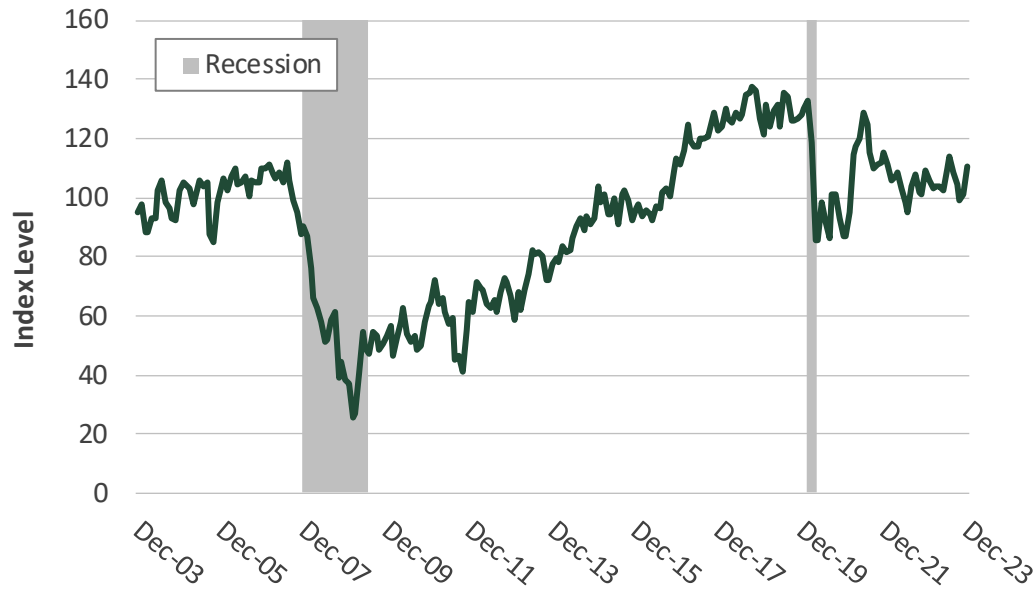
Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

Consumer Confidence

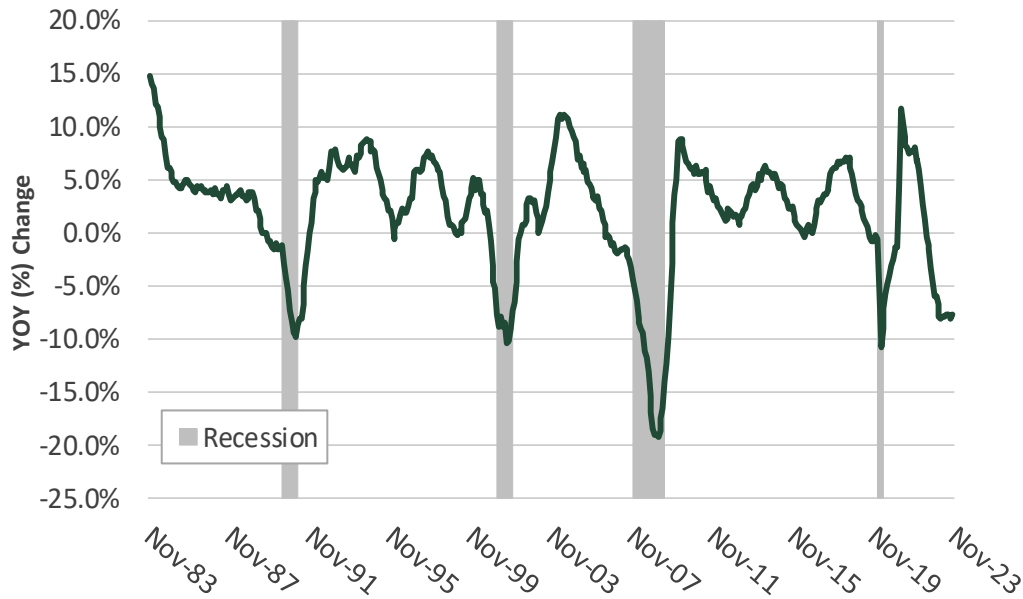


Source: The Conference Board
All time high is 144.70 (1/31/00); All time low is 25.30 (2/28/09)

Retail Sales rose 0.3% in November after a downwards revision to -0.2% in October, exceeding the -0.1% consensus forecast. On a year-over-year basis, Retail Sales growth accelerated to 4.1% in November from 2.2% in October buoyed by non-store retailers up 10.6%, as well as food services and drinking places up 11.3%. The Conference Board’s Consumer Confidence Index surged to 110.7 in December from 101.0 in November, far surpassing consensus expectations. Positive ratings of job availability and increased confidence in personal income prospects contributed to the substantial increase. While the consumer has been resilient, dwindling excess savings, rising credit card balances, and the resumption of student loan payments pose potential headwinds to future economic growth.

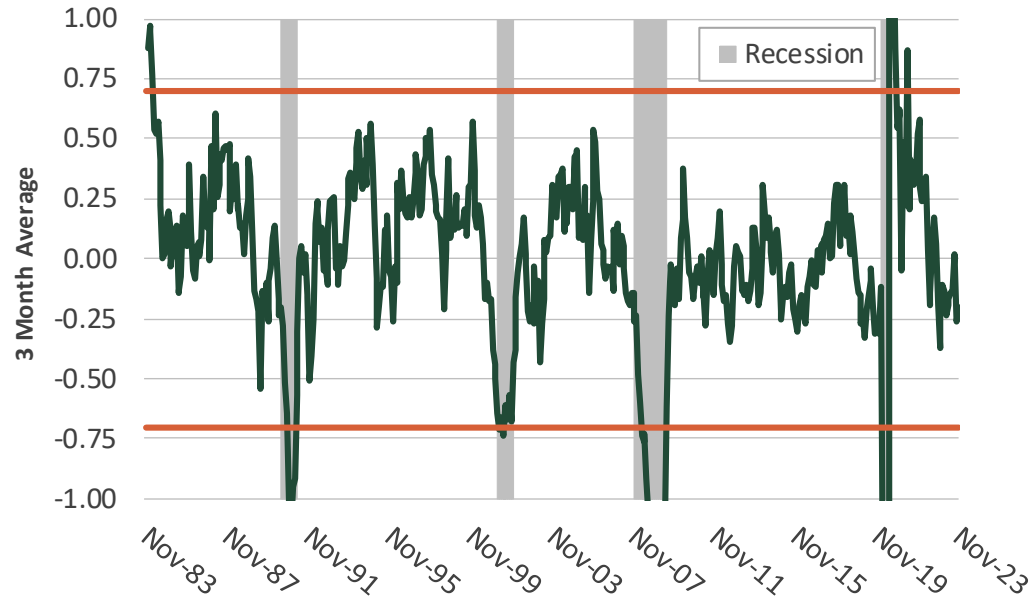
Leading Indicators of Economic Activity

Leading Economic Indicators (LEI)



Source: The Conference Board

Chicago Fed National Activity Index (CFNAI)

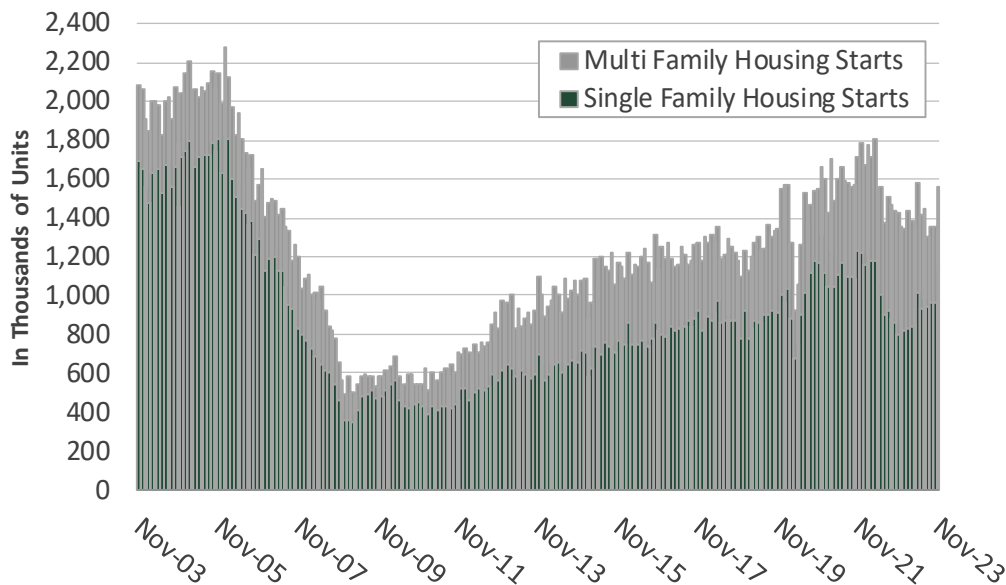


Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) fell 0.5% in November, marking the twentieth consecutive month-over-month decline. The index dropped 7.6% year-over-year. The Conference Board expects the consistent decline month-over-month to result in a slowdown in economic activity. The Chicago Fed National Activity Index (CFNAI) improved in November to 0.03 from a downwardly revised -0.66 in October. On a 3-month moving average basis, the CFNAI rose slightly to -0.20 in November from -0.26 in October, indicating a rate of growth below the historical average trend.

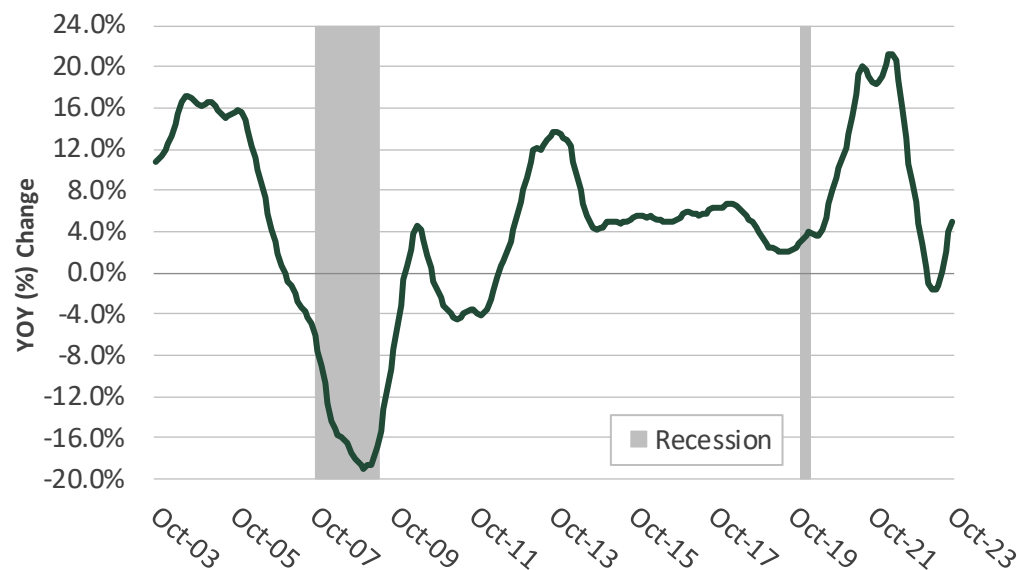
Housing

Annualized Housing Starts



Source: US Department of Commerce

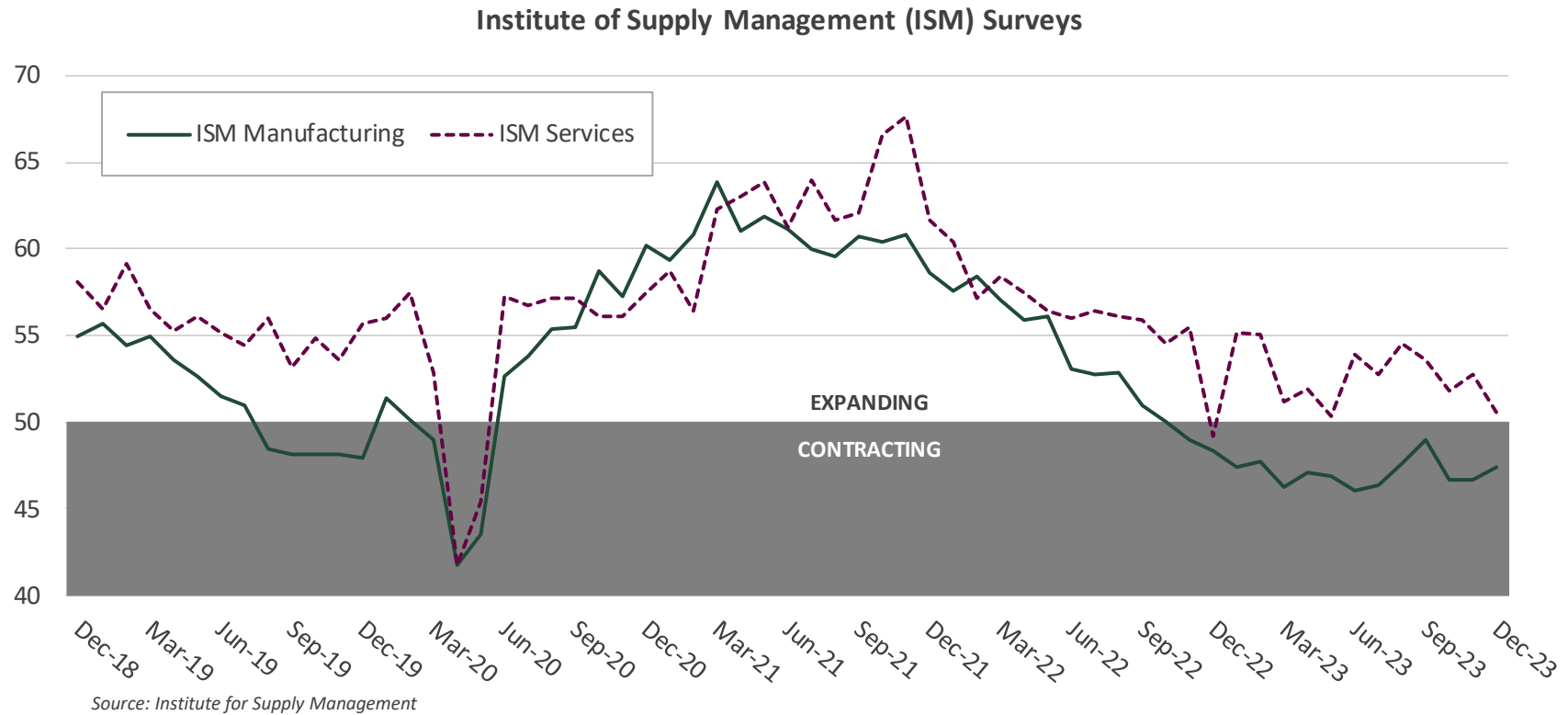
S&P/Case-Shiller 20 City Composite Home Price Index



Source: S&P

Housing Starts increased sharply month-over-month in November by 14.8% to an annual rate of 1.560 million units. Starts were up 18% for single-family units and up 6.9% for multi-family. Total starts of new homes are up 9.3% year-over-year. The pick-up in growth can be partially attributed to lower costs of construction materials and homebuilders adjusting projects to accommodate the higher interest rate environment. According to Freddie Mac, average 30-year fixed rate mortgage rates declined to 6.49% as of December 21st, paralleling the drop in the 10-year US Treasury yield. According to the Case-Shiller 20-City Home Price Index, housing prices rose 4.9% year-over-year in October, accelerating from a 3.9% year-over-year gain in September. Tight inventories and higher mortgage rates continue to impact affordability.

Survey Based Measures



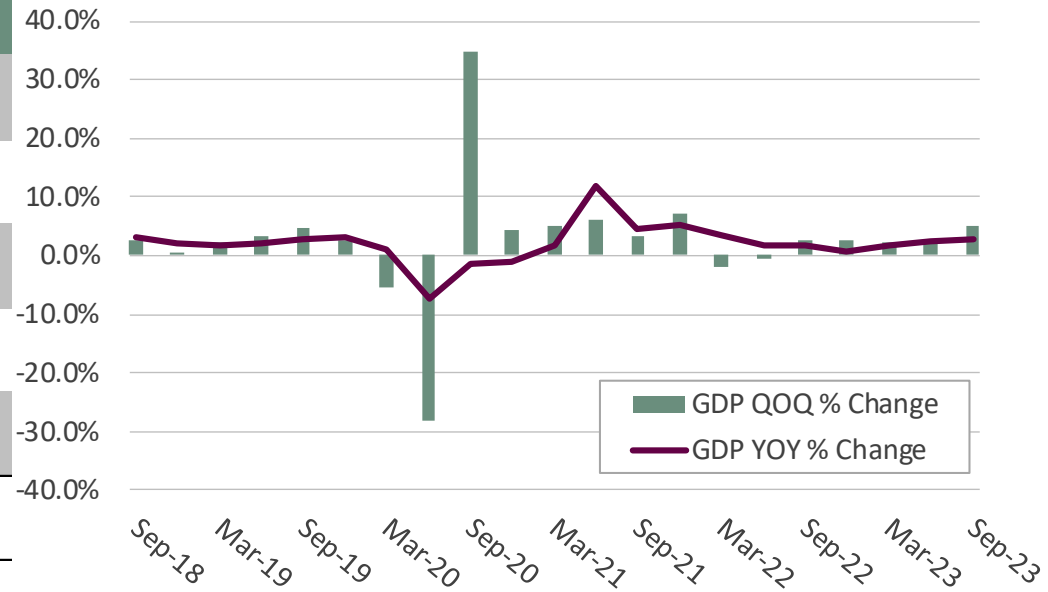
The Institute for Supply Management (ISM) Manufacturing index moved higher to 47.4 in December from 46.7 in November due to improved performance as suppliers are better able to meet lower demand levels. However, this marks the 14th consecutive month of contraction in factory activity below a reading of 50. The ISM Services Index unexpectedly declined to 50.6 in December from 52.7 in November, narrowly remaining in the expansion zone above 50. Notably, the employment component of the index plummeted by 7.4 points to 43.3, entering contractionary territory. This decline was primarily driven by increased layoffs and a softening in consumer demand.

Gross Domestic Product (GDP)

Components of GDP	12/22	3/23	6/23	9/23
Personal Consumption Expenditures	0.8%	2.5%	0.6%	2.1%
Gross Private Domestic Investment	0.6%	-1.7%	0.9%	1.7%
Net Exports and Imports	0.3%	0.6%	0.0%	0.0%
Federal Government Expenditures	0.6%	0.3%	0.1%	0.5%
State and Local (Consumption and Gross Investment)	0.3%	0.5%	0.5%	0.5%
Total	2.6%	2.3%	2.1%	4.9%

Source: US Department of Commerce

Gross Domestic Product (GDP)

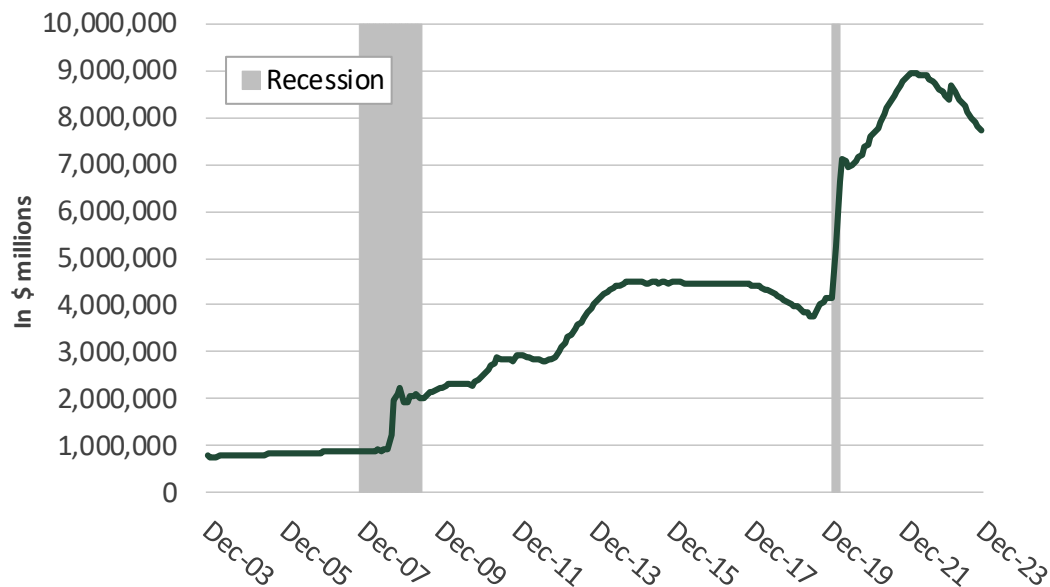


Source: US Department of Commerce

According to the third estimate, third quarter GDP grew at an annualized rate of 4.9%, revised down from the second estimate of 5.2%, with the downward revisions driven primarily by personal consumption expenditures. The consensus estimate calls for a marked slowing to 1.2% in the fourth quarter and 2.4% for full year 2023.

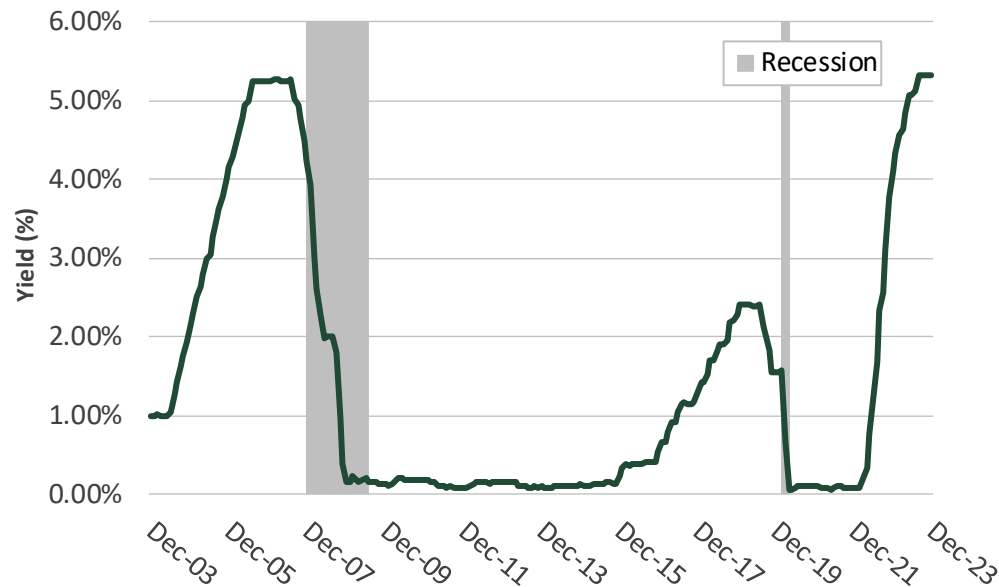
Federal Reserve

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

Effective Federal Funds Rate

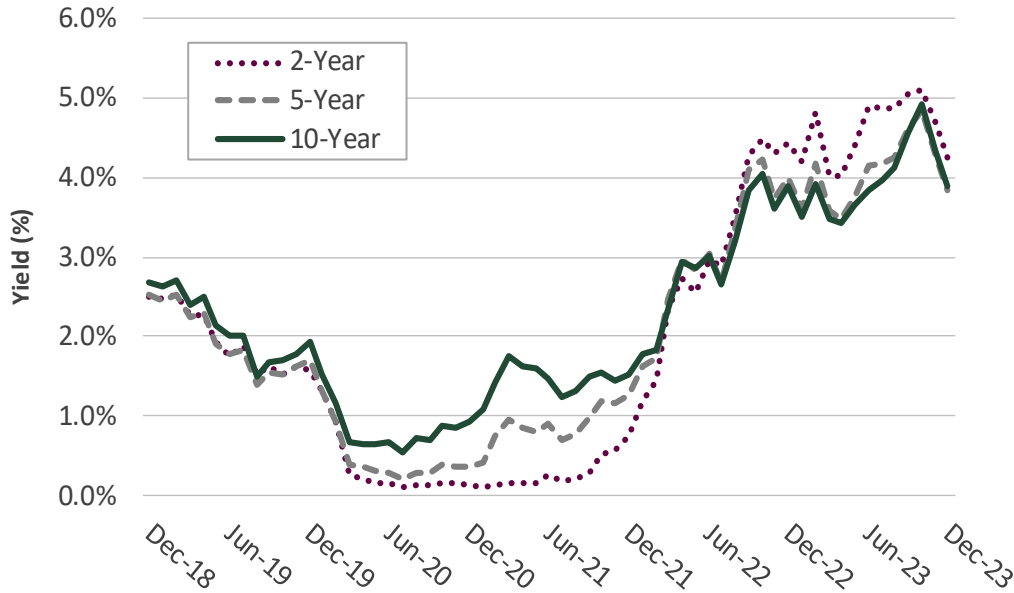


Source: Bloomberg

As expected at the December meeting, the Federal Open Market Committee voted unanimously to leave the federal funds rate unchanged at a target range of 5.25-5.50%. The Fed acknowledged inflation eased over the past year while remaining elevated. Fed Chair Powell signaled that the federal funds rate is likely at or near its peak. The Summary of Economic Projections reflected Core PCE inflation reaching the target 2% level in 2026 without a significant increase in unemployment. The median forecast for the federal funds rate declined to 4.6%, implying three quarter-point cuts next year, four in 2025 and three in 2026, placing the federal funds target rate around 2.9% at the end of the forecast horizon. The market interpreted the statement as dovish, with futures contracts pricing in rate cuts sooner and more aggressively than the Fed's forecasts next year. We believe the FOMC will loosen monetary policy in mid-2024 as inflation and economic growth continue to moderate. Since the Fed began its Quantitative Tightening campaign in June 2022, securities holdings have declined by over \$1.2T to approximately \$7.8T.

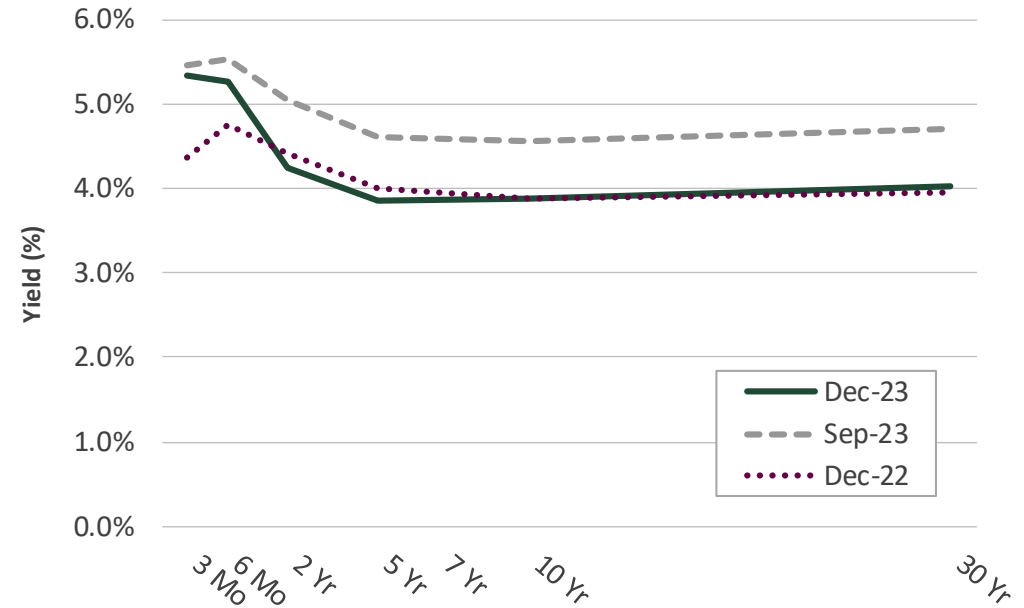
Bond Yields

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At the end of December, the 2-year Treasury yield was 18 basis points lower, and the 10-Year Treasury yield was flat, year-over-year. The inversion between the 2-year Treasury yield and 10-year Treasury yield widened to -37 basis points at December month-end versus -35 basis points at November month-end. The average historical spread (since 2003) is about +130 basis points. The inversion between 3-month and 10-year Treasuries widened to -146 basis points in December from -107 basis points in November. The shape of the yield curve indicates that the probability of recession persists.

Section 2 | Account Profile

Objectives

Consolidated Investment Objectives

The investment policies and practices of the Quantification Settlement Agreement Joint Powers Authority are based upon limitations placed on it by governing legislative bodies. These policies have three primary goals:

1. To assure compliance with all Federal, State and Local laws governing the investment of monies under the control of the Treasurer.
2. To protect the principal monies entrusted to this organization.
3. To generate the maximum amount of investment income within the parameters of this Annual Statement of Investment Policy.

These goals are enhanced by the following objectives in order of importance:

- Safety
- Liquidity
- Return on Investments
- Public Trust

Chandler Asset Management Performance Objective

The performance objective for the accounts is to achieve a rate of return over a market cycle that equals or exceeds the return on a market index of similar duration and sector allocation.

Strategy

In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

Compliance

As of December 31, 2023

SDCWA QSA Consolidated

This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by Client. Chandler relies on Client to provide accurate information for reporting assets and producing this compliance statement.

Category	Standard	Comment
U.S. Treasuries	No limitations; Full faith and credit of the U.S. are pledged for payment of principal and interest; The purchase of zero-coupon, or strips is not permitted	Complies
Federal Agencies	20% max agency callable securities	Complies
Supranational Obligations	"AA" rated or better by Moody's, S&P, or Fitch; 15% max; 5% max per issuer; 5 years max maturity; U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by IBRD, the IFC, or the IADB	Complies
Municipal Securities	"A" long-term rating category or better by a NRSRO; 30% max; 5% max per issuer	Complies
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 30% max; 5% max per issuer; 5 years max maturity; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.; Permissible types of notes include fixed rate and variable rate.	Complies
Asset Backed, Mortgage Backed, Mortgage Passthrough Securities, Collateralized Mortgage Obligation	"AA" rating category or better by a NRSRO; 20% max (combined); 5% max per issuer in any Asset-backed or mortgage security issuer; 5 years max maturity; From Issuers not defined in the Treasury or Agencies section of the Authorized Investments Instruments section of the policy	Complies
Negotiable Certificates of Deposit (NCD)	The amount of NCD insured up to the FDIC limit does not require any ratings; Any amount above the FDIC insured limit requires "A-1" short-term rating or better by a NRSRO or "A" long-term rating category or better by a NRSRO; 30% max (combined all CDs, including CDARs); 5% max per issuer; 5 years max maturity	Complies
Certificate of Deposit Placement Service (CDARS)	30% max (combined all CDs/TDs including NCDs); 5 years max maturity	Complies
Non-negotiable Certificates of Deposit/ Time Deposit	30% max (combined all CDs/TDs including NCDs/CDARs), 20% max (combined FDIC and Collateralized CDs/TDs); 5% max per issuer; 5 years max maturity; If issued in excess of the FDIC insurance limit, must be fully collateralized with securities in accordance with California law	Complies
Banker's Acceptances	"A-1" rated or better by a NRSRO; A rated or better by a NRSRO; 40% max; 5% max per issuer; 180 days max maturity	Complies

Compliance

As of December 31, 2023

SDCWA QSA Consolidated

This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by Client. Chandler relies on Client to provide accurate information for reporting assets and producing this compliance statement.

Category	Standard	Comment
Commercial Paper	"A-1" rated or better by a NRSRO; "A" issuer rating category or better by a NRSRO, if any long-term debt; 30% max; 5% max per issuer; 270 days max maturity; Issued by general corporations organized and operating within the U.S. and have total assets >\$500 million; or Issued by issuers organized within U.S. as special purpose corporation, trust, or LLC, provided securities have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond and the securities are rated "A-1" or better a by NRSRO; 10% max of the outstanding paper of the issuing general corporation.	Complies
Money Market Mutual Funds	20% max combined Money Market Mutual Funds and Mutual Funds; 20% max per MMMF; Meet either of the following criteria: (i) Attained highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing MMMF with AUM >\$500 million	Complies
Mutual Funds	20% max combined Money Market Mutual Funds and Mutual Funds; 10% max per MF; Meet either of the following criteria: (i) Attained highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience investing in securities authorized by CGC & with AUM >\$500 million	Complies
Guaranteed Investment Contracts (GICs)	California Government Code	Complies
Local Agency Investment Fund (LAIF)	Max permitted by State Law; Not used by investment adviser	Complies
Local Government Investment Pools	Highest rating or "AAA" or higher by a NRSRO; 25% max; 25% max per issuer; Not used by investment adviser	Complies
Repurchase Agreements	"A" rating category or better by a NRSRO on long-term debt obligations; 20% max; 1 year max maturity; 102% Collateralized; Not used by investment adviser	Complies
Prohibited	Investments not specifically described in the policy; Futures and options; Inverse floaters, Range notes, Mortgaged derived interest-only strips; Zero interest accrual securities if held to maturity, with the exception of securities issued or backed by US government; Trading securities for the sole purpose of speculating on the future direction of interest rates; Purchasing or Selling on margin; Reverse Repurchase Agreements; Securities lending; Foreign currency denominated securities	Complies
Credit Rating Downgrade	In the event that an investment originally purchased within the policy guidelines is downgraded to a credit level making the security ineligible for future purchases, the investment manager may take action related to the downgrade. Any action taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner	Complies
Max Per Issuer	5% max per issuer, unless otherwise specified in the policy	Complies
Maximum Maturity	5 years maximum maturity, except for US Treasuries, Agencies, and Municipals, or unless otherwise stated in the policy	Complies

Portfolio Characteristics

As of December 31, 2023

SDCWater QSA JPA

	12/31/23		09/30/23
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.68	1.96	1.67
Average Modified Duration	2.52	1.80	1.55
Average Purchase Yield	n/a	4.01%	3.92%
Average Market Yield	4.20%	4.58%	5.24%
Average Quality**	AA+	AA/Aa1	AA+/Aa1
Total Market Value		64,971,301	63,244,854

*ICE BofA 1-5 Yr US Treasury & Agency Index

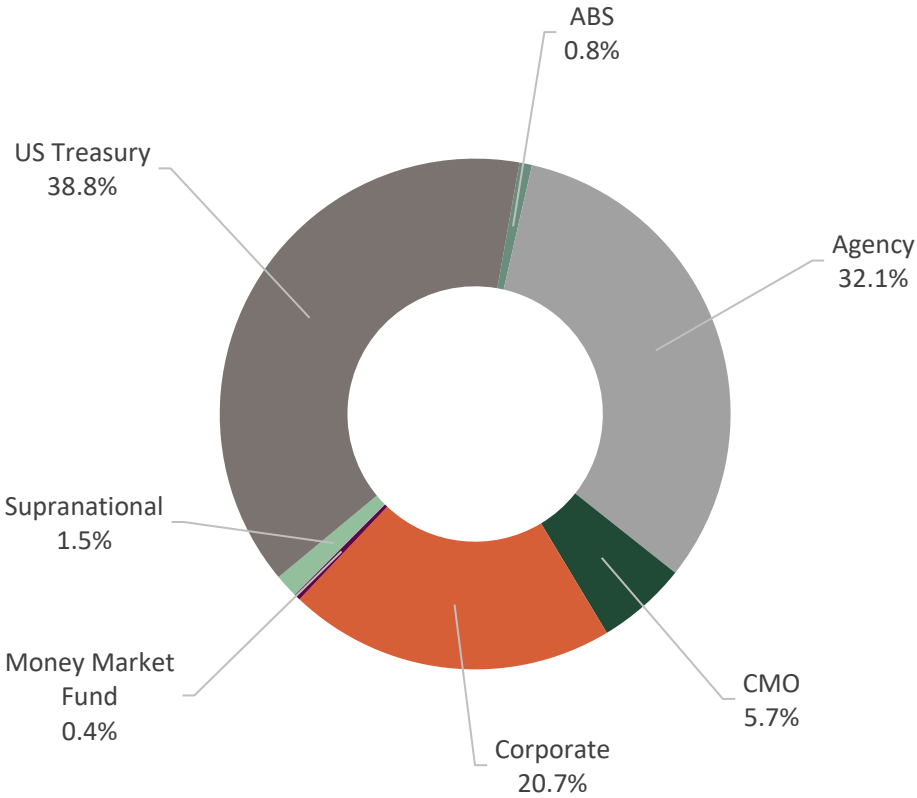
**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Sector Distribution

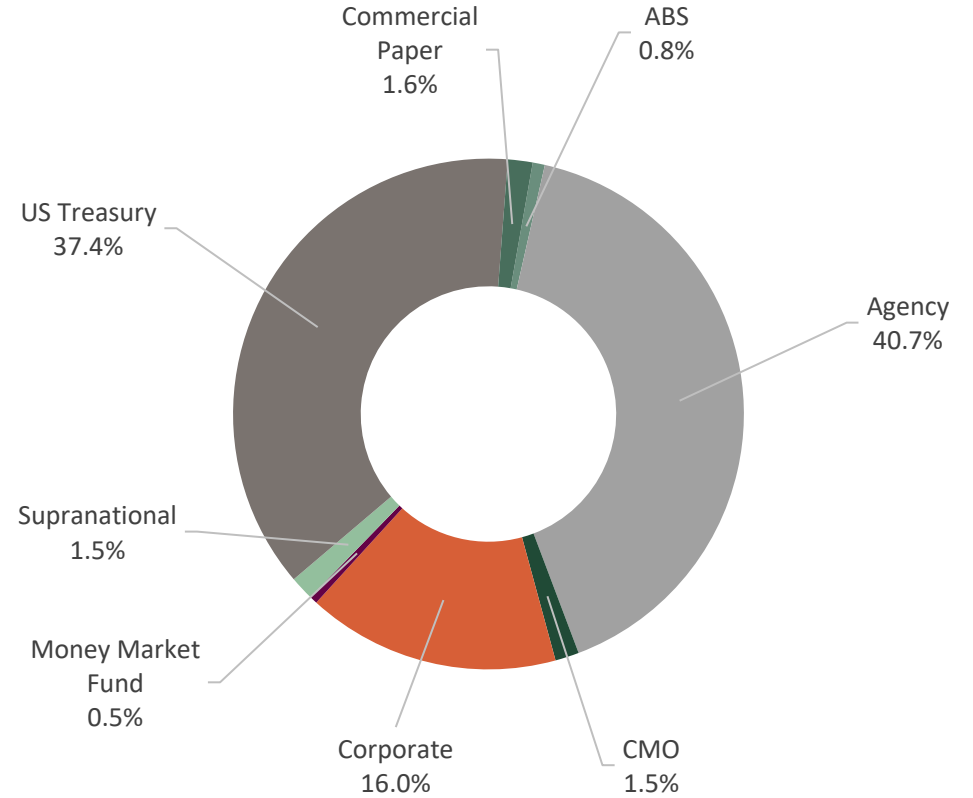
As of December 31, 2023

SDCWater QSA JPA

December 31, 2023



September 30, 2023



Issuers

As of December 31, 2023

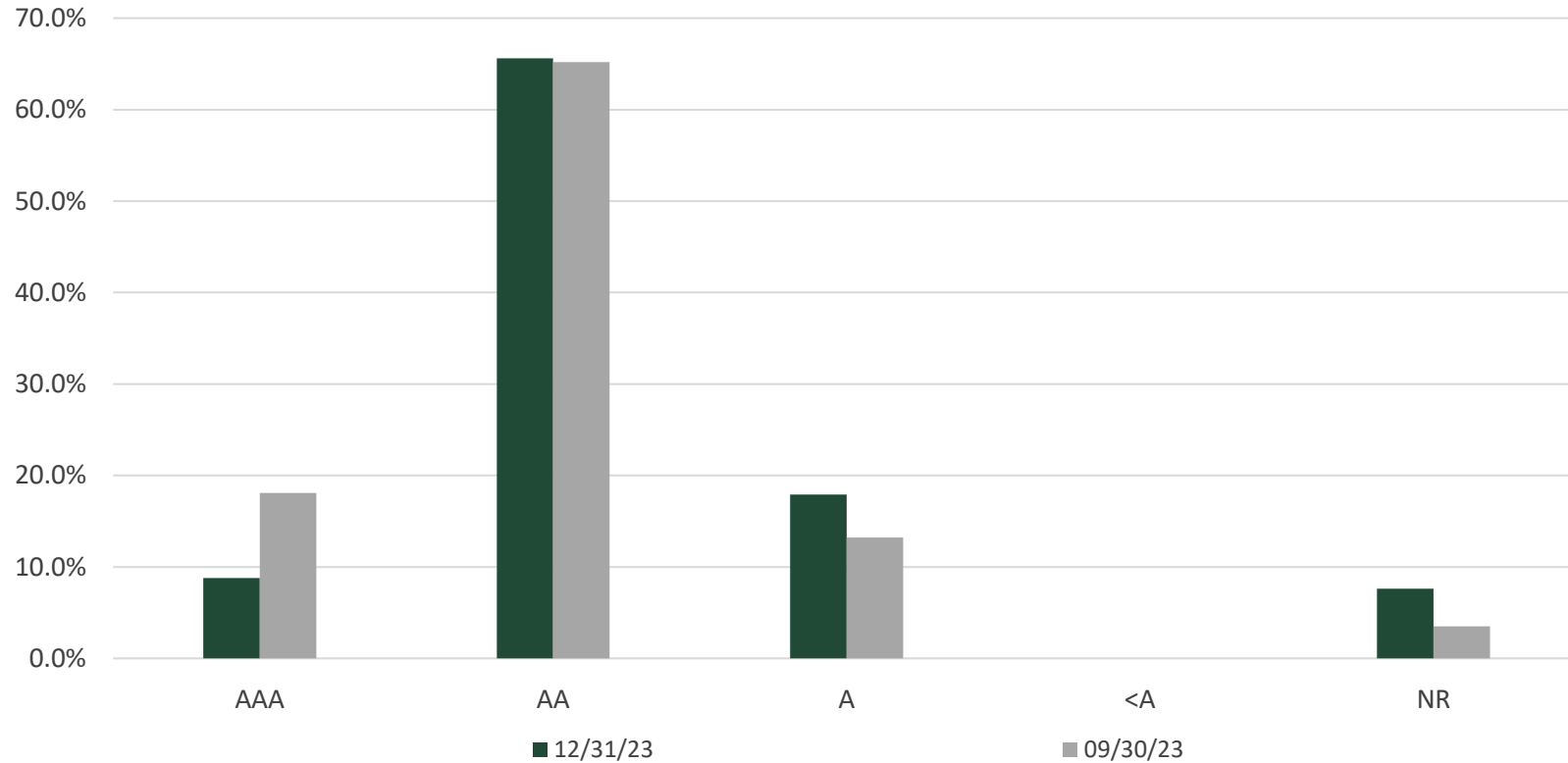
SDCWater QSA JPA – Account #10763

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	38.80%
Federal Home Loan Bank	Agency	13.83%
Federal Farm Credit Bank	Agency	12.86%
Federal Home Loan Mortgage Corp	CMO	5.70%
Federal National Mortgage Association	Agency	2.90%
Federal Home Loan Mortgage Corp	Agency	2.55%
Toronto Dominion Holdings	Corporate	1.21%
Morgan Stanley	Corporate	1.20%
Bank of Montreal Chicago	Corporate	1.17%
National Rural Utilities	Corporate	1.15%
Toyota Motor Corp	Corporate	1.14%
Microsoft	Corporate	1.13%
Public Service El & Gas	Corporate	1.12%
Intl Bank Recon and Development	Supranational	1.08%
Deere & Company	Corporate	1.03%
Caterpillar Inc	Corporate	1.02%
Pepsico Inc	Corporate	0.95%
Paccar Financial	Corporate	0.78%
Florida Power and Light	Corporate	0.77%
Royal Bank of Canada	Corporate	0.77%
Chubb Corporation	Corporate	0.75%
Visa Inc	Corporate	0.75%
Home Depot	Corporate	0.75%
Bank of New York	Corporate	0.75%
Charles Schwab Corp/The	Corporate	0.74%
Bank of America Corp	Corporate	0.73%
JP Morgan Chase & Co	Corporate	0.59%
Apple Inc	Corporate	0.56%
Inter-American Dev Bank	Supranational	0.43%
United Health Group Inc	Corporate	0.39%
Honeywell Corp	Corporate	0.38%
Qualcomm Inc	Corporate	0.38%
American Express ABS	ABS	0.38%
GM Financial Securitized Term Auto Trust	ABS	0.38%
Dreyfus Gov't Cash Management	Money Market Fund	0.36%
Amazon.com Inc	Corporate	0.36%
Target Corp	Corporate	0.14%
TOTAL		100.00%

Quality Distribution

As of December 31, 2023

SDCWater QSA JPA
December 31, 2023 vs. September 30, 2023



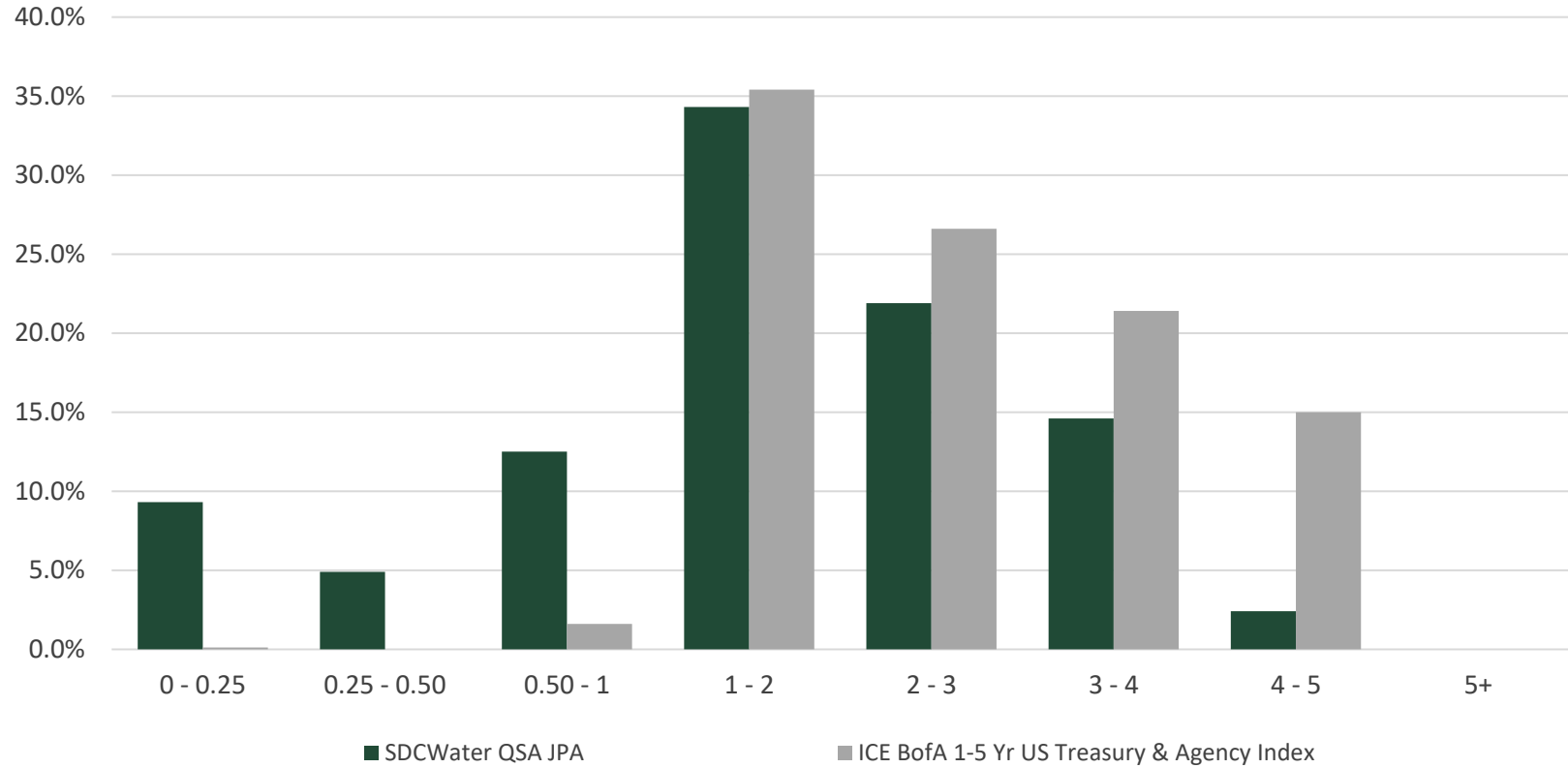
	AAA	AA	A	<A	NR
12/31/23	8.8%	65.6%	17.9%	0.0%	7.6%
09/30/23	18.1%	65.2%	13.2%	0.0%	3.5%

Source: S&P Ratings

Duration Distribution

As of December 31, 2023

SDCWater QSA JPA
Portfolio Compared to the Benchmark



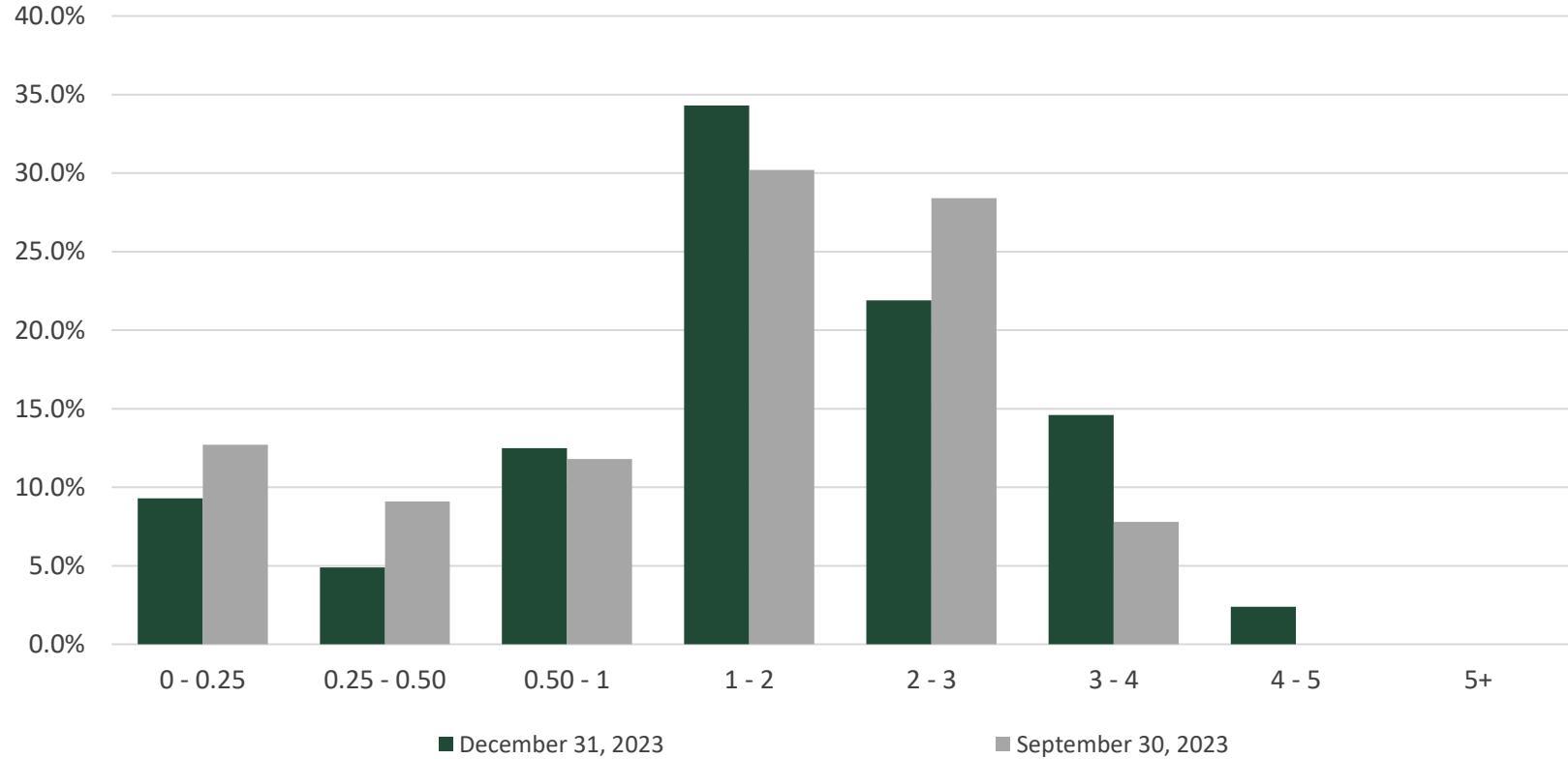
	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	9.3%	4.9%	12.5%	34.3%	21.9%	14.6%	2.4%	0.0%
Benchmark*	0.1%	0.0%	1.6%	35.4%	26.6%	21.4%	15.0%	0.0%

*ICE BofA 1-5 Yr US Treasury & Agency Index

Duration Distribution

As of December 31, 2023

SDCWater QSA JPA
December 31, 2023 vs. September 30, 2023

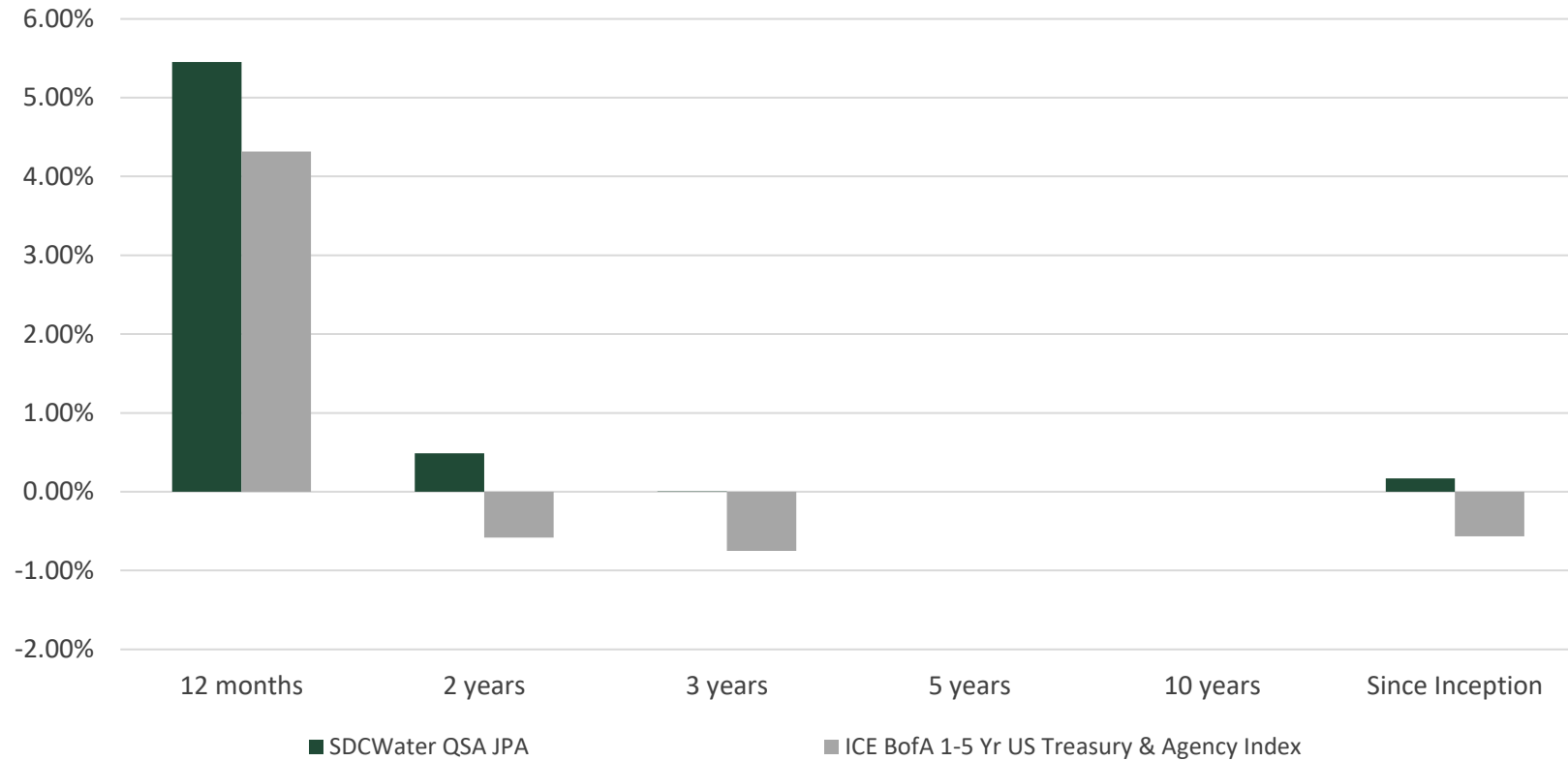


	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
12/31/23	9.3%	4.9%	12.5%	34.3%	21.9%	14.6%	2.4%	0.0%
09/30/23	12.7%	9.1%	11.8%	30.2%	28.4%	7.8%	0.0%	0.0%

Investment Performance

As of December 31, 2023

SDCWater QSA JPA Total Rate of Return Annualized Since Inception May 31, 2020



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
SDCWater QSA JPA	2.74%	5.45%	0.49%	0.00%	N/A	N/A	0.17%
ICE BofA 1-5 Yr US Treasury & Agency Index	3.09%	4.32%	-0.58%	-0.75%	N/A	N/A	-0.57%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Portfolio Characteristics

As of December 31, 2023

SDCWA QSA Internally Managed

	12/31/23 Portfolio	09/30/23 Portfolio
Average Maturity (yrs)	0.00	0.00
Modified Duration	0.00	0.00
Average Purchase Yield	5.06%	4.99%
Average Market Yield	5.05%	4.99%
Average Quality*	AAA/NR	AAA/NR
Total Market Value	16,561,692	18,516,195

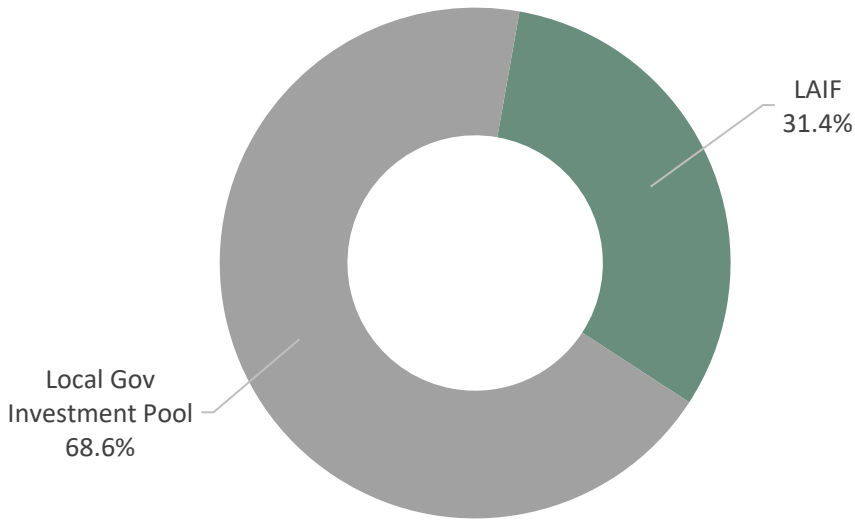
**Portfolio is S&P and Moody's, respectively.*

Sector Distribution

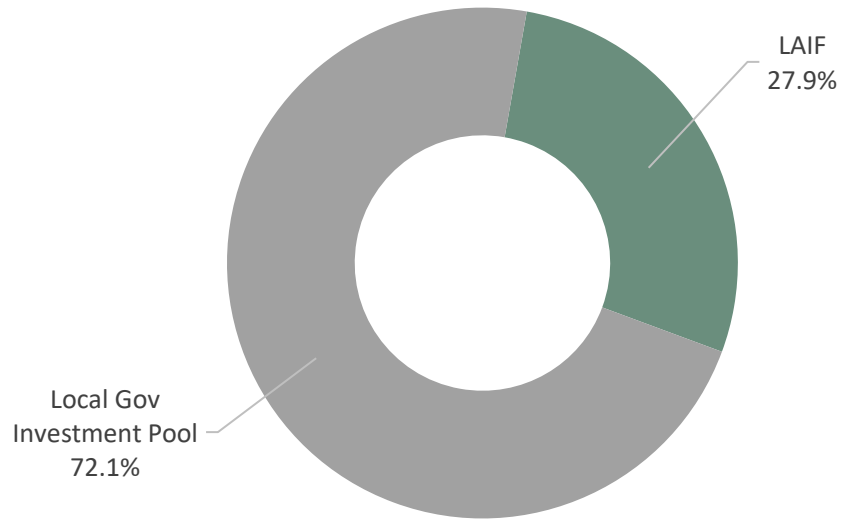
As of December 31, 2023

SDCWA QSA Internally Managed

December 31, 2023



September 30, 2023



Section 3 | Consolidated Information

Portfolio Characteristics

As of December 31, 2023

SDCWA QSA Consolidated

	12/31/23 Portfolio	09/30/23 Portfolio
Average Maturity (yrs)	1.56	1.29
Modified Duration	1.43	1.20
Average Purchase Yield	4.22%	4.16%
Average Market Yield	4.68%	5.18%
Average Quality*	AA+/Aa1	AA+/Aa1
Total Market Value	81,532,993	81,761,048

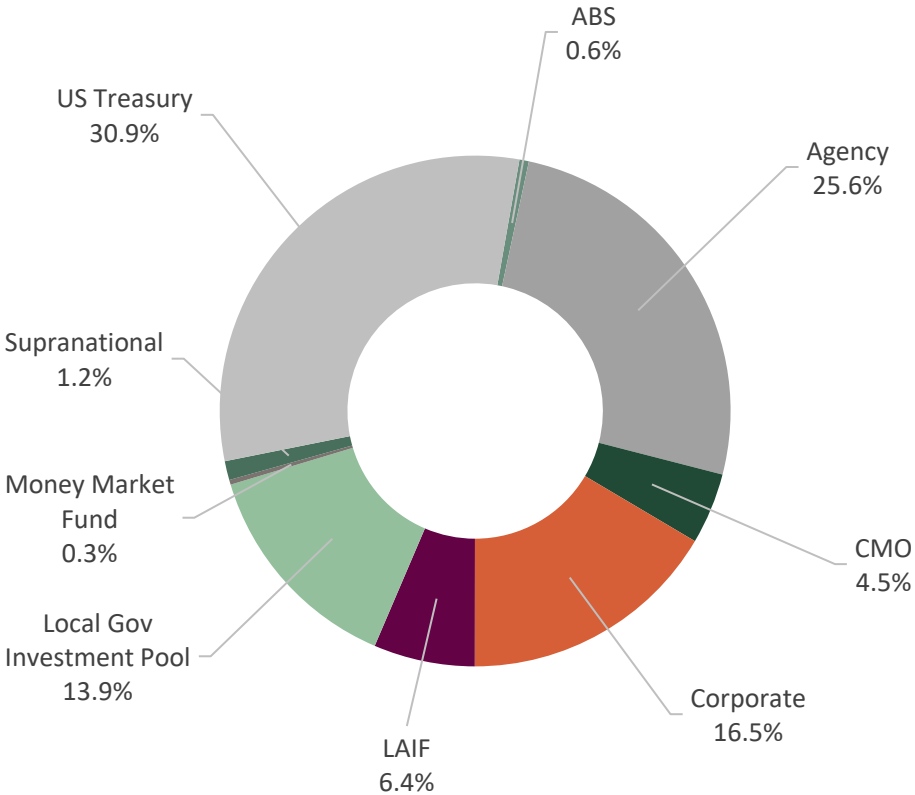
** Portfolio is S&P and Moody's respectively.*

Sector Distribution

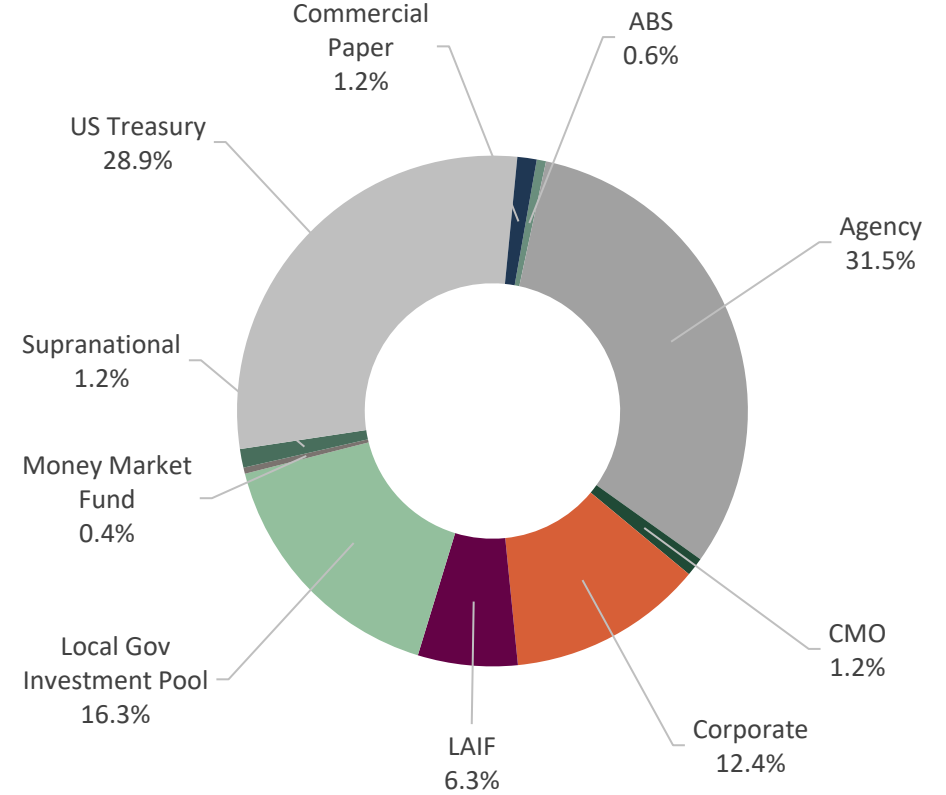
As of December 31, 2023

SDCWA QSA Consolidated

December 31, 2023



September 30, 2023



Section 4 | Portfolio Holdings

Holdings Report

As of December 31, 2023

SDCWater QSA JPA - Account #10763

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
362585AC5	GM Financial Securitized ART 2022-2 A3 3.100% Due 02/16/2027	250,000.00	11/09/2022 5.25%	240,283.20 240,283.20	98.06 5.34%	245,145.25 322.92	0.38% 4,862.05	Aaa / AAA NR	3.13 0.88
02582JJV3	American Express Credit Trust 2022-3 A 3.750% Due 08/16/2027	250,000.00	11/09/2022 5.47%	240,683.59 240,683.59	98.30 4.90%	245,739.25 390.63	0.38% 5,055.66	Aaa / NR AAA	3.63 1.53
TOTAL ABS		500,000.00	5.36%	480,966.79	5.12%	490,884.50	0.76%	Aaa / AAA	3.38
				480,966.79		713.55	9,917.71	AAA	1.20
Agency									
3130AV3G5	FHLB Note 5.125% Due 02/23/2024	1,000,000.00	03/08/2023 5.43%	997,160.00 997,160.00	99.94 5.43%	999,421.00 18,222.22	1.57% 2,261.00	Aaa / NR NR	0.15 0.14
3130ATUQ8	FHLB Note 4.750% Due 03/08/2024	1,000,000.00	01/25/2023 4.79%	999,520.00 999,520.00	99.89 5.29%	998,859.00 14,909.72	1.56% (661.00)	Aaa / AA+ NR	0.19 0.18
3130ATVC8	FHLB Note 4.875% Due 06/14/2024	700,000.00	02/23/2023 5.15%	697,480.00 697,480.00	99.85 5.21%	698,920.60 1,611.46	1.08% 1,440.60	Aaa / AA+ NR	0.45 0.44
3133XVDG3	FHLB Note 4.375% Due 09/13/2024	500,000.00	11/09/2022 4.80%	496,255.00 496,255.00	99.52 5.07%	497,602.50 6,562.50	0.78% 1,347.50	Aaa / AA+ NR	0.70 0.67
3130ATVD6	FHLB Note 4.875% Due 09/13/2024	500,000.00	01/25/2023 4.53%	502,665.00 502,665.00	99.93 4.97%	499,641.00 7,312.50	0.78% (3,024.00)	Aaa / AA+ NR	0.70 0.67
3130ATT31	FHLB Note 4.500% Due 10/03/2024	500,000.00	11/09/2022 4.80%	497,315.00 497,315.00	99.64 4.98%	498,202.00 5,500.00	0.78% 887.00	Aaa / AA+ NR	0.76 0.73
3130ATUR6	FHLB Note 4.625% Due 12/13/2024	1,000,000.00	01/25/2023 4.38%	1,004,280.00 1,004,280.00	99.78 4.86%	997,820.00 2,312.50	1.54% (6,460.00)	Aaa / AA+ NR	0.95 0.92
3133ENZ37	FFCB Note 4.875% Due 01/10/2025	500,000.00	11/09/2022 4.79%	500,916.00 500,916.00	100.31 4.56%	501,554.00 11,578.13	0.79% 638.00	Aaa / AA+ AA+	1.03 0.97
3137EAEP0	FHLMC Note 1.500% Due 02/12/2025	500,000.00	05/13/2020 0.50%	523,435.00 523,435.00	96.54 4.72%	482,704.50 2,895.83	0.75% (40,730.50)	Aaa / AA+ AA+	1.12 1.08
3133ENPG9	FFCB Note 1.750% Due 02/14/2025	1,000,000.00	02/10/2023 4.56%	946,720.00 946,720.00	96.95 4.57%	969,540.00 6,659.72	1.50% 22,820.00	Aaa / AA+ AA+	1.13 1.08
3133EPCW3	FFCB Note 5.000% Due 03/10/2025	1,000,000.00	03/08/2023 5.19%	996,470.00 996,470.00	100.53 4.53%	1,005,316.00 15,416.67	1.57% 8,846.00	Aaa / AA+ AA+	1.19 1.13
3130A4CH3	FHLB Note 2.375% Due 03/14/2025	500,000.00	06/19/2020 0.51%	543,535.00 543,535.00	97.43 4.60%	487,137.50 3,529.51	0.76% (56,397.50)	Aaa / AA+ NR	1.20 1.16
3135G03U5	FNMA Note 0.625% Due 04/22/2025	500,000.00	05/13/2020 0.53%	502,235.00 502,235.00	95.08 4.54%	475,390.00 598.96	0.73% (26,845.00)	Aaa / AA+ AA+	1.31 1.27

Holdings Report

As of December 31, 2023

SDCWater QSA JPA - Account #10763

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3130AWBY5	FHLB Note 4.750% Due 06/13/2025	500,000.00	07/11/2023 5.00%	497,695.00 497,695.00	100.40 4.46%	501,997.50 1,187.50	0.77% 4,302.50	Aaa / AA+ NR	1.45 1.38
3135G04Z3	FNMA Note 0.500% Due 06/17/2025	500,000.00	08/10/2020 0.39%	502,750.00 502,750.00	94.36 4.53%	471,817.50 97.22	0.73% (30,932.50)	Aaa / AA+ AA+	1.46 1.42
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	500,000.00	08/10/2020 0.37%	500,035.00 500,035.00	93.97 4.43%	469,864.00 833.33	0.72% (30,171.00)	Aaa / AA+ AA+	1.56 1.52
3135G05X7	FNMA Note 0.375% Due 08/25/2025	750,000.00	Various 0.62%	742,415.00 742,415.00	93.49 4.51%	701,187.75 984.38	1.08% (41,227.25)	Aaa / AA+ AA+	1.65 1.61
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	750,000.00	Various 0.57%	743,692.50 743,692.50	93.33 4.43%	699,996.00 765.63	1.08% (43,696.50)	Aaa / AA+ AA+	1.73 1.68
3135G06G3	FNMA Note 0.500% Due 11/07/2025	250,000.00	11/25/2020 0.50%	250,012.50 250,012.50	93.15 4.40%	232,862.75 187.50	0.36% (17,149.75)	Aaa / AA+ AA+	1.85 1.80
3130ATUC9	FHLB Note 4.500% Due 12/12/2025	1,000,000.00	02/10/2023 4.27%	1,005,830.00 1,005,830.00	100.23 4.37%	1,002,347.00 2,375.00	1.55% (3,483.00)	Aaa / AA+ NR	1.95 1.84
3133EPJX4	FFCB Note 3.625% Due 02/17/2026	1,000,000.00	05/15/2023 3.88%	993,410.00 993,410.00	98.76 4.24%	987,648.00 13,493.06	1.54% (5,762.00)	Aaa / AA+ AA+	2.13 2.00
3133EPCF0	FFCB Note 4.500% Due 03/02/2026	1,000,000.00	03/08/2023 4.84%	990,670.00 990,670.00	100.37 4.32%	1,003,707.00 14,875.00	1.57% 13,037.00	Aaa / AA+ AA+	2.17 2.02
3133EPHH1	FFCB Note 4.000% Due 04/28/2026	500,000.00	04/28/2023 3.93%	500,925.00 500,925.00	99.59 4.18%	497,967.00 3,500.00	0.77% (2,958.00)	Aaa / AA+ AA+	2.33 2.18
3130AWGR5	FHLB Note 4.375% Due 06/12/2026	700,000.00	06/29/2023 4.58%	696,024.00 696,024.00	100.49 4.16%	703,446.80 1,616.32	1.09% 7,422.80	Aaa / AA+ NR	2.45 2.30
3133EPNG6	FFCB Note 4.375% Due 06/23/2026	750,000.00	06/22/2023 4.44%	748,665.00 748,665.00	100.44 4.18%	753,331.50 729.17	1.16% 4,666.50	Aaa / AA+ AA+	2.48 2.32
3133EPPE9	FFCB Note 4.375% Due 07/06/2026	1,500,000.00	08/29/2023 4.72%	1,486,350.00 1,486,350.00	100.49 4.17%	1,507,275.00 31,901.04	2.37% 20,925.00	Aaa / AA+ AA+	2.52 2.31
3130AWTQ3	FHLB Note 4.625% Due 09/11/2026	1,000,000.00	09/26/2023 4.98%	990,150.00 990,150.00	101.29 4.11%	1,012,947.00 18,885.42	1.59% 22,797.00	Aaa / AA+ NR	2.70 2.47
3133EPC60	FFCB Note 4.625% Due 11/15/2027	1,000,000.00	11/13/2023 4.84%	992,300.00 992,300.00	102.24 3.99%	1,022,420.00 5,909.72	1.58% 30,120.00	Aaa / AA+ AA+	3.88 3.50
TOTAL Agency		20,900,000.00	3.84%	20,848,910.00	4.54%	20,680,922.90 194,450.01	32.13% (167,987.10)	Aaa / AA+ AA+	1.63 1.53
CMO									
3137BMTX4	FHLMC K052 A2 3.151% Due 11/25/2025	500,000.00	02/10/2023 4.70%	482,441.41 482,441.41	97.29 4.72%	486,426.00 1,312.92	0.75% 3,984.59	NR / NR AAA	1.90 1.64

Holdings Report

As of December 31, 2023

SDCWater QSA JPA - Account #10763

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3137BN6G4	FHLMC KO53 2.995% Due 12/25/2025	500,000.00	01/25/2023 4.25%	484,667.97 484,667.97	96.85 4.74%	484,253.52 1,247.92	0.75% (414.45)	NR / NR AAA	1.99 1.73
3137FBBX3	FHLMC K068 A2 3.244% Due 08/25/2027	1,000,000.00	10/24/2023 5.39%	930,117.19 930,117.19	96.15 4.39%	961,467.00 2,703.33	1.48% 31,349.81	Aaa / NR NR	3.65 3.31
3137FG6X8	FHLMC K077 A2 3.850% Due 05/25/2028	1,000,000.00	10/24/2023 6.71%	940,000.00 940,000.00	97.89 4.36%	978,935.00 641.67	1.51% 38,935.00	NR / NR AAA	4.40 3.89
3137FGR31	FHLMC K078 A2 3.854% Due 06/25/2028	800,000.00	12/13/2023 4.73%	774,156.25 774,156.25	97.91 4.36%	783,255.20 513.87	1.21% 9,098.95	NR / NR AAA	4.49 3.92
TOTAL CMO		3,800,000.00	5.35%	3,611,382.82	4.46%	3,694,336.72 6,419.71	5.70% 82,953.90	Aaa / NR AAA	3.58 3.16
Corporate									
06406HCS6	Bank of New York Callable Note Cont 1/5/2024 3.650% Due 02/04/2024	125,000.00	06/26/2020 0.77%	137,736.25 137,736.25	99.79 5.84%	124,740.38 1,863.02	0.19% (12,995.87)	A1 / A AA-	0.10 0.09
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.750% Due 03/18/2024	250,000.00	09/23/2021 0.57%	251,097.50 251,097.50	98.97 5.60%	247,432.25 536.46	0.38% (3,665.25)	A2 / A- A	0.21 0.21
89114QCA4	Toronto Dominion Bank Note 2.650% Due 06/12/2024	125,000.00	06/26/2020 0.87%	133,626.25 133,626.25	98.75 5.51%	123,435.00 174.83	0.19% (10,191.25)	A1 / A AA-	0.45 0.44
78013XZU5	Royal Bank of Canada Note 2.550% Due 07/16/2024	125,000.00	05/13/2020 1.55%	130,016.25 130,016.25	98.47 5.45%	123,087.75 1,460.94	0.19% (6,928.50)	A1 / A AA-	0.54 0.52
438516BW5	Honeywell Intl Callable Note Cont 7/15/2024 2.300% Due 08/15/2024	250,000.00	06/19/2020 0.80%	265,285.00 265,285.00	98.22 5.24%	245,547.00 2,172.22	0.38% (19,738.00)	A2 / A A	0.62 0.60
24422EVC0	John Deere Capital Corp Note 2.050% Due 01/09/2025	125,000.00	06/26/2020 0.76%	132,176.25 132,176.25	97.28 4.81%	121,601.50 1,224.31	0.19% (10,574.75)	A2 / A A+	1.03 0.98
89236TKN4	Toyota Motor Credit Corp Note 4.800% Due 01/10/2025	500,000.00	01/25/2023 4.61%	501,710.00 501,710.00	100.02 4.78%	500,115.00 11,400.00	0.79% (1,595.00)	A1 / A+ A+	1.03 0.97
14913R2Y2	Caterpillar Financial Service Note 4.900% Due 01/17/2025	400,000.00	11/17/2022 4.89%	400,112.00 400,112.00	99.99 4.90%	399,978.40 8,928.89	0.63% (133.60)	A2 / A A+	1.05 0.98
63743HFC1	National Rural Utilities Note 1.875% Due 02/07/2025	250,000.00	11/09/2022 5.21%	232,627.50 232,627.50	96.53 5.16%	241,331.25 1,875.00	0.37% 8,703.75	A2 / A- A	1.11 1.06
24422EWB1	John Deere Capital Corp Note 2.125% Due 03/07/2025	250,000.00	11/09/2022 4.95%	234,740.00 234,740.00	96.92 4.83%	242,291.75 1,682.29	0.38% 7,551.75	A2 / A A+	1.18 1.14
06051GHR3	Bank of America Corp Callable Note 1X 3/15/2024 3.458% Due 03/15/2025	125,000.00	06/26/2020 2.21%	135,600.00 135,600.00	99.52 5.72%	124,403.75 1,272.74	0.19% (11,196.25)	A1 / A- AA-	1.21 0.20

Holdings Report

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SDCWater QSA JPA - Account #10763

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
06406RAN7	Bank of NY Mellon Corp Callable Note Cont 3/24/2025 1.600% Due 04/24/2025	250,000.00	02/10/2023 4.86%	233,207.50 233,207.50	95.97 4.80%	239,933.00 744.44	0.37% 6,725.50	A1 / A AA-	1.32 1.27
06367WB85	Bank of Montreal Note 1.850% Due 05/01/2025	250,000.00	09/15/2021 0.91%	258,362.50 258,362.50	95.88 5.09%	239,688.75 770.83	0.37% (18,673.75)	A2 / A- AA-	1.33 1.29
037833DT4	Apple Inc Callable Note Cont 4/11/2025 1.125% Due 05/11/2025	125,000.00	05/13/2020 1.01%	125,710.00 125,710.00	95.36 4.69%	119,194.63 195.31	0.18% (6,515.37)	Aaa / AA+ NR	1.36 1.32
037833BG4	Apple Inc Note 3.200% Due 05/13/2025	250,000.00	12/27/2022 4.61%	242,172.50 242,172.50	97.96 4.75%	244,910.75 1,066.67	0.38% 2,738.25	Aaa / AA+ NR	1.37 1.31
747525AF0	Qualcomm Inc Callable Note Cont 2/20/2025 3.450% Due 05/20/2025	250,000.00	06/07/2021 0.88%	274,905.00 274,905.00	98.18 4.82%	245,452.75 982.29	0.38% (29,452.25)	A2 / A NR	1.39 1.33
78015K7H1	Royal Bank of Canada Note 1.150% Due 06/10/2025	125,000.00	12/27/2021 1.42%	123,856.25 123,856.25	94.77 4.95%	118,459.25 83.85	0.18% (5,397.00)	A1 / A AA-	1.44 1.40
06051GFS3	Bank of America Corp Note 3.875% Due 08/01/2025	350,000.00	02/10/2023 4.75%	342,982.50 342,982.50	98.49 4.88%	344,706.25 5,651.04	0.54% 1,723.75	A1 / A- AA-	1.59 1.49
69371RS23	Paccar Financial Corp Note 4.950% Due 10/03/2025	500,000.00	03/08/2023 5.26%	496,310.00 496,310.00	100.56 4.61%	502,815.50 6,050.00	0.78% 6,505.50	A1 / A+ NR	1.76 1.65
91324PEN8	United Health Group Inc Note 5.150% Due 10/15/2025	250,000.00	11/09/2022 5.07%	250,522.50 250,522.50	101.09 4.50%	252,726.25 2,718.06	0.39% 2,203.75	A2 / A+ A	1.79 1.68
594918BJ2	Microsoft Callable Note Cont 8/3/2025 3.125% Due 11/03/2025	750,000.00	01/25/2023 4.25%	728,160.00 728,160.00	97.61 4.49%	732,063.00 3,776.04	1.13% 3,903.00	Aaa / AAA NR	1.84 1.75
92826CAD4	Visa Inc Callable Note Cont 9/14/2025 3.150% Due 12/14/2025	500,000.00	02/10/2023 4.53%	481,850.00 481,850.00	97.57 4.46%	487,834.50 743.75	0.75% 5,984.50	Aa3 / AA- NR	1.96 1.86
78016FZT4	Royal Bank of Canada Note 4.875% Due 01/12/2026	250,000.00	01/25/2023 4.69%	251,292.50 251,292.50	100.25 4.75%	250,613.75 5,721.35	0.39% (678.75)	A1 / A AA-	2.04 1.87
808513BF1	Charles Schwab Corp Callable Note Cont 2/11/2026 0.900% Due 03/11/2026	250,000.00	03/08/2023 5.23%	220,290.00 220,290.00	91.67 4.95%	229,176.25 687.50	0.35% 8,886.25	A2 / A- A	2.19 2.12
46647PBH8	JP Morgan Chase & Co Callable Note Mthly 3/13/2025 2.005% Due 03/13/2026	250,000.00	03/08/2023 6.26%	231,995.00 231,995.00	96.07 5.41%	240,185.25 1,503.75	0.37% 8,190.25	A1 / A- AA-	2.20 1.16
63743HFH0	National Rural Utility Corp Callable Note Cont. 2/13/2026 4.450% Due 03/13/2026	500,000.00	05/15/2023 4.29%	502,110.00 502,110.00	99.85 4.52%	499,242.50 6,675.00	0.78% (2,867.50)	A2 / A- A	2.20 1.98
437076BM3	Home Depot Callable Note Cont 1/1/2026 3.000% Due 04/01/2026	500,000.00	02/10/2023 4.55%	477,595.00 477,595.00	96.90 4.46%	484,505.00 3,750.00	0.75% 6,910.00	A2 / A A	2.25 2.13

Holdings Report

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SDCWater QSA JPA - Account #10763

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 04/22/2026	150,000.00	06/07/2021 2.27%	155,842.50 155,842.50	95.78 5.45%	143,677.35 598.86	0.22% (12,165.15)	A1 / A- AA-	2.31 1.26
00440EAV9	Chubb INA Holdings Inc Callable Note Cont 2/3/2026 3.350% Due 05/03/2026	500,000.00	04/11/2023 4.21%	487,780.00 487,780.00	97.29 4.58%	486,425.00 2,698.61	0.75% (1,355.00)	A3 / A A	2.34 2.21
023135BX3	Amazon.com Inc Callable Note Cont 4/12/2026 1.000% Due 05/12/2026	250,000.00	06/07/2021 0.98%	250,235.00 250,235.00	92.38 4.43%	230,940.00 340.28	0.36% (19,295.00)	A1 / AA AA-	2.36 2.29
341081GR2	Florida Power and Light Callable Note Cont 4/15/2026 4.450% Due 05/15/2026	500,000.00	05/23/2023 4.75%	495,870.00 495,870.00	100.09 4.40%	500,430.50 2,843.06	0.77% 4,560.50	A1 / A A+	2.37 2.15
14913UAA8	Caterpillar Financial Services Note 4.350% Due 05/15/2026	250,000.00	06/08/2023 4.60%	248,292.50 248,292.50	99.79 4.44%	249,467.75 1,389.58	0.39% 1,175.25	A2 / A A+	2.37 2.22
89114TZD7	Toronto-Dominion Bank Note 1.200% Due 06/03/2026	150,000.00	06/15/2021 1.12%	150,562.50 150,562.50	91.81 4.82%	137,710.05 140.00	0.21% (12,852.45)	A1 / A AA-	2.42 2.33
24422EWX3	John Deere Capital Corp Note 4.750% Due 06/08/2026	300,000.00	06/08/2023 4.75%	299,991.00 299,991.00	100.67 4.45%	302,013.30 910.42	0.47% 2,022.30	A2 / A A+	2.44 2.27
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 06/18/2026	250,000.00	09/15/2021 1.14%	249,850.00 249,850.00	92.34 4.44%	230,848.75 101.56	0.36% (19,001.25)	A1 / A+ A+	2.47 2.38
61690U7W4	Morgan Stanley Bank NA Callable Note Cont 9/30/2026 5.882% Due 10/30/2026	750,000.00	10/31/2023 5.87%	750,225.00 750,225.00	102.82 4.77%	771,169.50 7,352.50	1.20% 20,944.50	Aa3 / A+ AA-	2.83 2.50
713448FW3	Pepsico Inc. Callable Note Cont 10/10/2026 5.125% Due 11/10/2026	600,000.00	11/13/2023 5.18%	599,064.30 599,064.30	102.11 4.30%	612,682.20 4,356.25	0.95% 13,617.90	A1 / A+ NR	2.86 2.55
87612EBM7	Target Corp Callable Note Cont 12/15/2026 1.950% Due 01/15/2027	100,000.00	01/24/2022 1.88%	100,335.00 100,335.00	93.30 4.33%	93,297.30 899.17	0.14% (7,037.70)	A2 / A A	3.04 2.87
06406RBA4	Bank of NY Mellon Corp Callable Note Cont 12/26/2026 2.050% Due 01/26/2027	125,000.00	01/24/2022 1.98%	125,402.50 125,402.50	92.92 4.55%	116,145.63 1,103.30	0.18% (9,256.87)	A1 / A AA-	3.07 2.89
06368LGV2	Bank of Montreal Callable Note Cont 1/1/2028 5.203% Due 02/01/2028	500,000.00	10/24/2023 6.12%	482,915.00 482,915.00	101.87 4.68%	509,325.50 10,839.58	0.80% 26,410.50	A2 / A- AA-	4.09 3.51
74456QBU9	Public Service EI & Gas Callable Note Cont 02/01/28 3.700% Due 05/01/2028	750,000.00	10/24/2023 5.55%	695,287.50 695,287.50	96.82 4.51%	726,164.25 4,625.00	1.12% 30,876.75	A1 / A NR	4.34 3.93

Holdings Report

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
89115A2U5	Toronto-Dominion Bank Note 5.523% Due 07/17/2028	500,000.00	10/24/2023 6.10%	488,240.00 488,240.00	102.95 4.79%	514,770.50 12,580.17	0.81% 26,530.50	A1 / A AA-	4.55 3.90
TOTAL Corporate		13,550,000.00	4.15%	13,375,941.05	4.72%	13,350,538.99 124,488.92	20.74% (25,402.06)	A1 / A+ A+	2.19 1.98
Money Market Fund									
262006802	Dreyfus Gov't Cash Management Money Market Fund	233,664.39	Various 5.12%	233,664.39 233,664.39	1.00 5.12%	233,664.39 0.00	0.36% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund		233,664.39	5.12%	233,664.39	5.12%	0.00	0.00	AAA	0.00
Supranational									
459058JB0	Intl. Bank Recon & Development Note 0.625% Due 04/22/2025	250,000.00	06/04/2020 0.58%	250,480.00 250,480.00	94.99 4.62%	237,465.50 299.48	0.37% (13,014.50)	Aaa / AAA NR	1.31 1.27
459058JL8	Intl. Bank Recon & Development Note 0.500% Due 10/28/2025	500,000.00	01/26/2021 0.49%	500,320.00 500,320.00	93.19 4.42%	465,969.00 437.50	0.72% (34,351.00)	Aaa / AAA AAA	1.83 1.78
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 04/20/2026	300,000.00	04/21/2021 0.89%	299,826.00 299,826.00	92.71 4.23%	278,133.90 517.71	0.43% (21,692.10)	Aaa / AAA AAA	2.30 2.23
TOTAL Supranational		1,050,000.00	0.62%	1,050,626.00	4.42%	981,568.40 1,254.69	1.51% (69,057.60)	Aaa / AAA AAA	1.84 1.78
US Treasury									
912797FW2	US Treasury Bill 5.250% Due 01/04/2024	600,000.00	07/20/2023 5.46%	585,387.50 585,387.50	97.56 5.46%	585,387.50 14,350.00	0.92% 0.00	P-1 / A-1+ F-1+	0.01 0.01
912828V80	US Treasury Note 2.250% Due 01/31/2024	500,000.00	11/09/2022 4.80%	485,019.53 485,019.53	99.75 5.17%	498,756.00 4,707.88	0.77% 13,736.47	Aaa / AA+ AA+	0.08 0.08
912828B66	US Treasury Note 2.750% Due 02/15/2024	700,000.00	01/25/2023 4.69%	686,164.06 686,164.06	99.68 5.23%	697,792.90 7,271.06	1.09% 11,628.84	Aaa / AA+ AA+	0.13 0.12
912797GP6	US Treasury Bill 5.322% Due 02/29/2024	1,500,000.00	08/29/2023 5.55%	1,459,637.71 1,459,637.71	97.31 5.55%	1,459,637.71 27,277.81	2.29% 0.00	P-1 / A-1+ F-1+	0.16 0.16
912828X70	US Treasury Note 2.000% Due 04/30/2024	500,000.00	11/09/2022 4.84%	480,058.59 480,058.59	98.95 5.19%	494,765.50 1,703.30	0.76% 14,706.91	Aaa / AA+ AA+	0.33 0.33
91282CEK3	US Treasury Note 2.500% Due 04/30/2024	1,000,000.00	03/08/2023 5.35%	968,750.00 968,750.00	99.09 5.28%	990,859.00 4,258.24	1.53% 22,109.00	Aaa / AA+ AA+	0.33 0.33

Holdings Report

As of December 31, 2023

SDCWater QSA JPA - Account #10763

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91282CER8	US Treasury Note 2.500% Due 05/31/2024	500,000.00	11/09/2022 4.82%	482,851.56 482,851.56	98.88 5.24%	494,414.00 1,092.90	0.76% 11,562.44	Aaa / AA+ AA+	0.42 0.41
91282CCG4	US Treasury Note 0.250% Due 06/15/2024	400,000.00	06/24/2021 0.47%	397,390.63 397,390.63	97.82 5.15%	391,265.60 46.45	0.60% (6,125.03)	Aaa / AA+ AA+	0.46 0.45
9128282N9	US Treasury Note 2.125% Due 07/31/2024	500,000.00	05/28/2020 0.31%	537,695.31 537,695.31	98.31 5.09%	491,562.50 4,446.33	0.76% (46,132.81)	Aaa / AA+ AA+	0.58 0.56
912797GK7	US Treasury Bill 5.124% Due 08/08/2024	1,500,000.00	08/29/2023 5.39%	1,426,559.58 1,426,559.58	95.10 5.39%	1,426,559.58 26,472.71	2.24% 0.00	P-1 / A-1+ F-1+	0.61 0.59
9128282U3	US Treasury Note 1.875% Due 08/31/2024	500,000.00	11/09/2022 4.78%	475,175.78 475,175.78	97.95 5.04%	489,765.50 3,167.93	0.76% 14,589.72	Aaa / AA+ AA+	0.67 0.64
912828G38	US Treasury Note 2.250% Due 11/15/2024	1,000,000.00	01/25/2023 4.25%	965,703.13 965,703.13	97.76 4.90%	977,617.00 2,905.22	1.51% 11,913.87	Aaa / AA+ AA+	0.88 0.85
912828ZL7	US Treasury Note 0.375% Due 04/30/2025	500,000.00	06/29/2020 0.28%	502,285.16 502,285.16	94.63 4.57%	473,164.00 319.37	0.73% (29,121.16)	Aaa / AA+ AA+	1.33 1.30
91282CEY3	US Treasury Note 3.000% Due 07/15/2025	1,000,000.00	Various 4.28%	968,808.59 968,808.59	97.82 4.48%	978,164.00 13,858.70	1.53% 9,355.41	Aaa / AA+ AA+	1.54 1.46
91282CFE6	US Treasury Note 3.125% Due 08/15/2025	1,500,000.00	08/29/2023 4.94%	1,449,609.38 1,449,609.38	98.01 4.41%	1,470,117.00 17,705.50	2.29% 20,507.62	Aaa / AA+ AA+	1.62 1.54
9128285C0	US Treasury Note 3.000% Due 09/30/2025	1,000,000.00	02/10/2023 4.28%	968,515.63 968,515.63	97.70 4.38%	976,953.00 7,622.95	1.52% 8,437.37	Aaa / AA+ AA+	1.75 1.67
912828M56	US Treasury Note 2.250% Due 11/15/2025	500,000.00	11/09/2022 4.54%	468,105.47 468,105.47	96.31 4.32%	481,562.50 1,452.61	0.74% 13,457.03	Aaa / AA+ AA+	1.88 1.80
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	250,000.00	03/04/2021 0.69%	246,230.47 246,230.47	92.68 4.23%	231,689.50 2.58	0.36% (14,540.97)	Aaa / AA+ AA+	2.00 1.95
9128285T3	US Treasury Note 2.625% Due 12/31/2025	500,000.00	11/09/2022 4.51%	472,753.91 472,753.91	96.91 4.25%	484,531.50 36.06	0.75% 11,777.59	Aaa / AA+ AA+	2.00 1.92
91282CGE5	US Treasury Note 3.875% Due 01/15/2026	500,000.00	01/25/2023 3.84%	500,468.75 500,468.75	99.24 4.27%	496,191.50 8,950.41	0.78% (4,277.25)	Aaa / AA+ AA+	2.04 1.91
91282CBH3	US Treasury Note 0.375% Due 01/31/2026	300,000.00	02/18/2021 0.55%	297,410.16 297,410.16	92.39 4.23%	277,171.80 470.79	0.43% (20,238.36)	Aaa / AA+ AA+	2.09 2.03
91282CGL9	US Treasury Note 4.000% Due 02/15/2026	1,000,000.00	02/10/2023 4.18%	994,960.94 994,960.94	99.54 4.23%	995,430.00 15,108.70	1.56% 469.06	Aaa / AA+ AA+	2.13 1.99
91282CBQ3	US Treasury Note 0.500% Due 02/28/2026	250,000.00	03/04/2021 0.72%	247,343.75 247,343.75	92.41 4.20%	231,025.50 422.39	0.36% (16,318.25)	Aaa / AA+ AA+	2.16 2.11
91282CBT7	US Treasury Note 0.750% Due 03/31/2026	500,000.00	06/18/2021 0.86%	497,402.34 497,402.34	92.78 4.15%	463,886.50 952.87	0.72% (33,515.84)	Aaa / AA+ AA+	2.25 2.18

Holdings Report

As of December 31, 2023

SDCWater QSA JPA - Account #10763

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91282CCF6	US Treasury Note 0.750% Due 05/31/2026	400,000.00	06/24/2021 0.89%	397,312.50 397,312.50	92.31 4.13%	369,234.40 262.30	0.57% (28,078.10)	Aaa / AA+ AA+	2.42 2.35
91282CCP4	US Treasury Note 0.625% Due 07/31/2026	400,000.00	08/09/2021 0.80%	396,656.25 396,656.25	91.60 4.08%	366,390.80 1,046.20	0.57% (30,265.45)	Aaa / AA+ AA+	2.58 2.51
91282CCW9	US Treasury Note 0.750% Due 08/31/2026	500,000.00	09/15/2021 0.80%	498,671.88 498,671.88	91.68 4.08%	458,398.50 1,267.17	0.71% (40,273.38)	Aaa / AA+ AA+	2.67 2.58
91282CCZ2	US Treasury Note 0.875% Due 09/30/2026	500,000.00	11/01/2021 1.17%	493,066.41 493,066.41	91.85 4.04%	459,238.50 1,111.68	0.71% (33,827.91)	Aaa / AA+ AA+	2.75 2.66
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	400,000.00	12/27/2021 1.26%	397,468.75 397,468.75	92.28 4.04%	369,109.20 766.48	0.57% (28,359.55)	Aaa / AA+ AA+	2.84 2.73
912828V98	US Treasury Note 2.250% Due 02/15/2027	1,000,000.00	09/26/2023 4.78%	921,718.75 921,718.75	94.93 3.99%	949,297.00 8,498.64	1.47% 27,578.25	Aaa / AA+ AA+	3.13 2.95
91282CEF4	US Treasury Note 2.500% Due 03/31/2027	1,000,000.00	09/26/2023 4.76%	927,773.44 927,773.44	95.57 3.96%	955,742.00 6,352.46	1.48% 27,968.56	Aaa / AA+ AA+	3.25 3.06
91282CEW7	US Treasury Note 3.250% Due 06/30/2027	1,000,000.00	09/26/2023 4.74%	949,140.63 949,140.63	97.72 3.95%	977,227.00 89.29	1.50% 28,086.37	Aaa / AA+ AA+	3.50 3.27
91282CFH9	US Treasury Note 3.125% Due 08/31/2027	1,000,000.00	09/12/2023 4.56%	948,359.38 948,359.38	97.19 3.96%	971,875.00 10,559.75	1.51% 23,515.62	Aaa / AA+ AA+	3.67 3.39
91282CFM8	US Treasury Note 4.125% Due 09/30/2027	1,000,000.00	09/26/2023 4.73%	978,203.13 978,203.13	100.63 3.94%	1,006,328.00 10,481.56	1.57% 28,124.87	Aaa / AA+ AA+	3.75 3.41
91282CJAO	US Treasury Note 4.625% Due 09/30/2028	1,500,000.00	10/24/2023 4.82%	1,487,109.38 1,487,109.38	103.22 3.88%	1,548,282.00 17,628.07	2.41% 61,172.62	Aaa / AA+ AA+	4.75 4.20
TOTAL US Treasury		25,700,000.00	3.99%	24,959,768.43	4.55%	222,666.36	29,623.56	Aaa / AA+ AA+	1.88 1.76
TOTAL PORTFOLIO		65,733,664.39	4.01%	64,561,259.48	4.58%	549,993.24	(139,951.59)	Aa1 / AA AA+	1.96 1.80
TOTAL MARKET VALUE PLUS ACCRUALS						64,971,301.13			

Holdings Report

As of December 31, 2023

SDCWA QSA Internally Managed - Account #11078

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	5,153,515.32	Various 3.95%	5,153,515.32 5,153,515.32	1.00 3.95%	5,153,515.32 49,501.64	31.42% 0.00	NR / NR NR	0.00 0.00
TOTAL LAIF		5,153,515.32	3.95%	5,153,515.32	3.95%	49,501.64	0.00	NR	0.00
Local Gov Investment Pool									
90CAMP\$00	California Asset Mgmt Program CAMP	11,358,675.18	Various 5.56%	11,358,675.18 11,358,675.18	1.00 5.56%	11,358,675.18 0.00	68.58% 0.00	NR / AAA NR	0.00 0.00
TOTAL Local Gov Investment Pool		11,358,675.18	5.56%	11,358,675.18	5.56%	0.00	0.00	NR	0.00
TOTAL PORTFOLIO		16,512,190.50	5.06%	16,512,190.50	5.05%	49,501.64	0.00	NR	0.00
TOTAL MARKET VALUE PLUS ACCRUALS						16,561,692.14			

Section 5 | Transactions

Transaction Ledger

As of December 31, 2023

SDCWater QSA JPA - Account #10763

September 30, 2023 through December 31, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/25/2023	91282CJA0	1,500,000.00	US Treasury Note 4.625% Due: 09/30/2028	99.141	4.82%	1,487,109.38	4,738.73	1,491,848.11	0.00
Purchase	10/26/2023	06368LGV2	500,000.00	Bank of Montreal Callable Note Cont 1/1/2028 5.203% Due: 02/01/2028	96.583	6.12%	482,915.00	6,142.43	489,057.43	0.00
Purchase	10/26/2023	74456QBU9	750,000.00	Public Service El & Gas Callable Note Cont 02/01/28 3.7% Due: 05/01/2028	92.705	5.55%	695,287.50	13,489.58	708,777.08	0.00
Purchase	10/26/2023	89115A2U5	500,000.00	Toronto-Dominion Bank Note 5.523% Due: 07/17/2028	97.648	6.10%	488,240.00	7,594.13	495,834.13	0.00
Purchase	10/27/2023	3137FBBX3	1,000,000.00	FHLMC K068 A2 3.244% Due: 08/25/2027	93.012	5.39%	930,117.19	2,342.89	932,460.08	0.00
Purchase	10/27/2023	3137FG6X8	1,000,000.00	FHLMC K077 A2 3.85% Due: 05/25/2028	94.000	6.71%	940,000.00	2,780.56	942,780.56	0.00
Purchase	11/02/2023	61690U7W4	750,000.00	Morgan Stanley Bank NA Callable Note Cont 9/30/2026 5.882% Due: 10/30/2026	100.030	5.87%	750,225.00	122.54	750,347.54	0.00
Purchase	11/15/2023	3133EPC60	1,000,000.00	FFCB Note 4.625% Due: 11/15/2027	99.230	4.84%	992,300.00	0.00	992,300.00	0.00
Purchase	11/15/2023	713448FW3	490,000.00	Pepsico Inc. Callable Note Cont 10/10/2026 5.125% Due: 11/10/2026	99.838	5.18%	489,206.20	348.78	489,554.98	0.00
Purchase	11/15/2023	713448FW3	110,000.00	Pepsico Inc. Callable Note Cont 10/10/2026 5.125% Due: 11/10/2026	99.871	5.17%	109,858.10	78.30	109,936.40	0.00
Purchase	12/18/2023	3137FGR31	800,000.00	FHLMC K078 A2 3.854% Due: 06/25/2028	96.770	4.73%	774,156.25	1,455.96	775,612.21	0.00
Subtotal			8,400,000.00				8,139,414.62	39,093.90	8,178,508.52	0.00
TOTAL ACQUISITIONS			8,400,000.00				8,139,414.62	39,093.90	8,178,508.52	0.00

Transaction Ledger

As of December 31, 2023

SDCWater QSA JPA - Account #10763

September 30, 2023 through December 31, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Maturity	10/25/2023	313384NK1	5,000,000.00	FHLB Discount Note 4.93% Due: 10/25/2023	100.000		4,880,173.61	119,826.39	5,000,000.00	0.00
Maturity	10/31/2023	912828T91	500,000.00	US Treasury Note 1.625% Due: 10/31/2023	100.000		500,000.00	0.00	500,000.00	-14,023.44
Maturity	11/06/2023	3137EAEZ8	500,000.00	FHLMC Note 0.25% Due: 11/06/2023	100.000		500,000.00	0.00	500,000.00	22,020.00
Maturity	11/06/2023	62479MY64	1,000,000.00	MUFG Bank Ltd/NY Discount CP 5.21% Due: 11/06/2023	97.294		972,936.94	27,063.06	1,000,000.00	0.00
Maturity	12/14/2023	313384QM4	750,000.00	FHLB Discount Note 4.62% Due: 12/14/2023	100.000		716,312.50	33,687.50	750,000.00	0.00
Subtotal			7,750,000.00				7,569,423.05	180,576.95	7,750,000.00	7,996.56
TOTAL DISPOSITIONS			7,750,000.00				7,569,423.05	180,576.95	7,750,000.00	7,996.56

Transaction Ledger

As of December 31, 2023

SDCWA QSA Internally Managed - Account #11078

September 30, 2023 through December 31, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/15/2023	90LAIF\$00	47,128.62	Local Agency Investment Fund State Pool	1.000	3.61%	47,128.62	0.00	47,128.62	0.00
Purchase	12/31/2023	90CAMP\$00	55,394.47	California Asset Mgmt Program CAMP	1.000	5.56%	55,394.47	0.00	55,394.47	0.00
Subtotal			102,523.09				102,523.09	0.00	102,523.09	0.00
TOTAL ACQUISITIONS			102,523.09				102,523.09	0.00	102,523.09	0.00
DISPOSITIONS										
Security Withdrawal	10/31/2023	90CAMP\$00	1,374,504.12	California Asset Mgmt Program CAMP	1.000		1,374,504.12	0.00	1,374,504.12	0.00
Security Withdrawal	11/30/2023	90CAMP\$00	167,083.28	California Asset Mgmt Program CAMP	1.000		167,083.28	0.00	167,083.28	0.00
Security Withdrawal	11/30/2023	90LAIF\$00	13,000.00	Local Agency Investment Fund State Pool	1.000		13,000.00	0.00	13,000.00	0.00
Security Withdrawal	12/28/2023	90CAMP\$00	510,000.00	California Asset Mgmt Program CAMP	1.000		510,000.00	0.00	510,000.00	0.00
Subtotal			2,064,587.40				2,064,587.40	0.00	2,064,587.40	0.00
TOTAL DISPOSITIONS			2,064,587.40				2,064,587.40	0.00	2,064,587.40	0.00

Important Disclosures

As of December 31, 2023

2023 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

Benchmark Disclosures

As of December 31, 2023

ICE BofA 1-5 Yr US Treasury & Agency Index

The ICE BofA 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies.



QUANTIFICATION SETTLEMENT AGREEMENT JOINT POWERS AUTHORITY

4677 Overland Avenue San Diego, California 92123
(858) 522-6732 FAX (858) 522-6565

January 18, 2024

To: Quantification Settlement Agreement Joint Powers Authority (QSA JPA) Commissioners

Subject: QSA JPA Fiscal Year 2024 budget amendment (Action)

Recommendations:

- 1. Approve the proposed QSA JPA Fiscal Year (FY) 2024 amended budget of \$12,028,330 to fund increases to FY 2024 financial advisor and bank fees.**

Fiscal Impact: The FY 2024 budget would be increased by \$26,000, bringing the total amended FY 2024 budget amount to \$12,028,330.

Background/Previous Action:

In September 2022, the Imperial Irrigation District (IID) wired approximately \$48.5 million to the QSA JPA treasurer to complete an early payoff of the balance of IID's QSA JPA funding commitment. These funds were deposited into the QSA JPA's California Asset Management Program (CAMP) account to maintain liquidity for the Managed Marsh mitigation reimbursement, approved by the Commission in November 2022, while also earning interest. Once the reimbursement was complete, funds were moved during the second half of FY 2023 from CAMP to investments managed by Chandler Asset Management (Chandler), the QSA JPA's financial advisor. This transfer from CAMP to Chandler increased Chandler's fees but also resulted in higher returns for the QSA JPA. Also contributing to higher fees were deposits to Chandler (approximately \$6.6 million combined) from payoffs to the QSA JPA by the Coachella Valley Water District (CVWD) and the San Diego County Water Authority (Water Authority) in July 2023, made after the Commission adopted the FY 2024 budget. Given the uncertainty of the CVWD and the Water Authority's payoffs at the time of FY 2024 budget development, these funds were not included in the FY 2024 budget assumptions used to estimate financial advisor and bank fees.

Discussion:

The Commission adopted the FY 2024 budget in the amount of \$12,002,330 in June 2023. From the \$12 million budgeted, \$18,000 was allocated for QSA JPA financial advisor expenses (Task 38), used to satisfy Chandler's fees. In addition, \$3,090 was allocated for JPA Bank Fees, primarily to cover fees charged by BNY Mellon, the custodian for investment funds (Task 37). Current projections show that expenses for Task 37 and Task 38 will exceed their budgeted amounts in the second half of FY 2024.

Based on the increase in investments made with Chandler (detailed above), Chandler's fees for FY 2024 are now trending higher and are projected to be up to \$1,500 per month over what was budgeted. It is proposed to increase the FY 2024 budget for Task 38 by \$18,000 to cover the increase in fees. It is important to note that the increase in Chandler-managed investments returns a higher yield that could result in \$400,000 in additional revenue in FY 2024, minimizing the significance of the \$18,000 budget increase. Chandler investments also provide maturity diversification with rates that can be locked in for a specified number of years. Alternative investment vehicles currently included in the QSA JPA investment profile are subject to policy limits that cap the amount that can be invested and are more reactive to daily market changes. In short, Chandler-managed investments provide the best return on the QSA JPA assets in the current economic environment.

Task 37 covers bank fees for the QSA JPA. The Water Authority was notified by BNY Mellon in August 2023 (Enclosure 2) of a change in their pricing model that resulted in an increase in the account maintenance fee portion of BNY Mellon's bank fees for the QSA JPA, which was increased from \$1,000 to \$7,500 annually. The proposed budget amendment includes an increase of \$8,000 to cover this increase as well as variable bank fees that are included in Task 37.

The proposed budget amendment of \$26,000 for FY 2024 includes \$18,000 for Task 38 (financial advisor fees) and \$8,000 for Task 37 (bank fees). If the proposed amended budget is adopted (Enclosure 1), the FY 2024 budget approved in June 2023 will be increased to \$12,028,330, resulting in less than a 1% increase from the original budget.

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Reviewed by: Alexi Schnell, Chief Administrative Officer, QSA JPA

Enclosures

1. Proposed Amended FY 2024 Budget
2. BNY Mellon Fee Increase Letter



F Y 2024



QSA JPA
Fiscal Year 2024
Budget & Work Plan
Proposed Amendment
January 18, 2024



Quantification Settlement Agreement Joint Powers Authority

4677 Overland Avenue, San Diego, CA 92123



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APPENDIX 1: AUDITED HISTORICAL QSA JPA SPENDING, FY 2004 - FY 2022 A1

APPENDIX 2: WORK PLAN BY MITIGATION TASK A2

QSA JPA FISCAL YEAR 2024 BUDGET

SECTION 1: BACKGROUND

The Quantification Settlement Agreement Joint Powers Authority (QSA JPA) administers funding of environmental mitigation requirements related to the QSA water transfers. The QSA JPA collects, holds, invests, and disburses funds needed for the mitigation projects. The QSA JPA is comprised of designated representatives from the California Department of Fish and Wildlife (CDFW), Coachella Valley Water District (CVWD), Imperial Irrigation District (IID), and San Diego County Water Authority (Water Authority) that serve as Commissioners and staff.

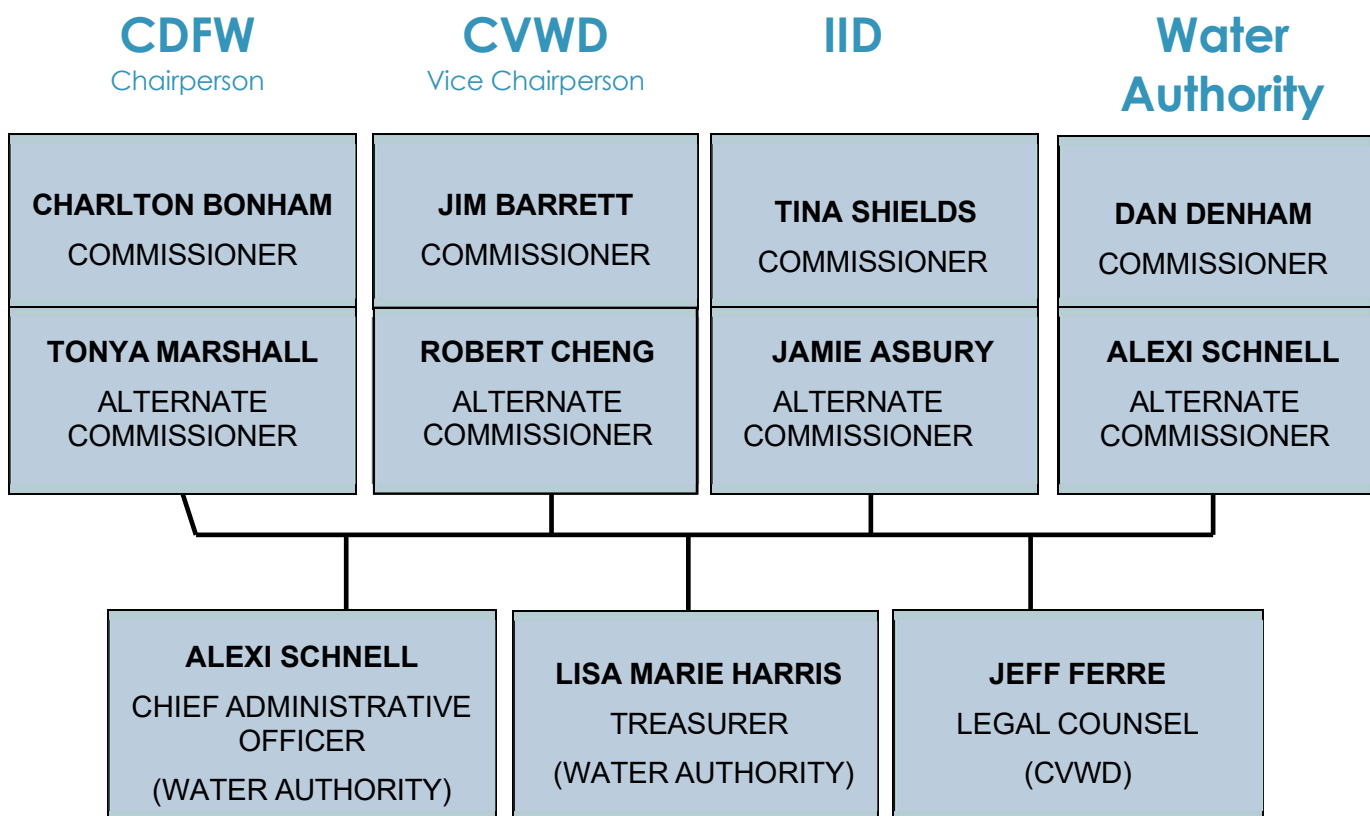


Figure 1. QSA JPA Organization Chart

CVWD, IID, and the Water Authority are required to provide up to \$133 million (in 2003 dollars) to pay for the QSA JPA mitigation program. Under the terms of the *Quantification Settlement Agreement Joint Powers Authority Creation and Funding Agreement* (JPA Agreement), the collective financial obligation of the water agencies is capped at \$133 million, and the State of California is responsible to pay for any QSA water transfer environmental mitigation costs that exceed \$133 million.

SECTION 2: BUDGET OVERVIEW

The QSA JPA Commission adopts an annual budget for the payment of environmental costs for QSA conserved water transfer mitigation projects in the Imperial Valley. The budget is developed by IID in coordination with the QSA Implementation Team (IT), which consists of CDFW, IID, and the U.S. Fish and Wildlife Service (USFWS). The annual budget provides revenues generated from agency contributions and interest earnings to meet anticipated fiscal year (FY) mitigation expenditures. Mitigation projects are implemented by IID under direction from the IT. Specific mitigation measures are implemented per environmental permitting requirements and involve various timeframes for completion. Detailed QSA JPA annual spending through FY 2022 by mitigation task is provided in Appendix 1.

The JPA Agreement provides a schedule of annual water agency contributions that are due on December 31 of each calendar year. As a means of managing cash flow requirements for future mitigation activities, the JPA Agreement permits agencies to adjust their payment schedules by rescheduling future payments from outer years to the near term. Under the *Modification of Payment Schedules Pursuant to the QSA JPA Agreement (Advanced Funding Agreement)*, advanced payments by the agencies are due on July 1 and are discounted at six percent from the date of the scheduled payment to the date of the advance. The QSA JPA has advanced payments from the original JPA Agreement payment schedules to cover expected environmental mitigation expenses. In 2007, the water agencies modified their payment schedules to advance \$13.2 million in FYs 2007 and 2008 to cover mitigation requirements through 2013. In 2015, the Board of Directors (BOD) of the individual water agencies authorized advanced payments to the QSA JPA totaling \$40.5 million, consisting of \$10 million from the Water Authority, \$5 million from CVWD, and \$25.5 million from IID, scheduled over six years beginning in FY 2016. In 2022, IID's BOD authorized a payoff of \$48.5 million for its remaining payments to the QSA JPA, consistent with the QSA JPA Agreement. In 2023, the CVWD BOD and Water Authority BOD each authorized a payoff of \$3.3 million for their remaining payments to the QSA JPA, consistent with the QSA JPA Agreement. There are no remaining water agency payments due to the QSA JPA (see Table 1).

Table 1. Water Agency Remaining Payment Schedule¹

Year	CVWD		IID		WATER AUTHORITY		TOTAL PAYMENTS	
	Due 12/31	Due 7/1	Due 12/31	Due 7/1	Due 12/31	Due 7/1	Calendar Year	Fiscal Year
2023	\$0				\$0		\$0	\$4,224,342
2024								
2025								
2026								
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,224,342

¹ On July 3, 2023, CVWD and the Water Authority exercised their option to complete an early payoff of their funding commitments to the QSA JPA, collectively totaling \$6.6 million. The schedule has been modified to reflect this change.

SECTION 3: REVIEW OF ACTIVITIES IN FY 2023 AND FY 2022

On June 6, 2022, the QSA JPA Commission adopted the FY 2023 budget in the amount of \$15,379,280. An amended FY 2023 budget of \$25,067,528 was later adopted on November 28, 2022, to reimburse IID for use of its property for Task 8 and for related third-party consultant costs. Table 2 shows the FY 2023 budgeted and projected spending by mitigation task, based on approved invoice totals to date and remaining fiscal year projections by IID. Major expenses in the FY 2023 budget include the Salton Sea Air Quality Mitigation Program (Task 24), reimbursement to IID for appraised value of Managed Marsh land (Task 8A), and the biologist team (Task 2).

Table 2. Detailed FY 2023 Projected Expenditures

TASK	TASK DESCRIPTION	BUDGETED FY 2023	PROJECTED FY 2023	BUDGET SAVINGS
2	QSA Implementation Team Biologists	\$ 1,197,060	\$ 1,197,060	\$ -
3	Environmental Reporting and Monitoring	\$ 560	\$ -	\$ (560)
4	Salton Sea Salinity and Elevation Program	\$ 8,000	\$ 5,000	\$ (3,000)
6	Tamarisk Scrub Habitat - Surveys and Mitigation	\$ 74,920	\$ 60,000	\$ (14,920)
8	Drain Habitat (Aquatic) - Create/Manage/Monitor "Managed Marsh" Areas	\$ 564,080	\$ 400,000	\$ (164,080)
8A	Reimbursement to IID for Appraised Value of Managed Marsh Land	\$ 9,685,748	\$ 9,182,030	\$ (503,718)
8B	Reimbursement to IID for Third-Party Appraiser	\$ 2,500	\$ 2,500	\$ -
15	Pre-Construction Activity Burrowing Owl Surveys and Relocation	\$ 3,390	\$ 1,000	\$ (2,390)
16	Burrowing Owl Relative Abundance & Distribution surveys	\$ -	\$ 2,762	\$ 2,762
17	Farmer and Public Education Program	\$ 7,600	\$ 5,636	\$ (1,964)
18	Desert Pupfish Abundance and Distribution Study	\$ 6,750	\$ 4,000	\$ (2,750)
19/19A	Pupfish Selenium Drain Studies	\$ 317,310	\$ 100,000	\$ (217,310)
20	Pupfish Construction and Maintenance Conservation Measures	\$ 257,500	\$ 5,000	\$ (252,500)
24	Salton Sea Air Quality	\$ 12,822,120	\$ 5,000,000	\$ (7,822,120)
36	JPA Audit Fees	\$ 10,770	\$ 10,770	\$ -
37	JPA Bank Fees	\$ 3,090	\$ 3,090	\$ -
38	Financial Advisor	\$ 16,000	\$ 16,000	\$ -
42	Brown Pelican - Sea	\$ 55,920	\$ -	\$ (55,920)
44	Pupfish Refugium	\$ 32,890	\$ 13,500	\$ (19,390)
46	QSA JPA Website	\$ 1,320	\$ -	\$ (1,320)
	Total²	\$ 25,067,528	\$ 16,008,348	\$ (9,059,180)

² May not foot due to rounding.

The projected budget savings and delayed expenditures for FY 2023 of \$9,059,180 is mostly due to the deferral of items under the Salton Sea Air Quality Mitigation Program (Task 24) and savings on the reimbursement cost to IID for use of Managed Marsh property under Task 8A. Table 3 summarizes the FY 2023 budget projections.

Table 3. FY 2023 Budget Summary³

FY 2023 BUDGET	PROJECTED FY 2023 EXPENDITURES	PROJECTED FY 2023 SAVINGS/DELAYS
\$ 25,067,528	\$ 16,008,348	\$ 9,059,180

On November 28, 2022, the QSA JPA Commission accepted an audit of its basic financial statements by Davis Farr Certified Public Accountants for fiscal years ending June 30, 2022, and 2021. Audited FY 2022 environmental mitigation expenditures totaled \$6,086,015, as depicted in Appendix 1. Based upon the audited cash balance of \$33,879,122 at the end of FY 2022, FY 2023 projected agency contributions and interest earnings of \$54,713,376, and projected FY 2023 budget spending of \$16,008,348, the QSA JPA expects to have a positive cash balance of \$72,584,463 at the end of FY 2023 (Table 4).

Table 4. FY 2023 Projected Fund Balance

DESCRIPTION		CASH FLOW
FY 2022 Audited Fund Balance (6-30-22)		\$33,879,435
Sources	Mitigation Contributions	\$52,682,997
	Interest Income	\$2,030,379
Uses	Environmental Mitigation	\$(16,008,348)
FY 2023 Projected Fund Balance (6-30-23)		\$72,584,463

³ May not foot due to rounding.

SECTION 4: FY 2024 BUDGET

The FY 2023 budget provides projected revenues of \$54,713,376 to meet anticipated expenditures from July 1, 2022, through June 30, 2023, of \$16,008,348, resulting in a net gain of \$38,705,028 from the previous fiscal year. FY 2024 will begin with the projected year-end FY 2023 fund balance of \$72,584,463.

Information summarizing the FY 2024 budget is presented in Tables 5 and 6. Table 5 provides the agency contributions for FY 2024 which reflect the payoffs of contributions by CVWD and the Water Authority in July 2023. Also provided in Table 5 are funding contributions by agency through FY 2023.

Table 5. Summary of Mitigation Contributions by Water Agency

AGENCY	CONTRIBUTIONS THROUGH FY 2023	FY 2024 CONTRIBUTIONS
CVWD	\$63,475,929	\$3,285,204
IID	\$104,058,578	\$ -
Water Authority ⁴	\$87,422,891	\$3,328,284
Total Agency Contributions	\$254,957,398	\$6,613,488

Revenue sources for FY 2024 include agency contribution payoffs from CVWD and the Water Authority of \$6,613,488 and interest income estimated at \$1,815,000. Projected spending in FY 2024 is \$12,028,330 for environmental mitigation and associated financial and administrative activities, shown by mitigation task in Table 7. Based upon the projected cash balance of \$72,584,463 at the end of FY 2023, FY 2024 combined revenue sources of \$8,428,488, and projected FY 2024 budget spending of \$12,028,330, the QSA JPA expects to have a positive cash balance of \$68,984,621 at the end of FY 2024 (Table 6). Projected uses exceed sources, indicating a decrease of \$3,599,842 in cash reserves for FY 2024.

Table 6. FY 2024 Projected Fund Balance

DESCRIPTION		CASH FLOW	
FY 2023 Projected Cash Balance (6-30-23)		\$72,584,463	
Sources	Mitigation Contributions	\$6,613,488	
	Interest Income	\$1,815,000	\$8,428,488
Uses	Environmental Mitigation		\$(12,028,330)
FY 2024 Projected Cash Balance (6-30-24)		\$68,984,621	

⁴ Water Authority contributions have been reduced by credits for payments made to the U.S. Bureau of Reclamation for implementation of Conservation and Mitigation Measures for the Colorado River.

Table 7. Detailed FY 2024 Projected Expenditures

TASK	TASK DESCRIPTION	FY 2024 BUDGET
1	QSA Implementation Team	\$ -
2	QSA Implementation Team Biologists	\$ 1,355,620
3	Environmental Reporting and Monitoring	\$ -
4	Salton Sea Salinity and Elevation Program	\$ 8,000
5	Salton Sea Mitigation Water to Salton Sea	\$ -
6	Tamarisk Scrub Habitat – Surveys and Mitigation	\$ 61,810
7	Drain Habitat - Initial Vegetation and Habitat Surveys	\$ -
8/8A/8B	Drain Habitat (Aquatic) - Create/Manage/Monitor "Managed Marsh" Areas	\$ 561,580
9	Drain Habitat Restrictions/Requirements for Construction and Maintenance	\$ -
10/10A	Worker Education Program Covered Species Training and Manual	\$ -
11	Desert Habitat Survey and Mapping of Right of Way	\$ -
12	Desert Habitat Create/Maintain Desert Habitat	\$ -
13	Changes to Operations on IID Canals to Avoid Covered Species	\$ -
14	Burrowing Owl Worker Annual Education and Manual	\$ -
15	Pre-Construction Activity Burrowing Owl Surveys and Relocation	\$ 1,500
16	Burrowing Owl Relative Abundance and Distribution Surveys	\$ -
17	Farmer and Public Education Program	\$ 5,000
18	Desert Pupfish Abundance and Distribution Study	\$ 6,750
19/19A	Pupfish Selenium Drain Studies	\$ 183,140
20	Pupfish Construction and Maintenance Conservation Measures	\$ 100,000
21	Salvage of Razorback Suckers when Dewatering Canals	\$ -
22	Maintain Habitat on Fallowed Parcels	\$ -
23	Covered Species Baseline and Monitoring Surveys	\$ 3,280
24	Salton Sea Air Quality	\$ 9,613,060
25	Minimize Dust Emissions from Fallowed Lands	\$ -
26	Drain Connectivity to Salton Sea Elevation Decrease	\$ -
27	Grade Spoil/Roads from Drain Maintenance	\$ -
28	Power Line Markers for Pumpback and Seepage Recovery Systems	\$ -
29	Prepare and Implement Management Plan for Abandoned Portions of AAC	\$ -
30	Southwestern Willow Flycatcher Surveys and Habitat Monitoring	\$ -
31	Elf Owl Surveys	\$ -
32	Desert Tortoise Survey and Avoidance	\$ -
33	Least Tern Surveys	\$ -
34	Rail and Bittern Surveys	\$ -
35	Management and Planning	\$ -
36	JPA Audit Fees	\$ 12,920
37	JPA Bank Fees	\$ 11,090
38	Financial Advisor	\$ 36,000
39	Bond Counsel Fees	\$ -
40	2001 Biological Opinion Measures	\$ -
41	Brown Pelican Coast	\$ -
42	Brown Pelican Sea	\$ 55,920
43	Salton Sea Shoreline Strand Study	\$ -
44	Pupfish Refugium	\$ 12,660
45	Recreation Facilities at Salton Sea	\$ -
46	QSA JPA Website Maintenance Services	\$ -
Total		\$ 12,028,330

SECTION 5: FY 2024 WORK PLAN

The FY 2024 budget totaling \$12,028,330 includes environmental mitigation activities for compliance with environmental permits and regulatory requirements. A detailed breakdown of anticipated expenditures by task is provided in Table 7. Mitigation measures are implemented consistent with environmental permit requirements of the QSA conserved water transfers. Major expenditure categories for mitigation measures to be implemented in FY 2023 are shown in Table 8 and include: the Salton Sea Air Quality Mitigation Program (Task 24), the biologist team (Task 2), and the Managed Marsh Areas (Task 8).

Table 8. Major Expenditures in FY 2024

TASK	TASK DESCRIPTION	FY 2024 BUDGET	PERCENT OF TOTAL BUDGET
24	Salton Sea Air Quality	\$ 9,613,060	80%
2	QSA Implementation Team Biologists	\$ 1,355,620	11%
8	Drain Habitat (Aquatic) – Create, Manage, Monitor "Managed Marsh" Areas	\$ 561,580	5%
--	Other Tasks	\$ 498,070	4%
Total		\$ 12,028,330	100%

Implementation of the Salton Sea Air Quality Mitigation Program (Task 24) is the largest budgeted expenditure for FY 2024 totaling \$9,613,060 or 80 percent of the total FY 2024 budget. Air quality mitigation includes annual emissions inventory, air quality network operations and maintenance, proactive dust control planning, groundwater development, air quality mitigation planning, and restricting public access to the Salton Sea playa. Expenditures for FY 2024 include groundwater development at Bombay Beach.

The QSA IT Biologists (Task 2) is the second largest budgeted expenditure making up \$1,355,620 or 11 percent of the total budget. This item includes funding for nine full-time staff and expenses for their fleet of vehicles.

The Managed Marsh Areas (Task 8) is the third largest budgeted expenditure totaling \$561,580 or five percent of the total FY 2024 budget. Expenditures for FY 2024 include operations and maintenance of the existing marsh (all three phases).

Other tasks make up the remaining four percent of the FY 2024 expenditures totaling \$498,070.

The budget also includes reimbursements to the Water Authority for designated financial costs such as bank fees, audit fees, and financial consultants (investment management). Audited historical spending by task is included as Appendix 1. Detailed summaries for individual mitigation measures by task, including a detailed breakdown of FY 2024 expenditures and planned and completed work, are included in Appendix 2.

Appendix 1 – Audited Historical QSA JPA Spending, FY 2004 - FY 2022

Task	Task Description	Total FY 2004-2022	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2004-2014
1	QSA Implementation Team	\$383,879									\$383,879
2	QSA Implementation Team Biologists	\$9,606,323	\$920,524	\$982,168	\$910,337	\$1,081,358	\$1,026,602	\$769,055	\$613,942	\$505,547	\$2,796,790
3	Environmental Reporting and Monitoring	\$82,458									\$82,458
4	Salton Sea Salinity and Elevation Program	\$45,386	\$15,326	\$8,447	\$4,129	\$4,895	\$7,100				\$5,489
5	Salton Sea Mitigation Water to Salton Sea	\$96,666,141			\$7,043,618	\$34,142	\$9,851,798	\$18,412,449	\$17,483,767	\$11,607,035	\$32,233,332
6	Tamarisk Scrub Habitat - Surveys and Mitigation	\$22,154	\$7,678		\$4,928						\$9,548
7	Drain Habitat - Initial Vegetation and Habitat Surveys	\$209,123									\$209,123
8	Drain Habitat (Aquatic) - Create/Manage/Monitor "Managed Marsh" Areas	\$17,002,205	\$403,912	\$2,615,125	\$2,206,448	\$1,911,610	\$439,409	\$297,032	\$389,963	\$2,787,567	\$5,951,139
9	Drain Habitat Restrictions/Requirements for Construction and Maintenance	\$8,473									\$8,473
10/10a	Worker Education Program Covered Species Training and Manual	\$35,302									\$35,302
11	Desert Habitat Survey and Mapping of Right of Way	\$379,191									\$379,191
12	Desert Habitat Create/Maintain Desert Habitat	\$17,300									\$17,300

Appendix 1 – Audited Historical QSA JPA Spending, FY 2004 - FY 2022

Task	Task Description	Total FY 2004-2022	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2004-2014
13	Changes to Operations on IID Canals to Avoid Covered Species	\$0									\$0
14	Burrowing Owl Worker Annual Education and Manual	\$10,411									\$10,411
15	Pre-Construction Activity Burrowing Owl Surveys and Relocation	\$927,555	\$3,933				\$7,164	\$1,540	\$6,765		\$908,153
16	Burrowing Owl Relative Abundance and Distribution Surveys	\$3,516,853		\$46,155	\$206,984	\$224,314		\$20,000	\$59,509	\$28,172	\$2,931,719
17	Farmer and Public Education Program	\$18,248	\$2,493	\$1,600	\$2,437	\$2,150	\$1,600	\$935	\$1,416	\$1,435	\$4,182
18	Desert Pupfish Abundance and Distribution Study	\$75,202	(\$17,165)	\$60,307	\$17,653	\$116	\$8		\$24		\$14,259
19	Pupfish Selenium Drain Studies	\$2,519,974	\$58,234	\$167,559	\$118,586	\$157,978	\$36,468	\$66,650		\$1,482	\$1,913,017
20	Pupfish Construction and Maintenance Conservation Measures	\$246,879	\$65,382	\$4,273	\$4,234	\$124,105	\$11,653	\$504			\$36,728
21	Salvage of Razorback Suckers when Dewatering Canals	\$9,534									\$9,534
22	Maintain Habitat on Fallowed Parcels	\$0									\$0
23	Covered Species Baseline and Monitoring Surveys ¹	\$5,395,188					\$800	\$947	\$17,000	\$62	\$5,376,379
24	Salton Sea Air Quality	\$32,991,027	\$4,588,075	\$5,478,183	\$4,553,484	\$4,024,938	\$3,483,968	\$3,809,309	\$2,797,387	\$601,399	\$3,654,284

¹ Includes Avian Studies from FY 2006, 2007, and 2008.

Appendix 1 – Audited Historical QSA JPA Spending, FY 2004 - FY 2022

Task	Task Description	Total FY 2004-2022	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2004-2014
25	Minimize Dust Emissions from Fallowed Lands	\$57,775									\$57,775
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	\$1,960									\$1,960
29	Prepare and Implement Management Plan for Abandoned Portions of AAC	\$0									\$0
30	Southwestern Willow Flycatcher Surveys and Habitat Monitoring ²	\$62,938									\$62,938
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	\$336,979					\$1,367	\$9,354	\$4,190	\$3,229	\$318,839
36	JPA Audit Fees	\$179,518	\$10,560	\$10,770	\$10,560	\$10,350	\$10,350	\$10,350	\$12,147	\$11,911	\$92,520

² Includes Task 46 from previous years.

Appendix 1 – Audited Historical QSA JPA Spending, FY 2004 - FY 2022

Task	Task Description	Total FY 2004-2022	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2004-2014
37	JPA Bank Fees	\$33,417	\$1,776	\$2,082	\$2,495	\$1,405	\$1,526	\$1,584	\$1,609	\$1,678	\$19,262
38	Financial Advisor	\$51,294	\$12,567	\$9,230							\$29,497
39	Bond Counsel Fees	\$25,000									\$25,000
40	2001 Biological Opinion Measures	\$3,349,126									\$3,349,126
41	Brown Pelican Coast	\$0									\$0
42	Brown Pelican Sea	\$5,517	\$329	\$4,017	\$1,171						\$0
43	Salton Sea Shoreline Strand Study	\$0									\$0
44	Pupfish Refugium	\$66,866	\$3,051			\$3,174			\$1,840	\$21,284	\$37,517
45	Recreation Facilities at Salton Sea	\$22,603				\$3,911	\$10,999	\$6,565		\$1,128	\$0
46	QSA JPA Website	\$9,340	\$9,340								\$0
Total		\$174,371,139	\$6,086,015	\$9,389,916	\$15,087,064	\$7,584,446	\$14,890,812	\$23,406,274	\$21,389,559	\$15,571,929	\$60,965,124
Biological Opinion Measures Credited to Water Authority		\$3,349,126									\$3,349,126
Total JPA Expenditures		\$171,022,013	\$6,086,015	\$9,389,916	\$15,087,064	\$7,584,446	\$14,890,812	\$23,406,274	\$21,389,559	\$15,571,929	\$57,615,998

Work Task 1: QSA Implementation Team

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$383,879

Description and Purpose: The Quantification Settlement Agreement (QSA) Implementation Team (IT) is to hold quarterly IT meetings consisting of representatives from Imperial Irrigation District (IID), U.S. Fish and Wildlife Service (USFWS), and California Department of Fish and Wildlife (CDFW), to guide implementation of the Habitat Conservation Plan (HCP) and In-Valley California Endangered Species Act (CESA) Permit for the duration of the HCP and CESA Permit.

Permit Reference: HCP; CESA Permit 4(a)(ii) and MMRP 8

Accomplishments Through FY 2022: Held quarterly implementation team meetings and review annual budget.

FY 2023 Activities: Quarterly implementation team meetings were held virtually at no cost to the QSA JPA.

Proposed FY 2024 Activities: No expense to the QSA JPA is expected for this item due to quarterly implementation team meetings being held virtually.

Work Task 2: QSA Implementation Team Biologists

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$1,355,620	\$1,197,060	\$1,197,060	\$9,606,323

Description and Purpose: Salary and expenses for IT Biologists.

Permit Reference: HCP, General 1; CESA Permit 4(a)(i) and MMRP 7

Accomplishments Through FY 2022: Cover environmental mitigation staff expenses.

FY 2023 Activities: Fund environmental mitigation staff and vehicles.

Proposed FY 2024 Activities: Continue to fund environmental mitigation staff and vehicles.

Work Task 3: Environmental Reporting and Monitoring

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$560	\$82,458

Description and Purpose: Report annually to USFWS and CDFW the amount of water conserved, transferred, and allowed to flow to the Salton Sea.

Make available to USFWS and CDFW valley-wide statistics regarding agricultural production and implementation of water conservation measures, including total acreage in agricultural production in the IID water service area, acres of each crop grown, acres of land fallowed, acres of participating farms, and total amount of water conserved and transferred.

Submit annual report to SWRCB on actions taken to comply with the mitigation measures and conservation strategies included in the Final EIR/EIS and HCP and all other state and federal permits and regulatory requirements.

Prepare Adaptive Management Plan for monitoring effectiveness of mitigation measures. Submit reports of the previous year's activities to USFWS, CDFW and SWRCB including details of fish and wildlife conservation actions implemented, monitoring/surveying activities, and water conservation activities.

Permit Reference: HCP Chp 4; In-Valley Biological Opinion, TC Reporting Requirements; CESA Permit Conditions of Approval, General Conditions (a) and (b) and MMRPs; SWRCB Section 4

Accomplishments Through FY 2022: Annual report sent by March 31 of each year for the previous calendar year.

FY 2023 Activities: Funds budgeted for printing and shipping costs for annual reports but no costs were incurred by QSA JPA.

Proposed FY 2024 Activities: No expense expected for this item due to annual reports being submitted electronically and posted on IID's website.

Work Task 4: Salton Sea Salinity and Elevation Program

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$8,000	\$5,000	\$8,000	\$45,386

Description and Purpose: To demonstrate compliance with the Salton Sea Habitat Conservation Strategy, monitor salinity and elevation of the Salton Sea.

Permit Reference: SWRCB-6; CESA Permit MMRP 40

Accomplishments Through FY 2022: Completed annual selenium monitoring.

FY 2023 Activities: Continued selenium analysis at the Salton Sea.

Proposed FY 2024 Activities: Continue selenium analysis at the Salton Sea including airboat and monitoring equipment expenses.

Work Task 5: Salton Sea Mitigation Water to Salton Sea

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$96,666,141

Description and Purpose: To implement refined Salton Sea Habitat Conservation Strategy (SSHCS), which requires provision of mitigation water to the Salton Sea for the first 15 years of the project to mitigate reductions in inflow due to the transfer of water to the Water Authority.

Mitigation water will be delivered in accordance with the schedule in Table 1-3 of the 9/03 Addendum.

Permit Reference: SWRCB CESA Permit 4(c)(i) and MMRP13

Accomplishments Through FY 2022:

Delivered 46,546 AF of mitigation water to the Salton Sea to resolve 2010 pre-delivery payback in FY 2020. Mitigation task is complete.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 6: Tamarisk Scrub Habitat - Surveys and Mitigation

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$61,810	\$60,000	\$74,920	\$22,154

Description and Purpose: To develop preconstruction survey checklists and protocols in consultation with the IT, to identify proposed construction and impacted vegetation and covered species. Specific survey protocol will be developed to monitor and quantify changes in the amount/quality of habitat in consultation with USFWS and CDFW.

Includes the evaluation of all potential cottonwood-willow and tamarisk stands for Southwestern Willow Flycatcher breeding habitat suitability, prior to IID water conservation activities that could impact tamarisk habitat.

Permit Reference: HCP-TREE 1-3; In-Valley Biological Opinion, Willow Flycatcher Measures 1 to 4; CESA Permit 4(f) and MMRP 21-27, 29-36, 41, 42

Accomplishments Through FY 2022: Managed Marsh Complex native tree habitat in buffer zones installed.

FY 2023 Activities: Conducted operation and maintenance of native tree habitat.

Proposed FY 2024 Activities: Continue operation and maintenance of native tree habitat including repairs to flood irrigation, invasive species control, and supplemental planting.

Work Task 7: Drain Habitat - Initial Vegetation and Habitat Surveys

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$209,123

Description and Purpose: To complete drain vegetation database, conduct covered species baseline surveys as necessary, and participate in a comprehensive planning process to address selenium impacts. Includes the evaluation of all potential cottonwood-willow and tamarisk stands for southwestern willow flycatcher breeding habitat suitability, based on characterizations provided in the draft Southwestern Willow Flycatcher Recovery Plan.

Permit Reference: HCP, Drain Habitat 1; In-Valley Biological Opinion Willow Flycatcher Measures 1 to 4; CESA Permit, 4(g) and MMRPs

Accomplishments Through FY 2022: Completed baseline drain survey.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 8: Drain Habitat (Aquatic) - Create/Manage/Monitor "Managed Marsh" Areas

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$561,580	\$400,000	\$564,080	\$17,002,205

Description and Purpose: To create 959 acres of managed marsh habitat over a 15 year period, 1/3 of the total within the first five years. The specific amount will be determined by the IT, and approved by USFWS and CDFW, based upon the drain vegetation survey (an amount equal to the total amount of habitat in the drains), as well as the acreage required to compensate for selenium effects. Due diligence will be conducted on land chosen for Managed Marsh and land will be purchased for managed marsh.

Permit Reference: HCP Drain Habitat; In-Valley Biological Opinion-Rail CM 1-2; CESA 4(g)(i) and MMRP 45, 46, 47, 88, 101, 102, 103

Accomplishments Through FY 2022: Phase I built in 2009 - 365 acres. Phase II built in 2014 - 360 acres. Phase III design and construction completed. Buffer zones double as native tree habitat for construction projects.

FY 2023 Activities: Conducted operation & maintenance (O&M) of Phases I, II, and III of Managed Marsh Complex.

Proposed FY 2024 Activities: Continue O&M of Managed Marsh Complex Phases I, II, and III.

Work Task 8A: Reimbursement to IID for Appraised Value of Managed Marsh Land

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$9,182,030	\$9,685,748	\$ -

Description and Purpose: Reimburse IID for the appraised value of the land underlying the Managed Marsh Areas (Task 8).

Permit Reference: N/A

Accomplishments Through FY 2022: N/A.

FY 2023 Activities: Reimbursed IID for the use of its land for the Managed Marsh.

Proposed FY 2024 Activities: N/A.

Work Task 8B: Reimbursement to IID for Third-Party Appraiser

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$2,500	\$2,500	\$ -

Description and Purpose: Reimburse IID for direct costs incurred by hiring a third-party appraiser (contractor) to determine the value of the land underlying the Managed Marsh Areas (Task 8).

Permit Reference: N/A

Accomplishments Through FY 2022: N/A.

FY 2023 Activities: Reimbursed IID for its third-party appraiser.

Proposed FY 2024 Activities: N/A.

Work Task 9: Drain Habitat Restrictions/Requirements for Construction and Maintenance

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$8,473

Description and Purpose: To implement the listed measures when conducting scheduled construction activities within rights-of-way along the AAC, East Highline, and portions of the Westside Main, Thistle, and Trifolium Extension Canals containing desert habitat (these measures may be modified during the permit term with the approval of USFWS and CDFW or based on survey results or adaptive management).

Permit Reference: HCP-Drain 3; CESA Permit 4(f)(i, ii, iii, and ix), 4(g), 4(i)(iv) and MMRP 36, 49, 50, 70, 71, 76, 77, 89

Accomplishments Through FY 2022: Completed pre-construction surveys for construction activities.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 10/10A: Worker Education Program Covered Species Training and Manual

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$35,302

Description and Purpose: To implement an annual worker education program for workers conducting O&M and construction activities to ensure compliance with the Desert Habitat Conservation Strategy. A worker education manual is to be prepared with the concurrence of USFWS and CDFW; copies are to be distributed to each person conducting O&M activities along the AAC, East Highline, Westside Main, Thistle, or Trifolium canals.

Includes review of worker education manual, updates as appropriate, and distribution to workers; copies are to be given to USFWS and CDFW. Workers' compliance is to be monitored with worker education manual procedures, and any infractions will be reported by the IT Biologist to the worker's supervisor.

Permit Reference: HCP-Desert 1; CESA Permit 4(i) MMRP 58, 59, and 60

Accomplishments Through FY 2022: Annual worker education trainings conducted at the beginning of each calendar year and then an additional training mid-year for new employees.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A. Transitioned to online video training. No expense planned this year.

Work Task 11: Desert Habitat Survey and Mapping of Right of Way

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$379,191

Description and Purpose: To conduct a desert habitat survey encompassing IID's rights-of-way along the AAC (from the intersection with the East Highline Canal to the desilting basins at Imperial Dam) and the Westside Main, East Highline, Thistle, and Trifolium Extension Canals where the rights-of-way contain or are adjacent to desert habitat. Includes Identifying and mapping habitat and habitat features. A report of the results of the desert habitat survey is to be reported to USFWS and CDFW. The worker education manual will be updated to include a habitat map and map(s) of known locations of each of the covered species within the canal rights-of-way.

Permit Reference: HCP DH 4; CESA Permit 4(i)(v) MMRP 64

Accomplishments Through FY 2022: Habitat survey conducted as part of initial habitat mapping at the beginning of the QSA.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 12: Desert Habitat Create/Maintain Desert Habitat

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$17,300

Description and Purpose: To determine the amount of habitat lost, and work with the IT to identify a replacement property (in a 1:1 ratio to the lost acreage) to be acquired or covered with a conservation easement if desert habitat used by covered species would be permanently lost due to O&M or construction activities. IID may not permanently remove more than 100 acres of desert habitat and/or tamarisk scrub habitat over the permit term.

Permit Reference: HCP-DH 5; CESA Permit 4(i)(vi) and MMRP 66, 67, 68

Accomplishments Through FY 2022: N/A.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 13: Changes to Operations on IID Canals to Avoid Covered Species

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$ -

Description and Purpose: To implement the listed "interim" practices in connection with O&M activities. These measures may be modified during the permit term based upon survey results or adaptive management.

Permit Reference: HCP, Desert 2; CESA Permit, Conditions 4(i)(iii), 4(i)(vii) to (xiv) and MMRP 50, 60, 62, 63, 70, 71, 76 and 77

Accomplishments Through FY 2022: No major modifications to operations & maintenance activities to date.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 14: Burrowing Owl Worker Annual Education and Manual

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$10,411

Description and Purpose: To develop and implement an annual worker education program to ensure workers are familiar with Burrowing Owl mitigation measures. Also to ensure new workers are informed of and understand the HCP requirements. A worker education manual is to be prepared and distributed to each person conducting drain cleaning or canal maintenance procedures and refresher instruction is to be conducted. Copies of the manual are to be provided to USFWS and CDFW and approval of the workers' manual from USFWS and CDFW must be obtained. The IT Biologist will conduct random checks of workers to ensure compliance with the HCP.

Permit Reference: HCP, Owl 1

Accomplishments Through FY 2022: The Burrowing Owl Worker Education and Manual have been combined with Task 10/10A: Worker Education Program to conduct one annual worker education program. All Water Department O&M and construction workers are trained in January of each year. Zanjeros and water patrolmen are trained in February/March of each year. A mid-year make up training is conducted for anyone who missed trainings at the beginning of the year or who have been hired since trainings occurred.

FY 2023 Activities: Annual education program rolled into Task 10/10A.

Proposed FY 2024 Activities: Annual education program rolled into Task 10/10A.

Work Task 15: Pre-Construction Activity Burrowing Owl Surveys and Relocation

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$1,500	\$1,000	\$3,390	\$927,555

Description and Purpose: To implement the following in connection with construction and O&M activities:

- Conduct visual inspection of banks and indicate location of burrows; avoid collapsing or filling burrows, exercise care in removing sediment, and avoid moving the excavator bucket directly over a burrow.
- Develop standard operating procedures through teamwork of IT biologist and maintenance workers for drain/canal cleaning.

Permit Reference: HCP-Owl 2-8

Accomplishments Through FY 2022: Annual inspections of canals and drains prior to all operations and maintenance activities.

FY 2023 Activities: Conducted annual inspections of canals and drains for burrows prior to all operations and maintenance activities.

Proposed FY 2024 Activities: Continue annual inspections of canals and drains for burrows prior to all operations and maintenance activities.

Work Task 16: Burrowing Owl Relative Abundance and Distribution Surveys

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$2,762	\$ -	\$3,516,853

Description and Purpose: To prepare and conduct a study design for a relative abundance and distribution survey of burrowing owls (BUOW) in the HCP area; prepare in consultation with a statistician; obtain IT approval of the study design.

Permit Reference: HCP, Owl 7

Accomplishments Through FY 2022: Population studies conducted in 2007/2008. Sub-sampling conducted in 2011/2012. "Efficacy study" on burrowing owl marking protocol in 2015/2016. Two-year subsampling effort in 2019 and 2020.

FY 2023 Activities: Unexpected charge for materials related this task.

Proposed FY 2024 Activities: N/A. No surveys planned.

Work Task 17: Farmer and Public Education Program

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$5,000	\$5,636	\$7,600	\$18,248

Description and Purpose: To implement a farmer and public education program on burrowing owls; periodically include information on burrowing owls in water bills to farmers.

Permit Reference: HCP, Owl 9

Accomplishments Through FY 2022: Design an advertisement and public outreach presentations to various groups.

FY 2023 Activities: Provided public outreach presentations and engaged with school-age students to design local magazine advertisements for burrowing owls.

Proposed FY 2024 Activities: Continue public outreach presentations, design an ad, etc.

Work Task 18: Desert Pupfish Abundance and Distribution Study

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$6,750	\$4,000	\$6,750	\$75,202

Description and Purpose: To develop in coordination with the IT a protocol for monitoring pupfish presence in drains currently maintained, and in drain channels constructed, to increase the amount of potential pupfish drain habitat under Pupfish 3.

Permit Reference: HCP, Pupfish 4; In-Valley Biological Opinion, Pupfish CM 3; CESA Permit

Accomplishments Through FY 2022: Desert pupfish distribution monitoring protocol, purchasing of equipment, and implementation to date. IID environmental mitigation staff trained to survey for pupfish within drains around the Salton Sea.

FY 2023 Activities: Conducted pupfish distribution surveys.

Proposed FY 2024 Activities: IID staff will monitor pupfish within IID drains at the Salton Sea.

Work Task 19/19A: Pupfish Selenium Drain Studies

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$183,140	\$100,000	\$317,310	\$2,519,974

Description and Purpose: To operate and maintain drains in a manner that minimizes the effects of water conservation on water quality. To implement the selenium drain monitoring study. To work together with the IT to determine the best means for managing the drain channels to minimize potential selenium effects on pupfish, based upon the findings of studies conducted by USFWS or others and continue funding of the Selenium Toxicity Study.

Permit Reference: HCP-Pupfish 4; CESA Permit Conditions 4(j)(ii), 4(j)(vi), 4(j)(vii), 4(j)(x); MMRP 80, 81, 87, 94; In-Valley Biological Opinion; SWRCB Order

Accomplishments Through FY 2022: USGS Selenium Study completed in 2009. Recommendations from USGS study used to create Selenium Work Plan for the RWQCB Ag Waiver completed. First year of three year study began in late 2018.

FY 2023 Activities: Conducted selenium analysis within IID drains, equipment costs, and data analysis.

Proposed FY 2024 Activities: Ongoing selenium work plan activities including water quality samples and monitoring.

Work Task 20: Pupfish Construction and Maintenance Conservation Measures

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$100,000	\$5,000	\$257,500	\$246,879

Description and Purpose: To implement the listed measures in connection with construction activities (i.e., in-channel modifications) that directly affect pupfish drains and require dewatering or removal of drain sections.

Permit Reference: HCP-Pupfish 6; CESA Permit MMRP 80, 86, 89, 90, 94, 95, 96, 97; In-Valley Biological Opinion

Accomplishments Through FY 2022: Any required drain maintenance activities have been consulted with CDFW. Pupfish trapping occurred five consecutive days with no pupfish caught before work has started.

FY 2023 Activities: Worked to develop a Pupfish Habitat Connectivity Plan with consultant, USFWS, CDFW and CVWD for IID and CVWD drains.

Proposed FY 2024 Activities: Develop a Pupfish Drain Connection Plan & Design.

Work Task 21: Salvage of Razorback Suckers when Dewatering Canals

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$9,534

Description and Purpose: The IT will develop a procedure for salvaging and returning fish to the Colorado River and ensure that a person qualified to capture and handle razorback suckers, and approved by USFWS and CDFW, will be present during dewatering of main canals or reservoirs.

Permit Reference: HCP-Razorback Sucker 1; CESA Permit 4(k)(i) and MMRP 99

Accomplishments Through FY 2022: No relocation efforts have been conducted to date.

FY 2023 Activities: No razorback suckers were found.

Proposed FY 2024 Activities: Relocation of razorback suckers if needed.

Work Task 22: Maintain Habitat on Fallowed Parcels

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$ -

Description and Purpose: N/A

Permit Reference: N/A

Accomplishments Through FY 2022: Task has no value. Fallowed parcels are privately owned with residual cover from previous crops. Fallowed parcels are scattered around the valley, so no one area has had a significant percentage of fallowed lands.

FY 2023 Activities: N/A. Fallowing is no longer conducted as a conservation measure post 2017.

Proposed FY 2024 Activities: N/A.

Work Task 23: Covered Species Baseline and Monitoring Surveys

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$3,280	\$ -	\$ -	\$5,395,188

Description and Purpose: To work with the IT to define specific surveys and studies to be conducted as part of a study program for the "Other Species" listed in Table 3.9-1 of the HCP within the HCP area. The use of created or acquired native tree habitat is to be monitored. A baseline desert survey will be conducted.

Permit Reference: HCP-OTHER Species 1 and 2; CESA Permit 4(i)(v) and MMRP 35, 48, 64, 65; HCP; CESA Permit 4(i)(v) and MMRP 64; HCP DH 2, DH3, DH4

Accomplishments Through FY 2022: Baseline survey of covered species completed in 2009. Imagery purchased for Imperial Valley Agricultural area. Annual marsh bird protocol surveys and Southwest Willow Flycatcher surveys conducted.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: Continue surveys of covered species primarily for marsh birds at the Managed Marsh and southwest willow flycatchers.

Work Task 24: Salton Sea Air Quality

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$9,613,060	\$5,000,000	\$12,822,120	\$32,991,027

Description and Purpose: To continue implementation of the 4-step air quality plan: (1) Restrict Access, (2) Research and Monitoring, (3) Emission Reduction Credits, (4) Direct Emissions Reductions.

Permit Reference: SWRCB-8; EIR/EIS STEP 2, AQPLAN-AQ 7

Accomplishments Through FY 2022: Annual emissions inventory, air quality network operations & maintenance, proactive dust control planning, groundwater development, air quality emissions inventory.

FY 2023 Activities: Developed groundwater resources at Clubhouse and Salton City.

Proposed FY 2024 Activities: Annual emissions inventory, air quality network operations & maintenance, proactive dust control planning, groundwater development at Bombay Beach, air quality mitigation planning, and restrict public access on Salton Sea playa.

Work Task 25: Minimize Dust Emissions from Fallowed Lands

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$57,775

Description and Purpose: To implement at least one of the Best Management Practices ("BMPs") to minimize PM10 emissions prior to and after fallowing.

Permit Reference: SWRCB-8; EIR/EIS-AQ 3

Accomplishments Through FY 2022: Fallowed fields are required to have a crop left in place for dust mitigation at the owners expense. No cost to the JPA.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 26: Drain Connectivity to Salton Sea Elevation Decrease

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$ -

Description and Purpose: To ensure an appropriate level of connectivity between pupfish populations within individual drains that connect to the Sea and are below the first check (at the north and south ends of the Sea) if Salton Sea conditions become unsuitable for pupfish. To maintain created pupfish habitats for the duration of the term of the take permits.

Permit Reference: HCP-SS 2; In-Valley Biological Opinion; CESA Permit MMRP 79, 80

Accomplishments Through FY 2022: Drain connectivity for pupfish due to salinity levels is included in Task 20.

FY 2023 Activities: Included in Task 20.

Proposed FY 2024 Activities: Included in Task 20.

Work Task 27: Grade Spoil/Roads from Drain Maintenance

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$ -

Description and Purpose: When grading spoils from drain or canal cleaning, the soil to be graded will first be rolled away from the channel and broken up into small clods and slowly rolled back towards the channel. Care will be taken to not roll the soil back down the slope.

Permit Reference: Owl-3, HCP

Accomplishments Through FY 2022: IID protocols for drain and canal cleaning include spoil to be graded away from the channel. Costs for burrowing owl marking included in Task 15.

FY 2023 Activities: Included in Task 15.

Proposed FY 2024 Activities: Included in Task 15.

Work Task 28: Power Line Markers for Pumpback and Seepage Recovery Systems

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$1,960

Description and Purpose: To install markers in accordance with industry standards in order to reduce bird strikes and to alert birds to the presence of the lines if IID builds additional power lines to provide power to pumps for tailwater return systems. If additional lines are erected, submit a report to USFWS and CDFW.

Permit Reference: HCP-AG 1; CESA Permit MMRP 55, 57

Accomplishments Through FY 2022: N/A

FY 2023 Activities: N/A

Proposed FY 2024 Activities: N/A

Work Task 29: Prepare and Implement Management Plan for Abandoned Portions of AAC

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$ -

Description and Purpose: To prepare and implement a Management Plan for abandoned portions of AAC.

Permit Reference: CESA Permit MMRP 78

Accomplishments Through FY 2022: N/A.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 30: Southwestern Willow Flycatcher Surveys and Habitat Monitoring

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$62,938

Description and Purpose: To carry out Southwestern Willow Flycatcher Surveys.

Permit Reference: CESA Permit 4(f) and MMRP 41, 42; HCP; In-Valley Biological Opinion, Willow Flycatcher Measures

Accomplishments Through FY 2022: Included in Task 23.

FY 2023 Activities: Included in Task 23.

Proposed FY 2024 Activities: Included in Task 23.

Work Task 31: Elf Owl Surveys

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$ -

Description and Purpose: To carry out pre-construction surveys of potential habitat with a 0.25 mile radius for nesting owls.

Permit Reference: CESA Permit 4(f)(ix) and MMRP 44

Accomplishments Through FY 2022: Included in Task 23.

FY 2023 Activities: Included in Task 23.

Proposed FY 2024 Activities: Included in Task 23.

Work Task 32: Desert Tortoise Survey and Avoidance

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$ -

Description and Purpose: To carry out pre-construction surveys and avoidance or minimization.

Permit Reference: CESA Permit 4(j) and MMRP 71 to 75; HCP DH 2 and DH 3

Accomplishments Through FY 2022: Included in Task 23.

FY 2023 Activities: Included in Task 23.

Proposed FY 2024 Activities: Included in Task 23.

Work Task 33: Least Tern Surveys

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$ -

Description and Purpose: Permittee is to use fencing or other techniques to protect nesting terns if least terns begin nesting at the Salton Sea.

Permit Reference: CESA Permit 4(e) and MMRP 20

Accomplishments Through FY 2022: Included in Task 23.

FY 2023 Activities: Included in Task 23.

Proposed FY 2024 Activities: Included in Task 23.

Work Task 34: Rail and Bittern Surveys

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$ -

Description and Purpose: To carry out Managed Marsh monitoring and initial baseline monitoring of suitable agricultural drain habitat.

Permit Reference: CESA Permit 4(g) and MMRPs 51, 52, 54; In-Valley Biological Opinion, Rail Measures; HCP

Accomplishments Through FY 2022: Included in Task 23.

FY 2023 Activities: Included in Task 23.

Proposed FY 2024 Activities: Included in Task 23.

Work Task 35: Management and Planning

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$336,979

Description and Purpose: Management and Planning.

Permit Reference: N/A

Accomplishments Through FY 2022: Costs for monthly accounting, invoicing, and budget development.

FY 2023 Activities: Monthly accounting, invoicing, and budget development were managed internally by IID staff at no expense to the QSA JPA.

Proposed FY 2024 Activities:

No expense to the QSA JPA is expected for this item. Monthly accounting, invoicing, and budget development will continue to be managed internally by IID staff.

Work Task 36: JPA Audit Fees

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$12,920	\$10,770	\$10,770	\$179,518

Description and Purpose: To pay for JPA audit fees.

Permit Reference: N/A

Accomplishments Through FY 2022: Paid for JPA auditor services.

FY 2023 Activities: Paid for JPA auditor services

Proposed FY 2024 Activities: Pay for JPA auditor services.

Work Task 37: JPA Bank Fees

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$11,090	\$3,090	\$3,090	\$33,417

Description and Purpose: To pay for JPA bank fees.

Permit Reference: N/A

Accomplishments Through FY 2022: Paid for JPA bank fees.

FY 2023 Activities: Paid for JPA bank fees.

Proposed FY 2024 Activities: Pay for JPA Bank Fees.

Work Task 38: Financial Advisor

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$36,000	\$16,000	\$16,000	\$51,294

Description and Purpose: To pay for financial advisor services.

Permit Reference: N/A

Accomplishments Through FY 2022: In FY07, the QSA JPA hired First Southwest Company as a financial advisor tasked with analyzing projected expenditures and existing payment schedules to develop options for an upcoming deficit. This led to the 2007 Advanced Payment Agreement. In FY20, the QSA JPA hired Chandler Asset Management as an investment advisor.

FY 2023 Activities: Paid for investment management services (Chandler Asset Management).

Proposed FY 2024 Activities: Pay for investment management services (Chandler Asset Management).

Work Task 39: Bond Counsel Fees

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$25,000

Description and Purpose: To pay for bond counsel fees.

Permit Reference: N/A

Accomplishments Through FY 2022: In FY07, the QSA JPA hired Orrick, Herrington and Sutcliffe to advise on the potential issuance of bonds.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 40: 2001 Biological Opinion Measures

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$3,349,126

Description and Purpose: Bureau of Reclamation implementation of “on-river” measures including backwater marsh creation, razorback sucker stocking, willow flycatcher habitat, and bonytail chub rearing. Costs for this task have been credited to the Water Authority.

Permit Reference: 2001 LCR BO; CESA

Accomplishments Through FY 2022: Section 9.5 of the JPA Agreement provides for a \$3.118 million credit to the Water Authority for certain on-river mitigation activities that are implemented by the Bureau of Reclamation (BOR). Specifically, the language states “SDCWA shall receive credit toward its payment obligations under this Agreement, not to exceed a present value of \$3,118,000, for payments made to BOR for satisfaction of Environmental Mitigation Requirements pursuant to that agreement among BOR, MWD, and SDCWA, dated October 10, 2003, regarding responsibility for implementation of Conservation and Mitigation Measures for the Colorado River described in a US Fish and Wildlife Service Biological Opinion dated January 12, 2001.”

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 41: Brown Pelican Coast

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$ -

Description and Purpose: To construct, maintain, and monitor major coastal roost sites in San Diego Bay and Santa Barbara Harbor.

Permit Reference: CESA 4(d); 2002 In-Valley BO BP CM-1

Accomplishments Through FY 2022: N/A.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 42: Brown Pelican Sea

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$55,920	\$ -	\$55,920	\$5,517

Description and Purpose: To construct, maintain, and monitor roost sites at the Salton Sea.

Permit Reference: CESA 3(c); 2002 In-Valley BO BP CM-1; HCP SS-1

Accomplishments Through FY 2022: N/A.

FY 2023 Activities: IID consulted with CDFW on the scope of this task.

Proposed FY 2024 Activities: Develop a construction cost estimate for this task.

Work Task 43: Salton Sea Shoreline Strand Study

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$ -

Description and Purpose: To survey for and mitigate, if required, impacts to tamarisk scrub upon completion of Salton Sea mitigation deliveries.

Permit Reference: HCP SS-3; HCP 4(f)

Accomplishments Through FY 2022: N/A.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A. No imagery is expected to be purchased and existing IID equipment will be used.

Work Task 44: Pupfish Refugium

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$12,660	\$13,500	\$32,890	\$66,866

Description and Purpose: To construct and maintain one refugium pond.

Permit Reference: HCP SS-2; 2002 In-Valley BO DP CM-1; CESA 4(j)

Accomplishments Through FY 2022: Pupfish refugium built in 2010 and stocked in 2016.

FY 2023 Activities: Environmental mitigation staff began operation and maintenance of the refugium in summer 2022.

Proposed FY 2024 Activities: Continue pupfish refugium operations and maintenance, including water monitoring, cleaning, and maintenance.

Work Task 45: Recreation Facilities at Salton Sea

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$ -	\$22,603

Description and Purpose: To relocate boat launch site and/or maintain boat launch connection to Salton Sea.

Permit Reference: SWRCB Order Measure R-7; 2002 EIS/EIR Measure R-7

Accomplishments Through FY 2022: Inventory of recreational facilities around the Salton Sea.

FY 2023 Activities: N/A.

Proposed FY 2024 Activities: N/A.

Work Task 46: QSA JPA Website Maintenance Services

PROPOSED FY 2024	PROJECTED FY 2023	BUDGETED FY 2023	SPENT THROUGH FY 2022
\$ -	\$ -	\$1,320	\$9,340

Description and Purpose: Maintain the QSA JPA website.

Permit Reference: N/A

Accomplishments Through FY 2022: The QSA JPA website was developed.

FY 2023 Activities: Operated and maintained the QSA JPA website using Water Authority staff to minimize costs to the JPA.

Proposed FY 2024 Activities: No expense to the QSA JPA is expected for this item. Continue operation and maintenance of QSA JPA website using Water Authority staff.



Enclosure 2

August 11, 2023

000136

SAN DIEGO COUNTY WATER AUTHORITY
ATTN: LIANA WHYTE
4677 OVERLAND AVE
SAN DIEGO CA 92123-1233

Dear Client:

BNY Mellon's focus has been on reinvention, improvement and a commitment to you to provide exceptional service to support your business. That focus has prompted our continued investment in people talent to ensure quality service, as well as a commitment to maintain a strong and stable operating function.

In addition, we continue to navigate heightened economic, regulatory and industry-driven demands while striving to remain a safe and trusted financial institution. These factors, however, bring with them associated costs requiring an evaluation of our existing pricing model.

As a result, and after careful review and consideration of these current circumstances, it has become necessary to increase your transaction service fees. A corresponding Fee Schedule Addendum is included in this communication for your information and reference.

We appreciate and value our relationship with your organization and will continue to execute on our deliverables to support your corporate trust needs.

If you have any questions, please feel free to reach out to me.

Best Regards,

Gregory Lafferty

Gregory Lafferty
Relationship Manager, BNY Mellon



August 11, 2023

Fee Schedule Addendum

[The Bank of New York Mellon / The Bank of New York Mellon Trust Company, N.A.] (“BNYM”) is currently acting in the roles listed below with respect to the referenced accounts. The fees[, *expenses, and charges*] for such roles will change as indicated below.

ACS Key	Account Key	Account Name	Component	Prior Fee	New Fee
504173	CDC504173	QSA JOINT POWERS AUTHORITY	Account Maintenance Fee	\$1,000.00	\$7,500.00
CDC507170	CDC504170	SAN DIEGO CNTY WATER AUTH POOLED	Account Maintenance Fee	\$6,500.00	\$7,500.00

[The revised fees{ *expenses, and charges*} listed above will take effect ten business days following the date of this Fee Schedule Addendum.] **or** [Client may agree to the fees quoted herein by instructing BNYM or continuing to instruct BNYM following receipt of this Fee Schedule Addendum. If Client agrees to the revised fees quoted herein, the terms of this Fee Schedule Addendum shall supersede any prior fees quoted with respect to the transaction which is the subject of the existing Fee Schedule.]

Terms and Disclosures

Confidential Information

Except as otherwise provided by law, all information provided to Client by BNYM must remain confidential and may not be intentionally disclosed, reproduced, copied, published, or displayed in any form to any third party without BNYM's prior written approval.

Miscellaneous

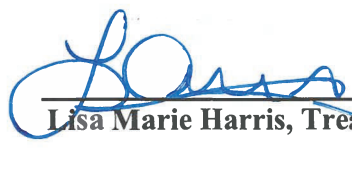
The Bank of New York Mellon Corporation is a global financial organization that operates in and provides services and products to clients through its affiliates and subsidiaries located in multiple jurisdictions (the "BNY Mellon Group"). The BNY Mellon Group may (i) centralize in one or more affiliates and subsidiaries certain activities (the "Centralized Functions"), including audit, accounting, administration, risk management, legal, compliance, sales, product communication, relationship management, and the compilation and analysis of information and data regarding Client (which, for purposes of this provision, includes the name and business contact information for Client employees and representatives) and the accounts established pursuant to the Transaction Documents ("Client Information") and (ii) use third-party service providers to store, maintain and process Client Information ("Outsourced Functions").

Notwithstanding anything to the contrary contained elsewhere in this Fee Schedule or the Transaction Documents and solely in connection with the Centralized Functions and/or Outsourced Functions, Client consents to the disclosure of, and authorizes BNY Mellon to disclose, Client Information to (i) other members of the BNY Mellon Group (and their respective officers, directors and employees) and to (ii) third-party service providers (but solely in connection with Outsourced Functions) who are required to maintain the confidentiality of Client Information. In addition, the BNY Mellon Group may aggregate Client Information with other data collected and/or calculated by the BNY Mellon Group, and the BNY Mellon Group will own all such aggregated data, provided that the BNY Mellon Group shall not distribute the aggregated data in a format that identifies Client Information with Client specifically. Client represents that it is authorized to consent to the foregoing and that the disclosure of Client Information in connection with the Centralized Functions and/or Outsourced Functions does not violate any relevant data protection legislation. Client also consents to the disclosure of Client Information to governmental and regulatory authorities in jurisdictions where the BNY Mellon Group operates and otherwise as required by law.



Quantification Settlement Agreement
Joint Powers Authority
Treasurer's Report
at September 30, 2023

<u>Investment Type</u>	<u>% Limit</u>	<u>% of Portfolio</u>	<u>Book Value</u>
CA Asset Mgmt Program (CAMP)	25%	16.17%	\$ 13,354,868.11
Treasury Securities	100%	29.11%	24,032,780.33
Federal Agency Securities	100%	31.43%	25,951,639.49
Medium Term Notes	30%	12.55%	10,361,615.85
Supranationals	15%	1.27%	1,050,626.00
Commercial Paper	30%	1.18%	972,936.94
Local Agency Investment Fund (LAIF)	\$75M - Maximum	6.20%	5,119,386.70
Asset-Backed Securities and Collateralized Mortgage Obligations	20%	1.75%	1,448,076.17
Chandler Managed Account (BNY)	100%	0.32%	262,980.32
CEO Account (Wells Fargo)	100%	0.01%	10,711.62
 Total Cash and Investments		<u>100.00%</u>	<u>\$ 82,565,621.53</u>
 Effective Rate of Return			3.03%
 <u>Interest Earnings (Cash and Investments):</u>			
Fiscal Year to Date			\$ 624,555.54
 Average Term			742
Average Days to Maturity (730 Days Maximum)			477



Lisa Marie Harris, Treasurer

Quantification Settlement Agreement
Joint Powers Authority
Treasurer's Report
at September 30, 2023

Deposit & Invoice Activity:

<u>Date</u>	<u>Description</u>	<u>Deposits</u>	<u>Invoices</u>
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)
Total Fiscal Year 6/30/2021		\$ 5,366,051.00	\$ (18,469,059.88)
Total Fiscal Year 6/30/2022		\$ 10,884,302.00	\$ (6,598,421.27)
Total Fiscal Year 6/30/2023		\$ 52,682,997.04	\$ (14,471,975.65)
07/03/2023	SDCWA Balance Payoff	\$ 3,328,284.17	
07/03/2023	Coachella Balance Payoff	\$ 3,285,204.12	
07/06/2023	Mitigation # 1201		\$ (193,147.29)
07/26/2023	Mitigation # 1202		\$ (492,647.44)
08/24/2023	Mitigation # 1203		\$ (219,235.31)
09/22/2023	Mitigation # 1204		\$ (455,814.45)
Total Fiscal Year 6/30/2024		\$ 6,613,488.29	\$ (1,360,844.49)
Totals to date:		\$ <u>261,570,886.00</u>	\$ <u>(185,321,296.71)</u>

**Quantification Settlement Agreement
Joint Powers Authority
Treasurer's Report
at September 30, 2023**

Deposit History (Inception-to-Date):⁽¹⁾

<u>Calendar Year</u>	<u>Payment Type</u>	<u>SDCWA (2)</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
2021	Advance Payment	-	1,500,000.00	-	1,500,000.00
2021	Original Payment	3,801,632.00	2,885,115.00	2,697,555.00	9,384,302.00
2022	Balance Payoff	-	48,458,655.04	-	48,458,655.04
2022	Original Payment	1,517,597.00	-	2,706,745.00	4,224,342.00
2023	Balance Payoff	3,328,284.17	-	3,285,204.12	6,613,488.29
		-	-	-	-
	Totals to date:	<u>\$ 90,751,174.84</u>	<u>\$ 104,058,578.04</u>	<u>\$ 66,761,133.12</u>	<u>\$ 261,570,886.00</u>

⁽¹⁾ As of July 2023, the payment schedule has been fulfilled. This report will be discontinued as part of the Treasurer's report but available upon request

⁽²⁾ SDCWA payments shown above are reduced by credits for payments made to the Bureau of Reclamation regarding responsibility for implementation of Conservation and Mitigation Measures for the Colorado River.

Total Outstanding Balance Due at September 30, 2023				
Payment Schedules⁽³⁾	SDCWA	IID	CVWD	Total
Nominal amount	\$ -	\$ -	\$ -	\$ -
Present value (@ 6%)	\$ -	\$ -	\$ -	\$ -

⁽³⁾ Source: Modification of Payment Schedules per Agreement dated May 20, 2015

QSA JPA - Fiscal Year 2024
Portfolio Management
Portfolio Summary
September 30, 2023

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Managed Pool Accounts	18,737,235.13	18,737,235.13	18,737,235.13	22.69	1	1	4.945	5.014
Passbook/Checking Accounts	10,711.62	10,711.62	10,711.62	0.01	1	1	0.000	0.000
Medium Term Notes	10,450,000.00	10,068,737.10	10,361,615.85	12.55	1,144	723	3.591	3.641
Commercial Paper - Discount	1,000,000.00	989,863.77	972,936.94	1.18	187	36	5.426	5.501
Federal Agency - Coupon	20,400,000.00	19,945,582.88	20,355,153.38	24.65	1,001	627	3.624	3.674
Federal Agency - Discount	5,750,000.00	5,700,465.00	5,596,486.11	6.78	197	30	5.025	5.095
Treasury - Coupon	21,100,000.00	20,150,377.67	20,561,195.54	24.90	1,127	777	3.538	3.588
Treasury - Discount	3,600,000.00	3,476,400.00	3,471,584.79	4.20	246	208	5.481	5.557
Supranationals	1,050,000.00	960,412.00	1,050,626.00	1.27	1,770	763	0.615	0.624
Asset Backed Securities	1,500,000.00	1,441,221.31	1,448,076.17	1.75	1,239	975	4.578	4.642
Investments	83,597,946.75	81,481,006.48	82,565,621.53	100.00%	742	477	4.071	4.127

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	258,996.56	776,927.02
Average Daily Balance	82,719,824.03	82,652,468.04
Effective Rate of Return	3.81%	3.73%

QSA Joint Powers Authority,

QSA JPA - Fiscal Year 2024
Portfolio Management
Portfolio Details - Investments
September 30, 2023

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Managed Pool Accounts												
SYS	2000	BNY Mellon			262,980.32	262,980.32	262,980.32	5.110		5.110	1	
SYS1001	1001	CAMP - QSA OPERATING			13,354,868.11	13,354,868.11	13,354,868.11	5.550	AAA	5.550	1	
SYS1000	1000	Local Agency Investment Fund			5,119,386.70	5,119,386.70	5,119,386.70	3.610		3.610	1	
Subtotal and Average			20,041,968.95		18,737,235.13	18,737,235.13	18,737,235.13			5.014	1	
Passbook/Checking Accounts												
SYS100	100	Wells Fargo Bank			10,711.62	10,711.62	10,711.62			0.000	1	
Subtotal and Average			25,791.28		10,711.62	10,711.62	10,711.62			0.000	1	
Medium Term Notes												
023135BX3	20048	Amazon		06/09/2021	250,000.00	225,907.50	250,235.00	1.000	AA-	0.980	954	05/12/2026
037833DT4	20005	Apple Inc		05/15/2020	125,000.00	116,876.25	125,710.00	1.125	AAA	1.006	588	05/11/2025
037833BG4	20087	Apple Inc		12/29/2022	250,000.00	242,470.00	242,172.50	3.200	AA+	4.607	590	05/13/2025
06406HCS6	20021	BNY Mellon		06/30/2020	125,000.00	123,865.00	137,736.25	3.650	A	0.709	126	02/04/2024
00440EAV9	20117	BNY Mellon		04/13/2023	500,000.00	479,180.00	487,780.00	3.350	A	4.200	945	05/03/2026
06051GHR3	20020	Bank of America		06/30/2020	125,000.00	123,210.00	135,600.00	3.458	A-	1.117	531	03/15/2025
06051GFS3	20103	Bank of America		02/14/2023	350,000.00	340,595.50	342,982.50	3.875	A-	4.746	670	08/01/2025
06367WB85	20061	Bank of Montreal		09/25/2021	250,000.00	234,810.00	258,362.50	1.850	A-	1.054	578	05/01/2025
06406RBA4	20070	Bank of NY Mellon		01/26/2022	125,000.00	112,891.25	125,402.50	2.050	A	1.981	1,213	01/26/2027
06406RAN7	20104	Bank of NY Mellon		02/14/2023	250,000.00	234,835.00	233,207.50	1.600	A	4.863	571	04/24/2025
14913R2Y2	20086	CATERPILLAR FINL SERVICE		11/21/2022	400,000.00	398,400.00	400,112.00	4.900		4.889	474	01/17/2025
14913UAA8	20126	CATERPILLAR FINL SERVICE		06/12/2023	250,000.00	246,858.13	249,108.13	4.350	A	4.601	957	05/15/2026
808513BN4	20064	Charles Schwab Corp		09/27/2021	250,000.00	243,405.00	251,097.50	0.750	A	0.565	169	03/18/2024
808513BF1	20116	Charles Schwab Corp		03/10/2023	250,000.00	223,252.50	220,290.00	0.900	A	5.228	892	03/11/2026
341081GR2	20125	Florida Power & light Co		05/25/2023	500,000.00	492,482.64	496,302.64	4.450	A	4.751	957	05/15/2026
437076BM3	20106	Home Depot		02/14/2023	500,000.00	477,910.00	477,595.00	3.000	A	4.551	913	04/01/2026
438516BW5	20015	Honeywell International		06/23/2020	250,000.00	242,590.00	265,285.00	2.300	A	0.768	319	08/15/2024
24422EVC0	20022	John Deere Owner Trust		06/30/2020	125,000.00	119,940.00	132,176.25	2.050	A	0.757	466	01/09/2025
24422EWB1	20082	John Deere Owner Trust		11/14/2022	250,000.00	238,572.50	234,740.00	2.125	A	4.948	523	03/07/2025
24422EWX3	20127	John Deere Owner Trust		06/12/2023	300,000.00	298,646.33	300,149.33	4.750		4.751	981	06/08/2026
46647PBK1	20049	JP MORGAN SECURITIES LLC		06/09/2021	150,000.00	141,078.00	155,842.50	2.083	A-	1.053	934	04/22/2026
46647PBH8	20114	JP MORGAN SECURITIES LLC		03/10/2023	250,000.00	235,807.50	231,995.00	2.005	A-	5.858	894	03/13/2026
594918BJ2	20098	Microsoft Corporation		01/27/2023	750,000.00	723,630.00	728,160.00	3.125	AAA	4.250	764	11/03/2025
63743HFC1	20084	NATIONAL RURAL UTIL COOP		11/14/2022	250,000.00	237,450.00	232,627.50	1.875	A-	5.214	495	02/07/2025
63743HFH0	20124	NATIONAL RURAL UTIL COOP		05/17/2023	500,000.00	491,010.00	502,110.00	4.450	A-1	4.282	894	03/13/2026
69371RS23	20115	Paccar Financial Corp		03/10/2023	500,000.00	498,395.00	496,310.00	4.950	A+	5.260	733	10/03/2025
747525AF0	20050	Qualcomm Inc		06/09/2021	250,000.00	242,817.50	274,905.00	3.450	A-	0.715	597	05/20/2025
78013XZU5	20001	RBC CAPITAL MARKETS		05/15/2020	125,000.00	121,636.25	130,016.25	2.550	A	1.552	289	07/16/2024

Portfolio JPA
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QSA JPA - Fiscal Year 2024
Portfolio Management
Portfolio Details - Investments
September 30, 2023

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Medium Term Notes												
78015K7H1	20068	RBC CAPITAL MARKETS		12/28/2021	125,000.00	115,743.75	123,856.25	1.150	A	1.423	618	06/10/2025
78016FZT4	20096	RBC CAPITAL MARKETS		01/27/2023	250,000.00	246,952.50	251,292.50	4.875	A	4.685	834	01/12/2026
89236TJK2	20062	Toyota Auto Receivables		09/17/2021	250,000.00	224,865.00	249,850.00	1.125	AAA	1.034	991	06/18/2026
89236TKN4	20097	Toyota Auto Receivables		01/27/2023	500,000.00	496,400.00	501,710.00	4.800	A+	4.614	467	01/10/2025
89114QCA4	20024	Toronto Dominion Bank		06/30/2020	125,000.00	121,982.50	133,626.25	2.650	A	0.869	255	06/12/2024
89114TZD7	20052	Toronto Dominion Bank		06/17/2021	150,000.00	133,797.00	150,562.50	1.200	A	1.122	976	06/03/2026
87612EBM7	20071	Target Corp		01/26/2022	100,000.00	91,152.00	100,335.00	1.950	A	1.878	1,202	01/15/2027
91324PEN8	20085	UNITEDHEALTH GROUP INC		11/14/2022	250,000.00	249,792.50	250,522.50	5.150	A+	5.072	745	10/15/2025
92826CAD4	20105	Visa Inc		02/14/2023	500,000.00	479,530.00	481,850.00	3.150	AA-	4.528	805	12/14/2025
Subtotal and Average			10,364,038.63		10,450,000.00	10,068,737.10	10,361,615.85			3.641	723	
Commercial Paper - Discount												
62479MY64	20119	MUFG Bank, Ltd		05/03/2023	1,000,000.00	989,863.77	972,936.94	5.210	A-1	5.501	36	11/06/2023
Subtotal and Average			972,936.94		1,000,000.00	989,863.77	972,936.94			5.501	36	
Federal Agency - Coupon												
3133ENZ37	20007	Federal Farm Credit Bank		11/10/2022	500,000.00	497,375.00	500,916.00	4.875	AA+	4.788	467	01/10/2025
3133ENPG9	20101	Federal Farm Credit Bank		02/13/2023	1,000,000.00	952,930.00	946,720.00	1.750	AA+	4.564	502	02/14/2025
3133EPCF0	20111	Federal Farm Credit Bank		03/09/2023	1,000,000.00	993,950.00	990,670.00	4.500	AA+	4.840	883	03/02/2026
3133EPCW3	20113	Federal Farm Credit Bank		03/10/2023	1,000,000.00	998,340.00	996,470.00	5.000	AA+	5.188	526	03/10/2025
3133EPHH1	20118	Federal Farm Credit Bank		05/01/2023	500,000.00	490,921.67	501,091.67	4.000	AA+	3.934	940	04/28/2026
3133EPJX4	20123	Federal Farm Credit Bank		05/17/2023	1,000,000.00	973,330.00	993,410.00	3.625	AA+	1.068	870	02/17/2026
3133EPNG6	20128	Federal Farm Credit Bank		06/26/2023	750,000.00	745,045.94	748,938.44	4.375	AA+	4.439	996	06/23/2026
3133EPPE9	22403	Federal Farm Credit Bank		08/30/2023	1,500,000.00	1,498,053.75	1,496,193.75	4.375	AA+	4.718	1,009	07/06/2026
3130ATT31	20004	Federal Home Loan Bank		11/10/2022	500,000.00	495,545.00	497,315.00	4.500	AA+	4.800	368	10/03/2024
3133XVDG3	20008	Federal Home Loan Bank		11/10/2022	500,000.00	495,075.00	496,255.00	4.375	AA+	4.802	348	09/13/2024
3130A4CH3	20013	Federal Home Loan Bank		06/22/2020	500,000.00	480,060.00	543,535.00	2.375	AA+	0.509	530	03/14/2025
3130ATUQ8	20089	Federal Home Loan Bank		01/26/2023	1,000,000.00	996,540.00	999,520.00	4.750	AA+	4.794	159	03/08/2024
3130ATUR6	20090	Federal Home Loan Bank		01/26/2023	1,000,000.00	992,680.00	1,004,280.00	4.625	AA+	4.378	439	02/13/2024
3130ATVD6	20091	Federal Home Loan Bank		01/26/2023	500,000.00	497,835.00	502,665.00	4.875	AA+	4.532	348	09/13/2024
3130ATUC9	20100	Federal Home Loan Bank		02/13/2023	1,000,000.00	995,260.00	1,005,830.00	4.500	AA+	4.275	803	12/12/2025
3130ATVC8	20109	Federal Home Loan Bank		02/28/2023	700,000.00	697,130.00	697,480.00	4.875	AA+	5.154	257	06/14/2024
3130AV3G5	20110	Federal Home Loan Bank		03/09/2023	1,000,000.00	998,580.00	997,160.00	5.125	AA+	5.390	145	02/23/2024
3130AWGR5	20129	Federal Home Loan Bank		06/30/2023	700,000.00	695,452.63	696,789.63	4.375	AA+	4.583	985	06/12/2026
3130AWBY5	22401	Federal Home Loan Bank		07/12/2023	500,000.00	500,094.86	500,399.86	4.750	AA+	5.001	621	06/13/2025
3130AWTQ3	22408	Federal Home Loan Bank		09/27/2023	1,000,000.00	996,959.03	996,959.03	4.625	AA+	4.983	1,076	09/11/2026
3137EAEP0	20002	Federal Home Loan Mtg Corp		05/14/2020	500,000.00	474,715.00	523,435.00	1.500	AA+	0.499	500	02/12/2025
3137EAEZ8	20010	Federal Home Loan Mtg Corp		11/10/2022	500,000.00	495,585.00	477,980.00	0.250	AA+	4.855	36	11/06/2023

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QSA JPA - Fiscal Year 2024
Portfolio Management
Portfolio Details - Investments
September 30, 2023

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Federal Agency - Coupon												
3137EAEU9	20030	Federal Home Loan Mtg Corp		08/11/2020	500,000.00	459,235.00	500,035.00	0.375	AA+	0.373	659	07/21/2025
3137EAEX3	20041	Federal Home Loan Mtg Corp		10/14/2020	250,000.00	228,012.50	249,067.50	0.375	AA+	0.451	723	09/23/2025
3137EAEX3	20051	Federal Home Loan Mtg Corp		06/16/2021	500,000.00	456,025.00	494,625.00	0.375	AA+	0.631	723	09/23/2025
3135G03U5	20003	Federal National Mtg Assn		05/14/2020	500,000.00	465,635.00	502,235.00	0.625	AA+	0.533	569	04/22/2025
3135G04Z3	20029	Federal National Mtg Assn		08/11/2020	500,000.00	461,985.00	502,750.00	0.500	AA+	0.385	625	06/17/2025
3135G05X7	20040	Federal National Mtg Assn		10/14/2020	250,000.00	228,507.50	249,155.00	0.375	AA+	0.445	694	08/25/2025
3135G06G3	20042	Federal National Mtg Assn		11/30/2020	250,000.00	227,710.00	250,012.50	0.500	AA+	0.499	768	11/07/2025
3135G05X7	20055	Federal National Mtg Assn		06/24/2021	500,000.00	457,015.00	493,260.00	0.375	AA+	0.704	694	08/25/2025
Subtotal and Average			19,491,238.89		20,400,000.00	19,945,582.88	20,355,153.38			3.674	627	
Federal Agency - Discount												
313384QM4	20088	Federal Home Loan Bank		12/29/2022	750,000.00	738,915.00	716,312.50	4.620	A-1	4.917	74	12/14/2023
313384NK1	20120	Federal Home Loan Bank		05/03/2023	5,000,000.00	4,961,550.00	4,880,173.61	4.930	AA+	5.121	24	10/25/2023
Subtotal and Average			5,596,486.11		5,750,000.00	5,700,465.00	5,596,486.11			5.095	30	
Treasury - Coupon												
9128282N9	20009	U.S. Treasury		05/29/2020	500,000.00	485,470.00	537,695.31	2.125	AA+	0.305	304	07/31/2024
9128282U3	20016	U.S. Treasury		11/10/2022	500,000.00	483,010.00	475,175.78	1.875	AA+	4.779	335	08/31/2024
9128285T3	20019	U.S. Treasury		11/10/2022	500,000.00	476,935.00	472,753.91	2.625	AA+	4.505	822	12/31/2025
912828ZL7	20025	U.S. Treasury		06/30/2020	500,000.00	463,240.00	502,285.16	0.375	AA+	0.280	577	04/30/2025
912828M56	20026	U.S. Treasury		11/10/2022	500,000.00	473,615.00	468,105.47	2.250	AA+	4.539	776	11/15/2025
912828V80	20034	U.S. Treasury		11/10/2022	500,000.00	493,515.00	485,019.53	2.250	AA+	4.799	122	01/31/2024
912828X70	20035	U.S. Treasury		11/10/2022	500,000.00	488,865.00	480,058.59	2.000	AA+	4.839	212	04/30/2024
91282CBH3	20044	U.S. Treasury		02/19/2021	300,000.00	270,738.00	297,410.16	0.375	AA+	0.552	853	01/31/2026
91282CBC4	20045	U.S. Treasury		03/05/2021	250,000.00	226,485.00	246,230.47	0.375	AA+	0.693	822	12/31/2025
91282CBQ3	20046	U.S. Treasury		03/05/2021	250,000.00	225,702.50	247,343.75	0.500	AA+	0.717	881	02/28/2026
91282CBT7	20053	U.S. Treasury		06/21/2021	500,000.00	453,730.00	497,402.34	0.750	AA+	0.861	912	03/31/2026
91282CCF6	20057	U.S. Treasury		06/25/2021	400,000.00	360,720.00	397,312.50	0.750	AA+	0.890	973	05/31/2026
91282CCG4	20058	U.S. Treasury		06/25/2021	400,000.00	384,220.00	397,390.63	0.250	AA+	0.471	258	06/15/2024
91282CCP4	20060	U.S. Treasury		08/10/2021	400,000.00	357,656.00	396,656.25	0.625	AA+	0.800	1,034	07/31/2026
91282CCW9	20063	U.S. Treasury		09/16/2021	500,000.00	447,580.00	498,671.88	0.750	AA+	0.805	1,065	08/31/2026
912828T91	20065	U.S. Treasury		09/24/2021	500,000.00	496,895.00	514,023.44	1.625	AA+	0.285	30	10/31/2023
91282CCZ2	20067	U.S. Treasury		11/02/2021	500,000.00	448,615.00	493,066.41	0.875	AA+	1.166	1,095	09/30/2026
91282CDG3	20069	U.S. Treasury		12/27/2021	400,000.00	360,532.00	397,468.75	1.125	AA+	1.260	1,126	10/31/2026
91282CER8	20079	U.S. Treasury		11/10/2022	500,000.00	489,355.00	482,851.56	2.500	AA+	4.815	243	05/31/2024
91282CEY3	20080	U.S. Treasury		11/10/2022	500,000.00	482,815.00	480,371.09	3.000	AA+	4.572	653	07/15/2025
91282CEY3	20092	U.S. Treasury		01/26/2023	500,000.00	482,815.00	488,437.50	3.000	AA+	3.992	653	07/15/2025
91282CGE5	20093	U.S. Treasury		01/26/2023	500,000.00	490,510.00	500,468.75	3.875	AA+	3.841	837	01/15/2026

Portfolio JPA

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QSA JPA - Fiscal Year 2024
Portfolio Management
Portfolio Details - Investments
September 30, 2023

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Treasury - Coupon												
912828B66	20094	U.S. Treasury		01/26/2023	700,000.00	691,411.00	686,164.06	2.750	AA+	4.692	137	02/15/2024
912828G38	20095	U.S. Treasury		01/26/2023	1,000,000.00	964,770.00	965,703.13	2.250	AA+	4.246	411	11/15/2024
9128285C0	20102	U.S. Treasury		02/13/2023	1,000,000.00	963,710.00	968,515.63	3.000	AA+	4.279	730	09/30/2025
91282CGL9	20108	U.S. Treasury		02/15/2023	1,000,000.00	984,180.00	994,960.94	4.000	AA+	4.180	868	02/15/2026
91282CEK3	20112	U.S. Treasury		03/09/2023	1,000,000.00	981,090.00	968,750.00	2.500	AA+	5.350	212	04/30/2024
91282CFE6	22404	U.S. Treasury		08/30/2023	1,500,000.00	1,452,815.67	1,451,520.05	3.125	AA+	4.944	684	08/15/2025
91282CFH9	22407	U.S. Treasury		09/13/2023	1,000,000.00	949,475.45	949,475.45	3.125	AA+	4.563	1,430	08/31/2027
91282CEF4	22409	U.S. Treasury		09/27/2023	1,000,000.00	940,068.52	940,068.52	2.500	AA+	4.760	1,277	03/31/2027
91282CEW7	22410	U.S. Treasury		09/27/2023	1,000,000.00	957,000.68	957,000.68	3.250	AA+	4.742	1,368	06/30/2027
91282CFM8	22411	U.S. Treasury		09/27/2023	1,000,000.00	998,490.02	998,490.02	4.125	AA+	4.728	1,460	09/30/2027
912828V98	22412	U.S. Treasury		09/27/2023	1,000,000.00	924,347.83	924,347.83	2.250	AA+	4.783	1,233	02/15/2027
Subtotal and Average			16,870,819.25		21,100,000.00	20,150,377.67	20,561,195.54			3.588	777	
Treasury - Discount												
912797FW2	22402	U.S. Treasury		07/21/2023	600,000.00	588,990.00	585,387.50	5.250	A-1	5.532	95	01/04/2024
912797GK7	22405	U.S. Treasury		08/30/2023	1,500,000.00	1,427,250.00	1,426,559.58	5.124	A-1	5.484	312	08/08/2024
912797GP6	22406	U.S. Treasury		08/31/2023	1,500,000.00	1,460,160.00	1,459,637.71	5.323	A-1	5.638	151	02/29/2024
Subtotal and Average			6,857,841.82		3,600,000.00	3,476,400.00	3,471,584.79			5.557	208	
Supranationals												
4581X0DV7	20047	Inter-American Devel Bank		04/23/2021	300,000.00	271,857.00	299,826.00	0.875	AAA	0.887	932	04/20/2026
459058JB0	20012	Intl Bank Recon & Develop		06/08/2020	250,000.00	232,545.00	250,480.00	0.625	AAA	0.585	569	04/22/2025
459058JL8	20043	Intl Bank Recon & Develop		01/28/2021	500,000.00	456,010.00	500,320.00	0.500	AAA	0.486	758	10/28/2025
Subtotal and Average			1,050,626.00		1,050,000.00	960,412.00	1,050,626.00			0.624	763	
Asset Backed Securities												
02582JJV3	20081	AmEx Credit Acct Master Trust		11/14/2022	250,000.00	242,806.33	240,683.59	3.750		5.263	1,414	08/15/2027
3137BN6G4	20099	FreddieMac Structured Pass-Thr		01/30/2023	500,000.00	476,823.85	484,667.97	2.995		4.136	816	12/25/2025
3137BMTX4	20107	FreddieMac Structured Pass-Thr		02/15/2023	500,000.00	478,960.05	482,441.41	3.151		4.539	786	11/25/2025
362585AC5	20083	GM Financial		11/14/2022	250,000.00	242,631.08	240,283.20	3.100	AAA	5.245	1,234	02/16/2027
Subtotal and Average			1,448,076.17		1,500,000.00	1,441,221.31	1,448,076.17			4.642	975	
Total and Average			82,719,824.03		83,597,946.75	81,481,006.48	82,565,621.53			4.127	477	

**QSA JPA - Fiscal Year 2024
 Portfolio Management
 Portfolio Details - Cash
 September 30, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
Average Balance			0.00								0
Total Cash and Investments			82,719,824.03		83,597,946.75	81,481,006.48	82,565,621.53			4.127	477



PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.55
Average Coupon	3.29%
Average Purchase YTM	3.92%
Average Market YTM	5.24%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.67 yrs
Average Life	1.60 yrs

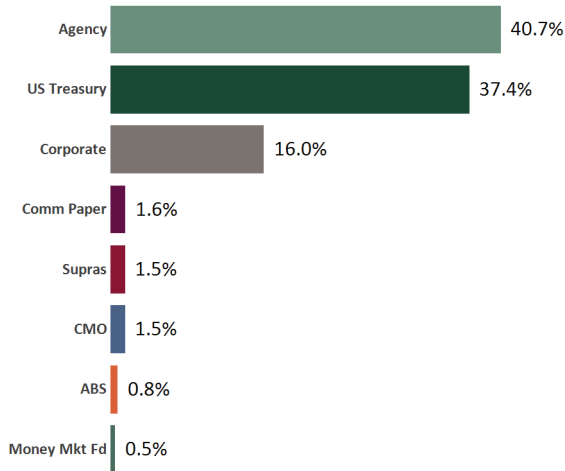
ACCOUNT SUMMARY

	Beg. Values as of 8/31/23	End Values as of 9/30/23
Market Value	62,618,049	62,740,369
Accrued Interest	571,890	504,484
Total Market Value	63,189,939	63,244,854
Income Earned	184,370	178,513
Cont/WD		-2,508
Par	64,752,374	65,165,168
Book Value	63,821,365	64,064,775
Cost Value	63,821,365	64,064,775

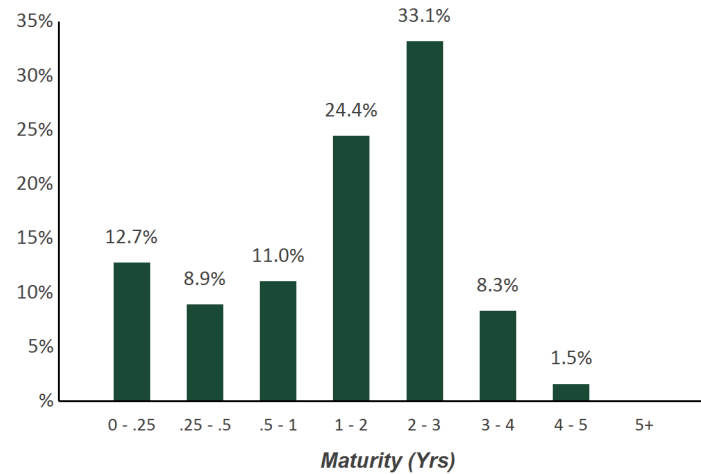
TOP ISSUERS

Government of United States	37.4%
Federal Home Loan Bank	23.1%
Federal Farm Credit Bank	11.3%
Federal Home Loan Mortgage Corp	4.9%
Federal National Mortgage Assoc	2.9%
MUFG Bank Ltd/NY	1.6%
Microsoft	1.2%
National Rural Utilities	1.2%
Total	83.5%

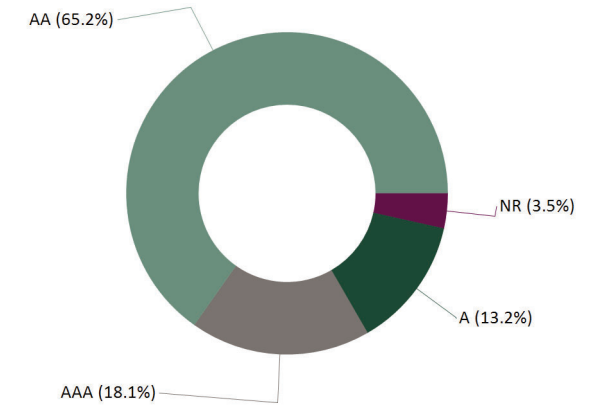
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2020
SDCWater QSA JPA	0.09%	0.88%	2.64%	3.63%	-1.17%	-0.83%	N/A	N/A	-0.63%
ICE BofA 1-5 Yr US Treasury & Agency Index	-0.34%	0.24%	1.19%	2.14%	-2.42%	-1.74%	N/A	N/A	-1.51%

Unaudited
**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2023**

Assets:

Cash	\$ 10,712
Investments	81,269,742
Interest receivable	427,570

Total assets \$ 81,708,024

Liabilities:

Accounts payable	\$ 1,671,557
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Fund balance:

Unassigned	80,036,467
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**Total liabilities, deferred inflows of resources,
and fund balance** \$ 81,708,024

Unaudited
**QUANTIFICATION SETTLEMENT AGREEMENT
 JOINT POWERS AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GENERAL FUND
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

Revenues:

Interest income	\$	795,318
Mitigation contributions		<u>6,613,488</u>
Total revenues		<u>7,408,806</u>

Expenditures:

Environmental mitigation		1,096,008
Administrative		<u>5,019</u>
Total expenditures		<u>1,101,027</u>

Net changes in fund balance		6,307,779
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Fund balance at beginning of year		<u>73,728,688</u>
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Fund balance at end of year	\$	<u><u>80,036,467</u></u>
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Unaudited

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY**

**SUPPLEMENTARY INFORMATION - BUDGET STATUS REPORT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

Task No.	Mitigation Tasks	Adopted FY 2024 Budget	Total Expenditures	Variance (Remaining)	Percent Complete
1	QSA Implementation Team	\$ -	\$ -	\$ -	0.0%
2	QSA Implementation Team Biologists	1,355,620	306,474	1,049,146	22.6%
3	Environmental Reporting and Monitoring	-	-	-	0.0%
4	Salton Sea Salinity and Elevation Program	8,000	-	8,000	0.0%
5	Salton Sea Mitigation Water to Salton Sea	-	-	-	0.0%
6	Tamarisk Scrub Habitat - Surveys and Mitigation	61,810	4,152	57,658	6.7%
7	Drain Habitat - Initial Vegetation and Habitat Surveys	-	-	-	0.0%
8/8A/8B	Drain Habitat (Aquatic) - Create/Manage/Monitor "Managed Marsh" Areas	561,580	104,033	457,547	18.5%
9	Drain Habitat Restrictions/Requirements for Construction and Maintenance	-	-	-	0.0%
10/10A	Worker Education Program Covered Species Training and Manual	-	-	-	0.0%
11	Desert Habitat Survey and Mapping of Right of Way	-	-	-	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	1,500	21	1,479	1.4%
16	Burrowing Owl Relative Abundance and Distribution Surveys	-	-	-	0.0%
17	Farmer and Public Education Program	5,000	-	5,000	0.0%
18	Desert Pupfish Abundance and Distribution Study	6,750	34	6,716	0.5%
19/19A	Pupfish Selenium Drain Studies	183,140	8,375	174,765	4.6%
20	Pupfish Construction and Maintenance Conservation Measures	100,000	5,833	94,167	5.8%
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	3,280	-	3,280	0.0%
24	Salton Sea Air Quality	9,613,060	666,526	8,946,534	6.9%
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	-	-	-	0.0%
36	JPA Audit Fees	12,920	-	12,920	0.0%
37	JPA Bank Fees	3,090	28	3,062	0.9%
38	Financial Advisor	18,000	4,991	13,009	27.7%
39	Bond Counsel Fees	-	-	-	0.0%
40	2001 Biological Opinion Measures	-	-	-	0.0%
41	Brown Pelican Coast	-	-	-	0.0%
42	Brown Pelican Sea	55,920	-	55,920	0.0%
43	Salton Sea Shoreline Strand Study	-	-	-	0.0%
44	Pupfish Refugium	12,660	560	12,100	4.4%
45	Recreation Facilities at Salton Sea	-	-	-	0.0%
46	QSA JPA Website Maintenance Services	-	-	-	0.0%
Total Expenditures		\$ 12,002,330	\$ 1,101,027	\$ 10,901,303	9.2%