



**QUANTIFICATION SETTLEMENT AGREEMENT  
JOINT POWERS AUTHORITY  
VIRTUAL MEETING MINUTES  
March 23, 2022, at 3:00 p.m.**

**Commissioners and Alternates present:**

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

**QSA JPA staff present:**

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

**Others present:**

Tonya Marshall, California Department of Fish and Wildlife	Cindy Matejovsky, IID
Miguel Hernández, CNRA	Patrick O’Dowd, Salton Sea Authority
Mario Llanos, CNRA	Dennis Davis, SDCWA
Jessica Schroeder, CNRA	Wendy Joplin, SDCWA
Shannon Ayala, Davis Farr	Darren Simon, SDCWA
Joanna Hoff, IID	Chris Woidzik, SDCWA
Jessica Humes, IID	

**PRELIMINARY MATTERS**

1. Action: Adopt Resolution No. 2022-02 of the Commission of the Quantification Settlement Agreement Joint Powers Authority Authorizing Remote Teleconference/Virtual Meetings of the Legislative Body for the Period of March 23, 2022 to April 22, 2022 Pursuant to Brown Act Provisions  
 Commissioner Denham made a motion to adopt the resolution, which was seconded by Commissioner Martinez. The resolution was adopted unanimously by a roll call vote.
2. Call to Order  
 Chair Arturo Delgado called the meeting to order at 3:05 p.m.
3. Roll Call  
 There was a quorum of the Commission present at the time of the meeting.
4. Public Comment  
 There were no public comments at that time.

## ORGANIZATIONAL MATTERS

5. Action: Approve minutes of regular QSA JPA meeting held January 6, 2022  
Commissioner Denham made a motion to approve the minutes with a correction to agenda item No. 1. Action: Adopt Resolution No. 2022-01, corrected to reflect that the motion on the item was seconded by Alternate Commissioner Rodgers. Commissioner Denham's motion was seconded by Commissioner Martinez. The minutes were approved unanimously by a roll call vote.
6. Information: Streamlined process for routine professional services invoices (Dennis Davis, SDCWA)  
Mr. Davis presented a measure implemented by Water Authority staff to streamline the processing of certain, routine QSA JPA professional services invoices. The Water Authority will curtail the 14-day advance notice for professional services invoices stemming from four QSA JPA budget expenditures: (1) JPA Audit Fees, (2) JPA Bank Fees, (3) Financial Advisor, and (4) QSA JPA Website. These expenditures have been authorized by the Commission in prior adopted budgets and are anticipated to be requested in future budgets. The subject invoices will continue to be vetted through the Water Authority's review process, including that they adhere to the current year adopted budget, before payment is made.

## FINANCIAL MATTERS

7. Information: Fiscal Year 2022 Audit Engagement (Chris Woidzik, SDCWA and Shannon Ayala, Davis Farr)  
Mr. Woidzik shared the timeline for the annual audit and then introduced auditor Shannon Ayala from Davis Farr, LLP to update the Commission.  
  
Ms. Ayala presented the Audit Engagement Letter and the SAS 114 Planning Letter. To comply with the Statement on Auditing Standards 134, several changes were made to the engagement letter compared to the engagement letter from 2021, including format changes and reporting requirements. The Audit Engagement Letter did not increase fees from the prior year. Ms. Ayala explained the scope of the audit was to express an opinion that the financial statement and disclosures are free of material misstatement, evaluate internal controls and the risk of material misstatement attributable to those, and indicate compliance with applicable laws and regulations, contracts, and agreements. She also explained the SAS 114 Planning Letter expressed two-way communications about fraud and fraud risk, as well as the planned scope and timing of the audit.
8. Information: Treasurer's Report ending December 31, 2021 (Chris Woidzik, SDCWA)  
Mr. Woidzik provided a review of the Treasurer's Report ending December 31, 2021. The quarter ended with \$39.5 million in cash and investments. The majority of that was in asset-backed securities of approximately \$22 million, held by Chandler Asset Management amongst others, with the remainder of \$17.3 million in the Local Agency Investment Fund (LAIF). The effective rate of return is approximately 0.57%, and the interest received was \$113,278.56. Three deposits were made in the quarter for water agency contributions totaling approximately \$9.4 million and three invoices were paid totaling approximately \$1.8 million. The total outstanding balance due was \$82.4 million, or \$56.4 million at net present value at 6%.
9. Information: Financial Report ending December 31, 2021 (Chris Woidzik, SDCWA)  
Mr. Woidzik provided a review of the Financial Report ending December 31, 2021. Total assets were \$95.6 million with \$1.6 million in liabilities. Unavailable mitigation contributions were \$56 million, and the total fund balance was \$37.5 million. Total revenues were \$10.7 million and total expenditures \$3.3 million. Approximately 29% of the budget was spent to date. He concluded with a summary of expenses on Tasks 2, 8 and 24, as included in the Budget Status Report.

## IMPLEMENTATION

10. Information: Status report on implementation of mitigation measures (Jessica Humes, IID)  
Ms. Humes provided an update on various mitigation measures:

*Task 8 – Drain Habitat (Aquatic) – Managed Marsh Complex:* IID started its pre-summer maintenance activities for the marsh, including irrigating the marsh for the upcoming summer. IID expects an increase in their monthly invoice amounts for water orders related to the irrigation.

*Task 15 – Pre-Construction Activity Burrowing Owl Surveys and Relocation:* IID reported on-going burrowing owl pre-activity inspections. As the beginning of the burrowing owl breeding season starts, IID has ensured that its water department staff have attended IID’s annual environmental mitigation training to avoid burrowing owl nests, both potential and active.

*Task 24 – Salton Sea Air Quality Mitigation:* The Mundo surface roughening project is planned for construction Spring 2022. As for surface roughening activity, IID received solicitations for air station, operation, and maintenance and its Bombay Beach surface roughening project. A solicitation for the Poe Road surface roughening has been posted, which is expected to start towards the end of Summer 2022. IID is finishing its annual emissions estimate and Proactive Dust Control Plan that are both part of IID’s reporting for the Salton Sea Air Quality Mitigation Program. IID reported that the total exposed playa acreage at the end of 2021 was approximately 27,700 acres.

IID also shared an update on its Clubhouse shallow groundwater test well, designed to determine if a groundwater source exists that could irrigate vegetation and help control dust. Construction of the shallow groundwater test well began in mid-February. Water was found at approximately 332 feet below ground surface. A pump test will be conducted in March 2022, and, upon conclusion of the test, IID will seek a building permit from Imperial County for the project. IID plans to have three additional wells at the project site along with a series of water tanks to hold pumped groundwater that will be used to irrigate the playa. Similar wells are planned for the Bombay Beach and San Felipe Wash areas. IID shared photos and a drone video of the Clubhouse test well.

Alternate Commissioner Shields added that the purpose of the groundwater test well is to determine the groundwater depth and to take water quality samples to make sure the water is viable for irrigation before committing resources to a full-scale well. She also noted that construction of the Clubhouse test well was partially funded by a Bureau of Reclamation grant.

IID also noted that it finished its annual Mitigation Implementation Report and draft FY 2023 Budget, both of which would be distributed to the Habitat Conservation Plan Implementation Team for review after the meeting.

Commissioner Denham recommended naming a project after the late Bruce Wilcox to recognize his contributions to the Salton Sea. Commissioner Martinez and Alternate Commissioner Shields agreed to work with IID staff to explore options and return to the Commission with ideas for consideration.

IID noted that a reception will be held in Bruce Wilcox’s honor at the April 2022 Salton Sea Summit.

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

Alternate Commissioner Shields reminded the Commission that at the January 6, 2022 meeting, the Commission discussed options for valuation of the land given that past appraisals were conducted in 2010 and were paid for by the QSA JPA. An updated appraisal is estimated to cost approximately \$50,000. She reported that since the last meeting, IID real estate staff was unable to identify any potential qualified local appraisers to complete the work. She indicated that, as an option, IID real estate staff could perform an updated analysis based on recent land sales near the marsh property, examining the impact that the property size and proximity to others could have on the valuation.

IID staff is looking into whether it can obtain assistance from a third-party entity to complete the suggested comparative market analysis. IID would bring the analysis back to the Commission for its consideration and request a modest level of funding for costs related to the third-party assistance, if employed, in the FY 2023 budget. Alternate Commissioner Shields also mentioned that IID staff would return to the Commission regarding reimbursement to IID or a credit off IID future payments to the QSA JPA for the marsh property.

Alternate Commissioner Rodgers commented that the intent is to keep the momentum going on identifying a fair valuation of the managed marsh land, and an update on the land valuation will be provided at the June 2022 meeting.

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

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

*Long-Range Plan:* The committee met on March 2, 2022, and covered the planning process for the long-range plan, initiated the solicitation of feedback from committee members and the public on restoration concepts, and solicited feedback on draft evaluation criteria. Due to the high level of interest at the March 2 meeting, two follow up meetings were scheduled the week of March 14, 2022, covering the same topics, to gather more feedback and recommendations from the committee and public. Drafts of the Long-Range Plan Preliminary Restoration Concepts and Evaluation Criteria are posted on CNRA's SSMP website. The deadline to submit comments is April 4, but it could be extended.

Mr. Hernández identified the following Salton Sea events that will be hosted by either the SSMP team or SSMP partners:

- Community Meeting: SSMP Update and Overview of the National Environmental Policy Act Process and how it relates to the SSMP 10-Year Plan – Wednesday, March 30
  - A virtual community meeting where the SSMP team will provide an overview of the federal process now underway to consider how projects at the Salton Sea may affect the environment. There are opportunities for the public to provide input on a draft Environmental Assessment that is anticipated to be released in April.
- Independent Review Panel Update: Screening Report Completed – Monday, April 11
  - A zoom meeting to review the completed Screening Report that identifies which concepts provided sufficient information to be evaluated and involved water importation methods.
- Annual Report Pre-Workshop – Tentatively set for Tuesday, April 12
  - The SSMP team will host an in-depth presentation of the recently released 2022 Annual Report.

Commissioner Martinez encouraged the SSMP team to continue to diversify its advertising strategies to maximize public participation from the community at SSMP events.

13. Adjournment

Before the meeting was adjourned, Alexi Schnell (CAO) reminded the Commission that the June 6, 2022, meeting is the last meeting of FY 2022 and has been scheduled for 90 minutes to facilitate review of the FY 2023 QSA JPA budget.

The meeting was adjourned at 3:57 p.m.