



**QUANTIFICATION SETTLEMENT AGREEMENT  
JOINT POWERS AUTHORITY  
VIRTUAL MEETING MINUTES  
June 15, 2023, at 1:30 p.m.**

**Commissioners and Alternates present:**

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

**QSA JPA staff present:**

Jeff Ferre, Best, Best, and Krieger – Legal Counsel  
 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
Mia Corral, Chandler Asset Management	Dennis Davis, SDCWA
Genny Lynkiewicz, Chandler Asset Management	Deborah Hodgins, SDCWA
Rick Aragon, CVWD	Wendy Joplin, SDCWA
Shannon Ayala, Davis Farr	Alan Okewole, SDCWA
Joanna Hoff, IID	Darren Simon, SDCWA
Jessica Humes, IID	Chris Woidzik, SDCWA

**PRELIMINARY MATTERS**

1. Call to Order  
Chair Marshall called the meeting to order at 1:30 p.m.
2. Roll Call  
There was a quorum of the Commission present at the time of the meeting.
3. Public Comment  
There were no public comments at that time.

**ORGANIZATIONAL MATTERS**

4. Action: Approve minutes of regular QSA JPA meeting held March 20, 2023 (Alexi Schnell, SDCWA)  
Commissioner Denham made a motion to approve the minutes, which was seconded by Commissioner Barrett. The minutes were approved by a roll call vote.

5. Information: Appointment of Tina Shields, Imperial Irrigation District (IID) Water Department Manager, as the IID representative (Alexi Schnell, SDCWA)  
CAO Schnell stated that the QSA JPA received notice from IID that Tina Shields will serve as IID's Commissioner representative as of June 3, 2023.

#### IMPLEMENTATION

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

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

- *Salton Sea Community Engagement:* In June 2023, Miguel and his team led a group of Imperial Valley high school students on a tour of the Species Conservation Habitat (SCH) Project. The tour was part of the Youth Environmental Health Internship, organized by Comité Civico del Valle for youth leaders in Imperial County. Students learned how the project helps protect public health by suppressing dust from the 4,100-acre project area. In addition to learning about the SCH Project, students learned more about the SSMP, which aims to improve conditions around the Salton Sea by constructing projects that create habitat and reduce dust from exposed lakebed.
- *New Assistant Secretary for Salton Sea Policy:* In March 2023, Governor Gavin Newsom appointed Samantha Arthur as Assistant Secretary for Salton Sea Policy at the CNRA. She brings substantial experience planning and managing complex projects in California, particularly in the Central Valley, through her work with Audubon California. Samantha Arthur officially joined the team in late April and has spearheaded the SCH Project, expected to be completed by the end of 2023, and several vegetation enhancement projects. She is also active on the Salton Sea Authority board as an ex officio member.

#### FINANCIAL MATTERS

7. Information: Treasurer's Report ending March 31, 2023 (Alan Okewole, SDCWA)

Mr. Okewole provided a review of the Treasurer's Report ending March 31, 2023. The quarter ended with \$86.7 million in cash and investments. The majority of that was in asset-backed securities with approximately \$35 million held by the CA Asset Management Program (CAMP). Mr. Okewole noted that as of June 15, the QSA JPA portfolio, including the portion in CAMP, complies with all investment policy limits. The effective rate of return for the portfolio was reported at 2.40%, and the interest received (fiscal year (FY) to date) was \$1.56 million. Three invoices were paid, totaling approximately \$1.58 million. Mr. Okewole reported the updated total outstanding balance due was \$7.06 million, or \$6.51 million at net present value at 6%.

8. Information: Financial Report ending March 31, 2023 (Chris Woidzik, SDCWA)

Mr. Woidzik provided a review of the Financial Report ending March 31, 2023. Total assets were \$92.2 million with \$10.5 million in liabilities. Unavailable mitigation contributions were \$6.42 million, and the total fund balance was \$75.4 million. Total revenues were \$54.5 million and total expenditures were \$13 million. Through March 31, 52% 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.

Mr. Woidzik also updated the Commission on the status of the QSA JPA audit contract award process, noting that the audit committee recommended Davis Farr, LLP. Water Authority staff expect to bring the committee's recommendation before the Water Authority Board at its July 2023 meeting for approval. Assuming the contract is awarded at the July meeting, contract details, such as fees, will be provided at the next QSA JPA meeting.

Commissioner Denham asked Mr. Woidzik to explain the Water Authority policies on consecutive contract awards to the same audit firm, to which Mr. Woidzik responded that the Water Authority does not have a policy but instead defers to a code from the state controller. Per the state code, the QSA JPA is not required to change audit firms, but it must change the audit firm partner after the sixth year of the contract.

9. Action: Review and consider approval of QSA JPA Fiscal Year 2024 Budget and Work Plan (Alexi Schnell, SDCWA and Jessica Humes, IID)

CAO Schnell stated that the proposed budget was \$12,002,330 and reviewed tables from the budget document, which included the remaining payment schedule for each agency, fiscal year 2023 expenditures, fiscal year 2023 projected fund balance, summary of agency payments, fiscal year 2024 projected fund balance, and fiscal year 2024 major expenditures (top three tasks).

Ms. Schnell also reported on the QSA JPA projected long-term cash flow as of June 2023, noting that under the three budget execution rates analyzed, FY 2029 would be the earliest that the QSA JPA is projected to have a negative cash balance.

Commissioner Barrett inquired if the projected long-term cash flow presentation slide would be included in the meeting materials, to which Ms. Schnell responded that it would be added to the June 2023 meeting materials on the QSA JPA website following the meeting.

Ms. Humes reviewed the mitigation tasks with larger expenditures budgeted (Task 2, Task 8, and Task 24).

Ms. Schnell reviewed the budget appendices and concluded with requesting the Commission's approval of the recommendation to approve the fiscal year 2024 budget of \$12,002,330.

Michael Cohen (Pacific Institute) inquired about the footnote to table 5 in the proposed FY 2024 budget that states the Water Authority QSA JPA contributions had been reduced by credits. Commissioner Denham explained that the footnote was referring to credits that were negotiated for Water Authority payments made for mitigation measures implemented by the U.S. Bureau of Reclamation (Reclamation) per a 2001 Biological Opinion.

Commissioner Denham made a motion to approve the recommendation, which was seconded by Commissioner Shields. The item was approved unanimously by a roll call vote.

#### IMPLEMENTATION CONTINUED

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 reported that it is conducting ongoing monthly bird surveys and is winding up its annual marsh bird survey and report.

*Task 15 – Pre-Construction Activity Burrowing Owl Surveys and Relocation:* IID reported ongoing pre-construction inspections for operation and maintenance activities.

*Task 17 – Farmer and Public Education Program:* IID visited a local elementary school in Heber, CA, and completed a Kid Wise Burrowing Owl Education Program, where IID staff teach students about burrowing owl conservation. Students then designed an advertisement for the program. The top four entities will be featured in the latest edition of *Imperial Valley Alive!* magazine.

*Task 18 – Desert Pupfish Abundance and Distribution Study:* IID reported that staff is conducting ongoing presence/absence surveys within IID drains at the south end of the Salton Sea. IID also reported that two new IID environmental specialists started pupfish training with CDFW staff in April 2023.

*Task 19 – Pupfish Selenium Drain Studies:* IID continues to collect data as part of its selenium drain workplan and Quality Assurance Project Plan (QAPP) per its Ag Waiver from the Regional Water Quality Control Board. Due to field constraints, IID made minor revisions to its workplan and QAPP that were approved to expand the list of drains for monitoring and give IID more time to complete the project, which is expected to be completed by June 2025.

*Task 24 – Salton Sea Air Quality Mitigation:* IID will be conducting a 30-day pump test of its completed Clubhouse shallow groundwater wells in summer 2023. In May 2023, IID received a conditional use permit approval from the Imperial County Planning Commission for use of the wells. IID expects to start work on its Bombay Beach shallow groundwater wells in July 2023. A major work authorization for a piezometer project is expected to go before the IID Board for approval in July with construction starting in September if approved.

Commissioner Denham requested a future agenda item for CDFW staff or other appropriate staff to update the Commission on the status of the \$250 million in federal funds earmarked for the Salton Sea once the details are finalized between Reclamation and the California Department of Water Resources. Commissioner Denham asked that the update cover the types of projects the money could be used for. Additionally, Commissioner Denham requested a future agenda item for an update on the balance of the Salton Sea Restoration Fund.

11. Adjournment

Before the meeting was adjourned, CAO Schnell informed meeting attendees that QSA JPA staff are working to schedule the next meeting date in September 2023.

The meeting was adjourned at 2:10 p.m.