



**QUANTIFICATION SETTLEMENT AGREEMENT  
JOINT POWERS AUTHORITY  
VIRTUAL MEETING MINUTES  
March 21, 2024, at 2:30 p.m.**

**Commissioners and Alternates present:**

Tonya Marshall, California Department of Fish and Wildlife (CDFW) – Chair  
 Tina Shields, Imperial Irrigation District (IID) – Commissioner  
 Jamie Asbury, Imperial Irrigation District (IID) – Alternate Commissioner  
 Robert Cheng, Coachella Valley Water District (CVWD) – Alternate Commissioner  
 Alexi Schnell, San Diego County Water Authority (SDCWA) – Alternate 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	Jessica Humes, IID
Miguel Hernández, California Natural Resources Agency (CNRA)	Cindy Matejovsky, IID
Carrie Scott, CVWD	Michael Cohen, Pacific Institute
Karla Romero, CVWD	Dennis Davis, SDCWA
Petya Vasileva, CVWD	Deborah Hodgins, SDCWA
Shannon Ayala, Davis Farr	Wendy Joplin, SDCWA
Joanna Hoff, IID	Chris Woidzik, SDCWA

**PRELIMINARY MATTERS**

1. Call to Order  
Chair Marshall called the meeting to order at 2:30 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 January 18, 2024 (Alexi Schnell, SDCWA)  
Commissioner Shields made a motion to approve the minutes, which was seconded by Alternate Commissioner Cheng. The minutes were approved unanimously by a roll call vote.
5. Information: Annual Conflict of Interest Form 700 filings due April 2 (Alexi Schnell, SDCWA)  
Alternate Commissioner Schnell reminded the Commissioners of the upcoming due date for their annual Form 700 filings and requested that they submit their form with a wet signature to her by March 25, 2024.

## FINANCIAL MATTERS

6. Information: Fiscal Year 2024 Audit Engagement (Chris Woidzik, SDCWA and Shannon Ayala, Davis Farr)  
Mr. Woidzik provided a timeline of key audit dates and then introduced auditor Shannon Ayala from Davis Farr, LLP to update the Commission. Ms. Ayala reviewed the Audit Engagement Letter and the SAS 114 Planning Letter. Ms. Ayala explained that the scope of the audit is to express an opinion as to whether the financial statements and disclosures are free of material misstatement, evaluate internal controls and the risk of material misstatement attributable to those, and indicate whether there is compliance with applicable laws and regulations, contracts, and agreements. She 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.

Alternate Commissioner Cheng asked how long Davis Farr has been engaged with the QSA JPA and about the terms of the current contract.

Ms. Ayala responded that Davis Farr has been the QSA JPA auditor for approximately seven years and that Davis Farr recently renewed a contract with the QSA JPA. Under the duration of the current contract, Ms. Ayala will reach her sixth year as the audit partner managing the QSA JPA audit engagement. Consistent with state law, another Davis Farr representative will take over as audit partner for Ms. Ayala once she reaches her sixth year as the audit partner.

Mr. Woidzik added that Davis Farr's contract was renewed following a standard procurement process in 2023. The Water Authority issued a Request for Proposals (RFP) for audit services for both the QSA JPA and the SDCWA. Only two firms submitted proposals, one of which was Davis Farr. He commented that the low number of responses was likely due to a combination of staffing issues at auditing firms and lack of capacity for firms to take on new clients.

7. Information: Treasurer's Report ending December 31, 2023 (Chris Woidzik, SDCWA)  
Mr. Woidzik provided a review of the Treasurer's Report ending December 31, 2023. The quarter ended with \$81.1 million in cash and investments. Approximately \$64.5 million of that amount was managed by Chandler Asset Management. The effective rate of return for the portfolio was 3.21%, and the interest received (fiscal year (FY) to date) was \$1.3 million. Three invoices were paid during the last quarter totaling approximately \$2.2 million. Mr. Woidzik concluded with an overview of the maturity distribution of QSA JPA investments.

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

Mr. Woidzik provided a review of the Financial Report ending December 31, 2023. Total assets were \$81.5 million with \$2 million in liabilities. The total revenues were \$9.4 million, and total expenditures were \$3.7 million. Approximately 31% of the FY 2024 budget was spent through this period. Mr. Woidzik concluded with a summary of expenses on Tasks 2, 8, and 24, as included in the Budget Status Report.

Alternate Commissioner Cheng asked if the QSA JPA's investment policy aligns with the SDCWA's investment policy, and how often is the policy updated. Further, he asked if the scope of the audit services provided for the QSA JPA covers compliance with the investment policy. Alternate Commissioner Cheng also asked if more detail could be provided on the status of Task 24 expenses.

Mr. Woidzik responded that the QSA JPA investment policy does align with the SDCWA's policy and that the investment policy is reviewed and revised annually to ensure consistency with state regulations. SDCWA staff also receive guidance from the QSA JPA investment advisor, Chandler Assessment Management, to ensure the investment strategy is in sync with the investment policy. Mr. Woidzik noted that to address the question about auditing of investment policy compliance, he will reach out to Shannon Ayala from Davis Farr after the meeting for her input.

Alternate Commissioner Schnell noted that QSA JPA staff would provide Ms. Ayala's answer once received.

#### IMPLEMENTATION

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

Ms. Humes provided an update on various mitigation measures:

*Task 8 – Drain Habitat (Aquatic) – Managed Marsh Complex:* IID retrieved 80 native trees from the Joshua Tree National Parks Nursery that were planted in the west buffer zone of Phase 3. The trees were grown for another SDCWA mitigation project but were ultimately not needed and provided by the SDCWA to IID at no charge for this mitigation project. Separately, 7,000 trees will be delivered in April to be planted by a conservation crew and IID staff. IID also reported that it had three staff members attend marsh bird training last week to prepare for annual marsh bird surveys, which started in March and will be conducted through May.

*Task 15 – Pre-Construction Activity Burrowing Owl Surveys and Relocation:* IID staff are working with operators to make sure they know where all burrows are located. All IID water department staff are completing annual burrowing owl avoidance training, which includes an approximately 15-minute training video.

*Task 18 – Desert Pupfish Abundance and Distribution Study:* IID reported that its presence/absence surveys will start in April. IID is finishing a site characterization of each IID drain that connects to the Salton Sea.

*Task 24 – Salton Sea Air Quality Mitigation:* IID presented its major work authorization for the Clubhouse vegetation project to its board. Project cost came in at approximately \$2.86 million and work will begin as soon as a notice to proceed is issued. Work will include seabed preparation, procurement and installation of an irrigation system, and procurement and installation of a waterless dust control and stormwater erosion control system. The vegetation project will use one deep groundwater well and three shallow groundwater wells that were installed on the project site and issued a conditional use permit in early 2024. Project design and environmental review are ongoing for IID's Bombay Beach vegetation projects. Three shallow groundwater wells are installed at the site. The only work remaining is the installation of solar panels and a 30-day pump

test. Work on IID's piezometer project was scheduled to start in March but has been delayed by the Imperial County permit process. Work is now expected to start in May. IID's annual emissions estimate and proactive dust control plans are currently being reviewed by the Imperial County Air Pollution Control District. IID staff plans to take the final documents to its board in April.

Ms. Humes also noted that the Habitat Conservation Plan Implementation Team (HCP IT) met in March to review the draft QSA JPA FY 2025 budget, and she is revising the draft budget based on initial feedback received. She will also add budget numbers from SDCWA staff related to administrative JPA tasks. Another meeting will be held in April to review the revised draft budget with a goal of having a final draft budget no later than early May. In response to Alternate Commissioner Cheng's request for more detail on Task 24 expenses, Ms. Humes noted that the payment of the combined January and February invoice would bring the total year-to-date cost for Task 24 to approximately \$4 million.

Alternate Commissioner Cheng asked if there was a preferred alternative for air quality improvement projects around the Salton Sea and what is IID's plan if current air quality improvement projects do not address air quality mitigation requirements.

Ms. Humes responded that air quality improvements are site specific and would depend on the soil characteristics of the site. On a clay-heavy site, the preferred method would be surface roughening, and gravel is usually the last method considered because of the cost. Ms. Humes also noted that the annual emissions monitoring provides an opportunity to check the effectiveness of current projects and determine if augmentation is needed to help a project meet air quality mitigation requirements.

10. 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:

*SSMP and Community Needs Report:* The SSMP finalized a public draft of its Community Needs report, which was distributed for a public comment period that ended on March 26. Several community meetings were held during the comment period to let the public know about this document and to provide additional opportunities to review and provide input. The meetings were well attended, and ideas for how the SSMP could increase community engagement were suggested by meeting participants.

*Salton Sea Long-Range Plan:* The SSMP team released the final Salton Sea Long-Range Plan (LRP) in March, which was developed in coordination with multiple entities and community members, including tribal partners and regional agencies. The focus of the LRP is a feasibility study conducted in partnership with the U.S. Army Corps of Engineers (USACE). The feasibility study will evaluate restoration concepts identified in the Long-Range Plan. The USACE study team plans to refine and build upon the LRP concepts to align with USACE policy and procedures, and then apply their standard planning process as required by federal regulation. This process will eventually result in a final strategy for long-term restoration of the Salton Sea.

*Salton Sea Monitoring Implementation Plan Annual Work Plan:* In February, the SSMP team released the Salton Sea Monitoring Implementation Plan Annual Work Plan (Work Plan), a collaborative effort among several entities, most of which are SSMP partners, to document the annually planned monitoring work done by implementing partners that needs to be conducted near the Salton Sea. The plan is intended to promote collaboration among partners and leverage the collective expertise and investments of partner agencies and the larger science community.

*SSMP Project Tracker:* The project tracker interactive map went live on the SSMP website in March and shows all SSMP projects in progress at the Salton Sea, as well as potential future

projects under consideration by the SSMP team. Users can select a project to learn the status of the project, the lead implementing agency, and more. Links to project fact sheets, that are updated frequently, are also provided for each project.

*SSMP Annual Report:* The SSMP team released the annual report in March, which was prepared for and submitted to the State Water Resources Control Board (Water Board) per a water order issued by the Water Board. A workshop will be held on May 22 in Sacramento with the Water Board to report on the annual plan. The report summarizes the progress made at the Salton Sea in 2023 and highlights the next steps to be accomplished in 2024. The SSMP team is planning to schedule a community meeting in May to provide a high-level overview of the annual report.

11. Adjournment

Before the meeting was adjourned, Alternate Commissioner Schnell informed meeting attendees that QSA JPA staff are working to schedule the next meeting date in June 2024. The meeting will be scheduled for 90 minutes to facilitate review of the FY 2025 QSA JPA budget.

The meeting was adjourned at 3:15 p.m.