



**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
VIRTUAL MEETING MINUTES
June 14, 2024, at 1 p.m.**

Commissioners and Alternates present:

Tonya Marshall, California Department of Fish and Wildlife (CDFW) – Chair
 Tina Shields, Imperial Irrigation District (IID) – 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

Others present:

Suzy Neal, CDFW	Darren Simon, SDCWA
Karla Romero, CVWD	Dennis Davis, SDCWA
Jasmyn Phillips, EcoMedia Compass	Deborah Hodgins, SDCWA
Jessica Humes, IID	Chris Woidzik, SDCWA
Michael Cohen, Pacific Institute	

PRELIMINARY MATTERS

1. Call to Order
Chair Marshall called the meeting to order at 1 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 21, 2024 (Alexi Schnell, SDCWA)
Commissioner Shields made a motion to approve the minutes, which was seconded by Chair Marshall. The minutes were approved unanimously by a roll call vote.

FINANCIAL MATTERS

5. Information: Treasurer's Report ending March 31, 2024 (Chris Woidzik, SDCWA)

Mr. Woidzik provided a review of the Treasurer's Report ending March 31, 2024. The quarter ended with \$79.8 million in cash and investments. Approximately \$63.8 million of that amount was managed by Chandler Asset Management. The effective rate of return for the portfolio was 3.36%, and the interest received (fiscal year (FY) to date) was \$2 million. Three invoices were paid during the last quarter, totaling approximately \$2 million. Mr. Woidzik concluded with an overview of the maturity distribution of QSA JPA investments.

Alternate Commissioner Cheng asked how often Water Authority staff reviews the maturity distribution of the QSA JPA's portfolio for potential adjustments. Mr. Woidzik responded that staff reviews the portfolio as investments mature and receives direction from the QSA JPA investment advisor on how long to reinvest based on future mitigation expenditures.

6. Information: Financial Report ending March 31, 2024 (Chris Woidzik, SDCWA)

Mr. Woidzik provided a review of the Financial Report ending March 31, 2024. Total assets were \$80 million, with \$1.1 million in liabilities. The total revenues were \$9.9 million, and total expenditures were \$4.7 million. Approximately 39% of the FY 2024 budget was spent through this period, but including the pending April 2024 invoice, the budget execution rate will rise to approximately 45%. Mr. Woidzik concluded with a summary of expenses on Tasks 2, 8, and 24, as included in the Budget Status Report.

Michael Cohen (Pacific Institute) inquired whether the approximately \$6 million underspent for Task 24 (Salton Sea Air Quality) is expected to be used for FY 2024 or will it be deferred. Jessica Humes (IID) responded that some budgeted FY 2024 air quality projects, such as the Clubhouse vegetation and piezometer install projects, were expected to start in January 2024 but were delayed to May 2024. As a result, these projects will not be completed in FY 2024, and the budgeted costs will roll over into FY 2025.

7. Action: Review and consider approval of QSA JPA Fiscal Year 2025 Budget and Work Plan (Alexi Schnell, SDCWA and Jessica Humes, IID)

Alternate Commissioner Schnell stated that the proposed budget was \$14,604,879 and reviewed tables from the budget document, which included fiscal year 2024 expenditures, fiscal year 2024 projected fund balance, summary of agency payments, fiscal year 2025 projected fund balance, and fiscal year 2025 major expenditures (top three tasks). Ms. Humes reviewed the mitigation tasks with larger expenditures budgeted (Task 2, Task 8, and Task 24), noting that some air quality projects planned for but unable to be implemented in FY 2024 are rolling over to FY 2025. Alternate Commissioner Schnell reviewed the budget appendices and concluded by requesting the Commission's approval of the recommendation to approve the fiscal year 2025 budget of \$14,604,879.

Chair Marshall asked why the summary page for Task 24 under Appendix 2 did not include the names of the specific projects proposed for FY 2025 that Jessica Humes mentioned while reviewing Task 24 expenditures. Ms. Humes responded that the projects that she mentioned were from the detailed line-item budget spreadsheet presented to the Habitat Conservation Plan Implementation Team in spring 2024, and those specific projects can be shared with the JPA going forward.

Alternate Commissioner Cheng inquired what percentage of the mitigation tasks had been completed. Ms. Humes responded that she would need time to provide a response. Alternate Commissioner Shields added that some of the mitigation tasks are ongoing and will change based on ground conditions, which makes it difficult to provide a percent complete for those types of mitigation tasks.

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

IMPLEMENTATION

8. 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 Biologists: IID reported a vacancy created in summer 2024 by a departing environmental specialist. IID is working to fill this vacancy as soon as possible.

Task 8 – Drain Habitat (Aquatic) – “Managed Marsh” Areas: IID reported that two conservation crews and seven environmental specialists planted trees in the western cells of Phase 3 in April 2024. Crews also removed some tamarisk plants along the edges of cells within Phases 1 and 3.

Task 15 – Pre-Construction Activity Burrowing Owl Surveys and Relocation: IID noted that all water department staff completed their annual burrowing owl avoidance training in March 2024.

Task 18 – Desert Pupfish Abundance and Distribution Study: IID reported that staff started implementing pupfish surveys in direct-to-sea drains. IID plans to train one more employee to conduct surveys for summer 2024.

Task 19 – Pupfish Selenium Drain Studies: IID noted that it is implementing its provisional selenium work plan. Selenium monitoring will occur in June, and the data will be analyzed by IID consultants to prepare final monitoring reports that are expected to be complete in 2025, which will result in the completion of this mitigation task.

Task 24 – Salton Sea Air Quality: The IID board accepted the Salton Sea Emissions Estimate Report and Proactive Dust Control Plan in April, following review by the Imperial County Air Pollution Control District. Both the report and plan are available on IID’s website. Laurel Ag & Water was selected as the contractor to install an irrigation system for IID’s Clubhouse vegetation project in Salton City. Work started in June 2024 and is expected to continue into September 2024. Work is wrapping up at IID’s Bombay Beach shallow groundwater wells site, and the 30-day pump test is expected to start soon. Project design and environmental review are still ongoing for IID’s Bombay Beach vegetation projects. At IID’s Alamo South project area, a sand fence was installed in an area that was not suitable for surface roughening due to the sandy conditions. IID staff will be monitoring the effectiveness of the sand fence over the next year. The final project design and environmental review will be completed in summer 2024 for IID’s Red Hill Gravel project, which IID will start implementing in March 2025.

Michael Cohen commented that he would like to see some of the information that Jessica shared in her update be added to the QSA JPA website, including hyperlinks to the reports mentioned.

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

The SSMP update was postponed to the next QSA JPA meeting. Commissioner Shields noted that the State Water Resources Control Board held an SSMP workshop in May 2024, which was recorded and posted online. The workshop provided an overview of the state’s efforts at the Salton Sea.

10. Adjournment

Alternate Commissioner Cheng, seeking clarity regarding the purpose of the QSA JPA following the water agency members’ payoffs of their respective financial obligations, asked for information to be provided on the responsibilities of the member agencies going forward.

Jeff Ferre (BBK) responded that he would research the issue and provide a report at the next QSA JPA meeting. Alternate Commissioner Schnell added that she would agendize this item and assist Jeff with reporting on it.

Commissioner Shields added that the QSA JPA Creation and Funding Agreement narrowly tailors the JPA's purpose to pay for environmental mitigation requirements and environmental mitigation costs by and through the collection, holding, investing, and disbursing of funds.

Michael Cohen also expressed interest in knowing whether the QSA JPA would terminate when the state is required to take on the funding obligation for mitigation in the future. Alternate Commissioner Schnell commented that at a 75% budget execution rate, QSA JPA staff currently projects that there would still be approximately \$17 million in the QSA JPA account in FY 2032, so the state's funding obligation is not expected to be triggered for some time.

Before the meeting was adjourned, Alternate Commissioner Schnell informed meeting attendees that QSA JPA staff is working to schedule the next meeting date in October 2024, which will provide time for the FY 2024 audit to be completed and reported on at the next meeting.

The meeting was adjourned at 1:35 p.m.