



**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
VIRTUAL MEETING MINUTES
January 27, 2025, at 2:00 p.m.**

Commissioners and Alternates present:

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

QSA JPA staff present:

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

Others present:

Jessica Schroeder, CDFW	Michael Cohen, Pacific Institute
Miguel Hernández, California Natural Resources Agency (CNRA)	Dennis Davis, SDCWA
Genny Lynkiewicz, Chandler Asset Management	Deborah Hodgins, SDCWA
Joanna Hoff, IID	Alan Okewole, SDCWA
Jessica Humes, IID	Marilen Santos, SDCWA

PRELIMINARY MATTERS

1. Call to Order
Chair Marshall called the meeting to order at 2:00 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 October 31, 2024 (Alexi Schnell, SDCWA)
Commissioner Shields made a motion to approve the minutes, which was seconded by Commissioner Barrett. The minutes were approved unanimously by a roll call vote.

FINANCIAL MATTERS

5. Information: Investment update (Genny Lynkiewicz, Chandler Asset Management)

Alternate Commissioner Schnell introduced Ms. Genny Lynkiewicz of Chandler Asset Management to present an investment update. Ms. Lynkiewicz presented an economic update on the following topics: employment, unemployment claims, inflation, gross domestic product, and bond yields. She touched on the QSA JPA's account profile, which included objectives and strategies, compliance, portfolio characteristics, sector distribution, issuers, quality distribution, and the duration of the distribution as well as investment performance. Lastly, Ms. Lynkiewicz reviewed the holdings report and the transactions portfolio.

6. Information: Finance Report ending September 30, 2024 (Alan Okewole, SDCWA)

Mr. Okewole provided a review of the Financial Report ending September 30. Total assets were \$79.2 million, with \$2.04 million in liabilities. The total fund balance was \$77.1 million. The total revenues were \$2.05 million, and total expenditures were \$971,598. Approximately 7% of the FY 2025 budget was spent through this period.

7. Information: Treasurer's Report ending September 30, 2024 (Alan Okewole, SDCWA)

Mr. Okewole provided a review of the Treasurer's Report ending September 30. The quarter ended with \$77.7 million in cash and investments. Approximately \$63.3 million of that amount was managed by Chandler Asset Management. The effective rate of return for the portfolio was reported at 3.73%, and the interest received (FY to date) was \$724,484. Three invoices were paid, totaling approximately \$2 million. The second page of the Treasurer's report, which historically tracked deposit and invoice activity, will only track JPA invoice activity going forward since SDCWA, IID, and CVWD have satisfied their mitigation contribution obligations.

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 that its team is fully staffed and working on annual mitigation reports for IID's Biological Opinion and Incidental Take Permit, both due at the end of March 2025.

Task 8 – Drain Habitat (Aquatic) – “Managed Marsh” Areas: IID reported ongoing operation and maintenance activities. In January, a crew of volunteers from the Imperial Valley planted cuttings and removed invasive tamarisk shrubs.

Task 15 – Pre-Construction Activity Burrowing Owl Surveys and Relocation: IID reported ongoing inspections for burrowing owl activity at all of its water department activities and construction projects.

Task 24 – Salton Sea Air Quality: IID reported that it is working with the Clubhouse Vegetation Project contractor, Laurel Ag & Water, to fix solar power issues and to address a few operational items at the project site before they start the seeding and irrigation phase of the project. The project's irrigation system is installed. IID also updated the Commission on its Bombay Beach Vegetation Project, noting that the project design review is 95% complete. Once finalized, IID will start the construction solicitation process to obtain a cost estimate for the project. IID expects this cost estimate to be incorporated into the QSA JPA FY 2026 budget. IID is implementing air quality monitoring at all project sites, and IID staff are preparing the annual emissions monitoring report and proactive dust control plan, which is expected to be completed in April 2025.

IID also provided an overview of the JPA's mitigation measures, identifying measures as completed, pending, or ongoing as of January 2025. Most measures are mitigating impacts on biological resources. IID reported on completed biological mitigation measures, including but not limited to the completion of the Desert Pupfish Refugium in 2010 and the Managed Marsh Complex in 2020. Pending biological mitigation measures included the desert pupfish drain interconnection, brown pelican roost sites along the Southern California coast and the Salton Sea, and other as-needed measures that may result from new impacts to a covered species or habitat. Ongoing biological mitigation measures included operation and maintenance of the Desert Pupfish Refugium and Managed Marsh Complex and monitoring for desert pupfish, southwest willow flycatchers, and burrowing owls. IID also reported on the status of mitigation measures for recreation, air quality, cultural and tribal resources, noise, and aesthetics. IID was not able to provide the anticipated costs to complete the outstanding mitigation measures because some measures do not have an end date, which is needed to calculate anticipated costs.

Commissioner Denham inquired whether the brown pelican was federally delisted from the endangered species list and if the brown pelican mitigation measures involved barges off the Santa Barbara coast. Commissioner Denham also inquired about the cost of implementing the brown pelican mitigation measures.

Micheal Cohen inquired whether IID's estimate that the Salton Sea shoreline will stabilize in 2035 was based on approved system conservation implementation agreements (SCIAs) and not any additional mitigation measures that may be needed post 2026.

Chair Marshall requested a copy of IID's Environmental Mitigation Status Update slides. *(The corresponding presentation slides were added to the meeting materials posted at QSAJPA.org following the meeting.)*

IID staff confirmed that the brown pelican has been federally delisted and, as a result, mitigation measures for the brown pelican under IID's in-valley biological opinion were removed; however, brown pelican mitigation measures under IID's California Endangered Species Act (CESA) Incidental Take Permit are still required. IID staff confirmed that the Santa Barbara coast is one of the sites identified in the CESA permit for the brown pelican mitigation. IID staff did not have a cost estimate for the brown pelican mitigation measures but noted that they are working with CDFW staff to determine how to implement this mitigation at the coast and at the Salton Sea.

IID staff confirmed that the Salton Sea shoreline estimate was based on existing approved conservation measures and not potential measures that may be approved post 2026.

IID staff acknowledged Chair Marshall's request for the slides.

9. 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:

New Assistant Secretary for Salton Sea Policy: In October 2024, Governor Gavin Newsom appointed Joe Shea as Assistant Secretary for Salton Sea Policy at the CNRA. Shea has served in several positions with Governor Gavin Newsom's cabinet since 2019. Former Assistant Secretary for Salton Sea Policy Samantha Arthur is still involved in Salton Sea issues through her new role as Deputy Secretary of Water at the CNRA.

Proposition 4 Climate Bond: In November 2024, California voters approved a \$10 billion climate bond (Proposition 4), which includes \$160 million for Salton Sea restoration projects. There are still legislative hurdles that must be addressed before the funds can be distributed to the program.

A separate \$10 million was included in the climate bond to create the Salton Sea Conservancy, which will support Salton Sea restoration by operating and maintaining dust suppression and habitat management projects at the sea. The SSMP team is preparing a proposal to draw funds needed to hire staff for the conservancy. The proposal is expected to be completed by spring 2025.

Environmental Review for SSMP Phase I Plan: Also in November 2024, the U.S. Army Corp of Engineers (USACE) approved the environmental assessment for SSMP Phase I 10-Year Plan. The SSMP 10-year plan proposes implementing nearly 30,000 acres of habitat restoration and dust suppression projects on lakebed areas that have been or will be exposed at the Salton Sea by 2028. The USACE's approval will potentially expedite the implementation of these projects.

SCH Expansion Project Update: The Species Conservation Habitat (SCH) project is the state's first large-scale aquatic habitat project, encompassing 4,100 acres. Work is underway to expand the SCH by 750 acres (East Pond 1 expansion). Heavy machinery is on the ground at the project site to construct a new, approximately 2-mile-long berm at the north end of the project area, a critical component of the expansion work.

Community Outreach & Engagement Plan: In December, the SSMP team released this plan in collaboration with the Community Engagement Committee to outline the approach and roadmap for outreach and engagement with frontline communities around the Salton Sea. The plan will be regularly updated to ensure a proactive, inclusive, and transparent engagement process.

10. Adjournment

Before the meeting was adjourned, Alternate Commissioner Schnell informed the Commission that an email would be sent to those in positions designated to complete and file an annual Fair Political Practices Commission Statement of Economic Interest (Form 700) for 2024. She also informed meeting attendees that QSA JPA staff are working to schedule the next meeting date in March or April 2025.

The meeting was adjourned at 2:44 p.m.