



QUANTIFICATION SETTLEMENT AGREEMENT JOINT POWERS AUTHORITY

HISTORY, STRUCTURE, FUNCTIONS AND ACCOMPLISHMENTS

JUNE 24, 2021

HISTORY

2003 - QUANTIFICATION SETTLEMENT AGREEMENT – QSA

- Quantifies the Colorado River water allocations and provides for the transfer of water between agencies in order for California to live within its 4.4 MAF per year.
- The IID/SDCWA 1998 Conserved Water Transfer Agreement and CVWD Acquisition Agreement are key components that allow for implementation of the QSA.

HISTORY - CONT'D

SB 654 Signed by Governor in 2003

PURPOSES OF SB 654:

- For State to meet its commitment to reduce its use of water from the Colorado River to 4.4 MAF per year;
- To ensure that actions taken to reduce California's Colorado River water use are consistent with the State's commitment to restore the Salton Sea.

HISTORY – CONT'D

SB 654 – Cont'd

- Implements and allocates Environmental Mitigation Requirements between water agencies and the State for implementation of QSA.
- "Environmental Mitigation Requirements" - measures required under EIR/EIS for the IID/SDCWA Transfer.
- Permits State to enter into the QSA-JPA for the purpose of paying costs for Environmental Mitigation Requirements
- Specifies costs to be paid by:
 - State/Department of Fish and Wildlife (“CDFW”);
 - Coachella Valley Water District (“CVWD”);
 - Imperial Irrigation District (“IID”);
 - San Diego County Water Authority (“SDCWA”)

STRUCTURE

QUANTIFICATION SETTLEMENT AGREEMENT JOINT POWERS AUTHORITY CREATION AND FUNDING AGREEMENT (“QSA-JPA AGREEMENT”)

October 10, 2003

PURPOSE – FINANCIAL OBLIGATIONS

- Allocate Environmental Mitigation Costs among State, CVWD, IID and SDCWA;
- Sets financial liability of CVWD, IID and SDCWA for Environmental Mitigation Costs;
- Sets financial liability of CVWD, IID and SDCWA for Salton Sea restoration costs; and
- Allocate the remaining financial and other responsibilities associated with the Environmental Mitigation Requirements and Salton Sea restoration costs to the State.

STRUCTURE – CONT'D

PURPOSE – FULFILL ENVIRONMENTAL MITIGATION REQUIREMENTS

- Mitigation Requirements/Projects are implemented by IID under direction from the QSA Implementation Team - representatives from CDFW, IID and U.S. Fish and Wildlife Service.
- Annual budget sets forth projected spending for each mitigation task/project/requirement.

GOVERNING BOARD – COMMISSION

Four Commissioners, one from each party.

CVWD, IID and SDCWA each appoint a member from its board of directors or may appoint its general manager or a member of its staff as its Commissioner.

Director of CDFW, or designee, shall be the Commissioner representing the State.

The Commissioner representing the State/CDFW shall act as Chairperson of the Commission.

STRUCTURE – CONT'D

MANAGEMENT

Chief Administrative Officer - the SDCWA General Manager or designee.

Current CAO - Kara Mathews, Principal Water Resources Specialist, SDCWA

Treasurer – the SDCWA Treasurer

Lisa Marie Harris, Director of Finance/Treasurer for SDCWA;

Chris Woidzik, SDCWA Department of Finance

Legal Counsel - the chief legal counsel of CVWD

Jeff Ferre, BBK

STRUCTURE – CONT'D

TERM OF QSA-JPA AGREEMENT

- Shall terminate on the later of:
 - Termination date of IID/SDCWA 1998 Conserved Water Transfer Agreement and IID/CVWD Acquisition Agreement; or
 - When all Environmental Mitigation Requirements have been satisfied and costs thereof fully paid.

AMENDMENTS AND ADDITIONAL PARTIES TO QSA-JPA AGREEMENT

- Amended only in writing signed by all parties.
- Additional parties may join only upon an amendment consented to by all parties.

FUNCTIONS

CONTRIBUTIONS FOR ENVIRONMENTAL MITIGATION REQUIREMENTS

- Environmental Mitigation Cost Limitation – To be paid in installments by annual contributions.
 - CVWD, IID and SDCWA shall make contributions up to \$133m (in 2003 dollars) as follows:
 - CVWD - \$36,717,791
 - IID \$44,061,350
 - SDCWA \$52,220,859

- State Obligation
 - Once the total amount of the Environmental Mitigation Cost Limitation funds has been encumbered, the State is solely responsible for payment of the costs of, and liability for, Environmental Mitigation Requirements in excess of the Environmental Mitigation Cost Limitation.
 - State obligation is an unconditional contractual obligation and is not conditioned upon an appropriation by the Legislature.

FUNCTIONS – CONT'D

LEGISLATION ESTABLISHES QSA-JPA FUNDING FOR RESTORATION

SALTON SEA RESTORATION FUND

- CVWD, IID and the SDCWA shall make contributions to the Salton Sea Restoration Fund in the following amounts (in 2003 dollars):
 - CVWD \$ 8,282,209
 - IID \$9,938,650
 - SDCWA \$11,779,141

- State Obligation - The State shall defend, indemnify and hold harmless CVWD, IID and SDCWA, individually or collectively as the case may be, with respect to any liability, requirement, expense, cost or obligation for restoration of the Salton Sea which exceeds the contributions made by QSA-JPA parties to the Salton Sea Restoration Fund. The Salton Sea Restoration Fund is controlled by the State, and the QSA JPA has no authority over that funding.

OBSERVATIONS

1. NEW PARTIES COULD NOT BE ADDED TO THE QSA-JPA WITHOUT NEW LEGISLATION

- State Legislature has only authorized membership in the QSA-JPA by the State, CVWD, IID and SDCWA. (SB 654; Section 3 of Chapter 617, subdivision (a))

2. NEW PARTIES COULD NOT BE ADDED TO THE QSA-JPA WITHOUT CONSENT OF ALL PARTIES

- The Agreement can be amended only in writing signed by the parties. Additional parties may join the Agreement only upon an amendment consented to by all parties. (QSA-JPA Agreement Sections 15.5 and 15.12)

OBSERVATIONS – CONT'D

3. ALL PARTIES, NEW AND OLD, MUST TAKE ON SIGNIFICANT FINANCIAL OBLIGATIONS

- All parties must take on an allocated share of the Environmental Mitigation Costs for implementation of Environment Mitigation Requirements.
 - SB 654; Section 3 of Chapter 617, subdivisions (b)-(f)
 - QSA-JPA Agreement, Sections 9.1 – 9.4
 - Funds received by QSA-JPA must then be disbursed to the QSA-JPA parties that implement the Environmental Mitigation Requirements. (Section 3.1(d))

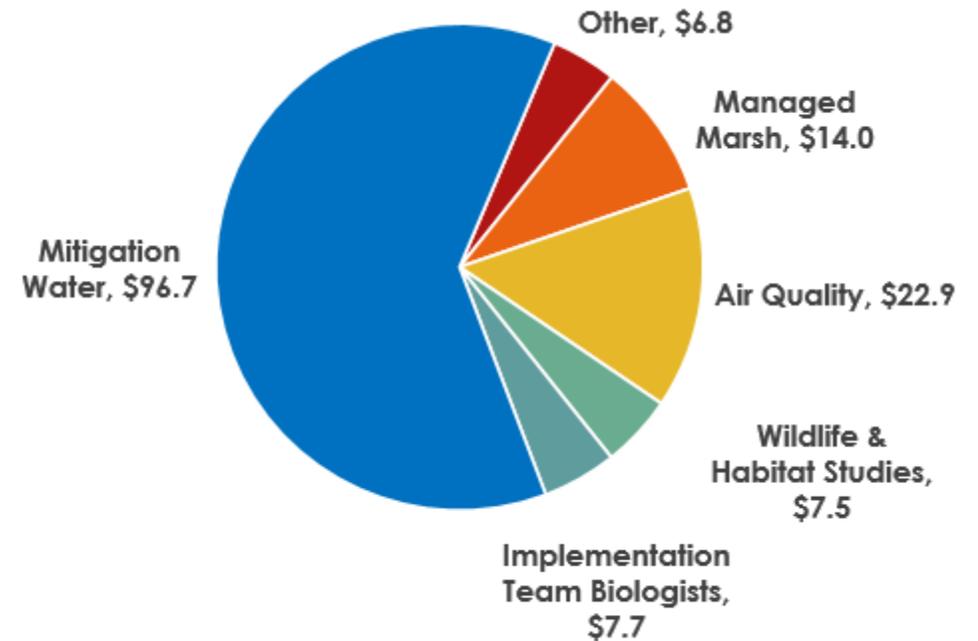
4. THE ONLY TASKS THAT CAN BE FUNDED UNDER THE QSA-JPA AGREEMENT ARE THOSE WHICH FULFILL ENVIRONMENTAL MITIGATION REQUIREMENTS

- Environmental Mitigation Requirements/tasks are defined in SB 654, Section 3, subdivision (d).
- Environmental Mitigation Requirements/tasks are reimbursed by the QSA JPA as set forth in Article X of the QSA-JPA Agreement.
- Environmental Mitigation Requirements/tasks and HCP Mitigation Requirements/tasks are defined in Environmental Cost Sharing Agreement, Section 1.2(11) and 16, located in Exhibit “B” to the QSA-JPA Agreement.

ACCOMPLISHMENTS

- 800,000 AF of mitigation water delivered to the Salton Sea through 2017
- Comprehensive Air Quality Mitigation and Monitoring Program with monitoring network and dust control projects
- Nearing completion of 1,000-acre Managed Marsh habitat complex
- Implementation of numerous wildlife and habitat studies and monitoring programs

\$156 million spent to date



PUBLIC ENGAGEMENT

- Commission Meetings are open to the public and follow the Brown Act. (Section 6.1)
- Dedicated QSA-JPA website under development.
- Any questions?