

Joint Meeting of Cuyama Basin Groundwater Sustainability Agency Special Board of Directors and Standing Advisory Committee

May 1, 2019

Meeting Minutes

Cuyama Valley Family Resource Center, 4689 CA-166, New Cuyama, CA 93254
New Cuyama High School Cafeteria, 4500 CA-166, New Cuyama, CA 93254

PRESENT:

Board of Directors:

Yurosek, Derek – Chair
Compton, Lynn – Vice Chair
Albano, Byron
Bantilan, Cory (*telephonic*)
Bracken, Tom
Cappello, George
Chounet, Paul
Scrivner, Zack
Shephard, Glenn
Williams, Das (*telephonic*)
Wooster, Jane
Beck, Jim – Executive Director
Hughes, Joe – Legal Counsel

Standing Advisory Committee:

Jaffe, Roberta – Chair
Kelly, Brenton – Vice Chair
Draucker, Louise
Furstenfeld, Jake
Post, Mike
Valenzuela, Hilda Leticia

ABSENT:

Board of Directors:

None

Standing Advisory Committee:

DeBranch, Brad
Haslett, Joe

1. Call to order

Chair Derek Yurosek called the meeting to order at 3:02 p.m.

2. Roll call

Hallmark Group Project Coordinator Taylor Blakslee called roll (shown above) and Chair Yurosek that there was a quorum of the Board and SAC.

3. Pledge of Allegiance

The pledge of allegiance was led by Chair Yurosek.

4. Approval of Minutes

Chair Yurosek opened the floor for comments on the April 3, 2019 CBGSA Board meeting minutes.

Director Wooster commented that the minutes incorrectly captured her statement on page 5 and corrected it to say, “the suggestion was to create a glide path based on *information...*”

MOTION

Director Lynn Compton made a motion to adopt the April 3, 2019 CBGSA Board meeting minutes pending editorial corrections. The motion was seconded by Director Tom Bracken, a roll call vote was made and the motion passed with a majority vote.

- AYES: Directors Albano, Bracken, Cappello, Chounet, Compton, Shephard, Williams, and Wooster
- NOES: None
- ABSTAIN: Director Yurosek
- ABSENT: Directors Bantilan and Christensen

5. Report of the Standing Advisory Committee

CBGSA SAC Chair Roberta Jaffe provided a report on the April 25, 2019 SAC meeting, which is provided in the Board packet.

SAC Chair Jaffe stated that she will provide the SAC’s comments for each agenda item throughout the meeting.

6. Technical Forum Update

Woodard & Curran’s (W&C) Senior Water Resource Engineer Brian Van Lienden provided an overview of the April 22, 2019 technical forum call. A summary of the issues discussed is provided in the Board packet.

Director Byron Albano commented that he has serious concerns with the GSP and feels as though it is not heading in the right direction and will not succeed as contemplated. He said one of his concerns were management areas. He said we are not talking about allocating 60,000 acre-feet (AF), but cutting 40,000 AF of pumping out of the central basin. He said the way we are approaching it is not appropriate and the pathway is much too prescriptive based on the information we currently have. Director Albano commented that there are other ways to accomplish this goal without cutting 40,000 AF out of the basin. He said we need to change the incentives in this plan throughout the valley, so people have an incentive to conserve water, however he does not see that in this plan. He said the way the plan is currently written will assume we will work on a pumping plan in 2021-23, but it does not mention how the rest of the basin is being handled. Director Albano said we are not addressing the basin-wide problems we need to address and believes the plan needs to consider allocations throughout the basin. He said the Sustainable Groundwater Management Act (SGMA) was supposed to address the problems in the basin, however he sees a singular focus to cut off pumping with Grimmway and Bolthouse and does not believe they deserve the ill will they have received. He said he is upset that the Board is rushing forward with approving decisions because of the threat of what the California Department of Water Resources (DWR) will do. He said we need to work on solutions and not punitive actions. He said he does not like that we are using a model to make decisions for us because the model is a tool and a very dull one that may sharpen up in the future. He commented that he does not have a lot of faith in the evapotranspiration (ET) values that we currently have. He said there numerous ideas on how to develop a way to pay for the plan, however he does not believe the group will be able to hand the bill over to a select group in the valley. He said he is very concerned that this plan will not pass after 2 years and \$2 million dollars. He encouraged the Board members to listen to the farmers in the valley.

Director Jane Wooster said the purpose of SGMA is to maintain the level of water and they were doing well, and then felt the plan went off the rails. She commented that monitoring wells are the next step we need to take, and she has not heard much talk on this to-date. She said everything beyond this is fluff and we cannot afford to pay for fluff in this valley. She stressed the need to rely on hard data to reach the goal of SGMA. Director Wooster said we should not be talking about how good the modeling is, because we need to be making decisions based on facts.

Director Compton said she hates SGMA and thinks it is taking away water rights. She said it penalizes agriculture since they are the biggest user of water, and it is an invasion of privacy with monitoring wells. She said we are working with what we have to comply with the mandate that is SGMA. She said the burden is put on agriculture and the benefits are for the public which is not fair.

Director Das Williams said he believes we are in a situation where we have numerous viewpoints and thought that not having pumping restrictions and allocations outside of the main basin would reassure famers. He would be open to modest allocations outside of the main basin that go into effect at a later date. He believes there is a lot of work to be done based on the GSP placeholders that have not been debated yet.

Director Albano said his idea is that an allocation is not a restriction. He clarified that we need to establish a baseline through 2015 and then move from there. He said his point is that we do not need to enact restrictions in areas that are in balance in the basin but develop a baseline for those areas.

Director Alan Christensen arrived at 3:22 pm

a. Discussion on Numerical Model

This item was covered under Item No. 6.

7. Groundwater Sustainability Plan

a. Groundwater Sustainability Plan Update

Mr. Van Lienden provided an update on the GSP development, which is included in the Board packet.

SAC Chair Jaffe commented that "climate change" should have been added to planning roadmap slide.

CBGSA Executive Director Jim Beck commented that there are three opportunities for the public to provide comments: 1) an informal 30-day comment period, 2) an official 90-day comment period culminating in a public hearing, and 3) a 60-day DWR public review period. Mr. Beck said the Board will review any comments received during the 90-day period at the public hearing and the Board will decide if any comments are incorporated.

SAC Chair Robbie commented that there is concern with some of the decisions in the public draft that have not been discussed by the SAC or Board and asked where the Board and SAC have the opportunity to review these. Mr. Gardiner said the public, SAC, and Board have the

opportunity to review these decisions in the public draft currently released.

Director Wooster said what was asked at the SAC was that W&C develop a list of the things that were added to the GSP by staff that did not receive SAC and Board input. Mr. Van Lienden commented that there were no further additions outside of the two items discussed at the SAC meeting and commented that W&C put proposals into the GSP that can be changed based on the SAC and Board input. He said one of the items was the percentage of wells that fall below their minimum threshold for a specified period of time that would trigger State intervention.

Director Compton asked where the percentage number came from. Mr. Van Lienden said the number was based on their professional opinion.

Mr. Van Lienden said the other item identified for SAC and Board review was interim milestones.

Mr. Beck said at the June 5, 2019 CBGSA Board meeting we can discuss these questions such as the 30% trigger and implementation milestones. He said you will have time to weigh in on these newer items.

Director Compton said this is a very significant component because it is defining the GSP and the Board did not have input. Mr. Beck said our expectation is that by the June 5, 2019 Board meeting we will have received your comments on the current version of the plan and we will have a chance to review them with the SAC and Board. Mr. Beck suggested that the Board inform staff of additional new questions and concerns so that they be listed on the agenda.

Chair Yurosek said he would prefer that staff inform the Board of the changes to the GSP that have not been vetted by the SAC and Board. Mr. Beck said W&C will develop a memo that outlines key assumptions or new changes to the GSP that the SAC and Board have not reviewed yet and will get that out by Monday, May 6, 2019.

Cuyama Valley Family Resource Center's (FRC) Executive Director Lynn Carlisle asked how the comments will be addressed during the official 90-day comment period. Mr. Gardiner said it will be the same process as the current review period, which is to send comments to Taylor Blakslee or provide oral comments at the Public Workshops. Mr. Beck also mentioned that the staff will not be involved in the individual Counties review, and he advised to contact the county representatives for their process.

Ms. Carlisle asked if comments submitted during the 90-day comment period will be forwarded to DWR with the GSP when submitted. Mr. Gardiner and Mr. Van Lienden confirmed that the current draft GSP contains an appendix with the comments received this far and will continue to be updated.

Director Compton asked if de minimis users are defined in our plan. Mr. Beck said in the current draft, de minimis users are not defined. He said his assumption is that de minimis users in the central basin will be defined but the plan has not identified the need for de minimis users outside of the central basin in the current plan.

Director Cappello commented that under the California Environmental Quality Act (CEQA),

voluntary restrictions do not require CEQA, but his understanding is that mandatory restrictions will require CEQA in the Central Basin. He asked Joe Hughes if the cuts in 2022-23 will require CEQA. Mr. Hughes said the way CEQA is addressed in SGMA is that the preparation and adoption of the plan are exempt from CEQA, but the actions themselves are subject to CEQA (recharge projects, etc.). Mr. Hughes reported that he will verify CEQA requirements as it relates to the GSP and report back on this.

Committee Member Mike Post asked if during the 60-day DWR public review period, if DWR receives information that makes them to decide to change the plan, what is that process and how does that impact the existence of the plan. DWR regional representative Anita Regmi said a group of reviewers at DWR will investigate every comment and encouraged commenters to include details and facts. DWR will provide three types of written assessments after review: 1) Approved; meaning not subject to water board adjunction, 2) Inadequate; meaning the plan failed and the State Water Resources Control Board will manage the basin, and 3) Incomplete; which is where there is work done and mostly likely the plan will pass but there are several things for the Groundwater Sustainability Agency to address.

Committee Member Louise Draucker asked if the Cuyama Community Services District (CCSD) was defined as a de minimis user. Mr. Beck said we did not get that far but voted to exclude them from the management areas.

b. Discussion on GSP Public Draft

Mr. Van Lienden provided an overview of the chapters in the GSP and the schedule for completing the GSP sections.

Director Compton asked for clarity on exchanges and transfers. Mr. Van Lienden said it would not be done on its own, but in conjunction with the stormwater capture and none of the projects are set in stone. Mr. Beck said all the counties have indicated they do not want to sponsor these projects.

Director Compton asked if there is a provision that states that the water stays in the basin. Mr. Beck and Mr. Van Lienden said we are talking about transfers that occur downstream of the basin.

SAC Chair Jaffe provided the following comments from the SAC report:

SAC Chair Jaffe reported that the executive summary has been released in English and Spanish. She mentioned that there was some concern expressed in that the report made it appear as though the whole basin is in overdraft.

SAC Chair Jaffe reported that there was a concern in Chapter 3 that the 30% trigger was not approved by SAC and Board and there are not enough wells in the management area that would trigger the 30%.

SAC Chair Jaffe reported that there was a concern in Chapter 5 that the interim milestones were not considered in context of the glide path and focused on minimum thresholds versus looking at measurable objectives.

SAC Chair Jaffe mentioned that there was a request to develop a list outlining the key assumptions and new changes to the GSP that the SAC and Board did not review yet.

SAC Vice Chair Brenton Kelly provided the below comments:

To the GSA Directors and fellow SAC.

I am so grateful that this day has come. We have been working together on this for a few years now, and I wish to share my appreciation for the participation of every one of you in this room and for the honor of being given the opportunity to participate along the way. Right now, I speak as a long-term local groundwater dependent stakeholder, a beneficial user, as they say.

The process for the development and review of this GSP has been so rushed and under resourced to the extent that the tolerance threshold for an acceptable plan is unfortunately low. Five whole sections, with significant policy material are being reviewed for the first time in this final review draft. We are not done yet, so I am very interested in how we adapt the Plan by next January.

While this GSP does recognize the many data gaps and the implementation plan addresses filling some of them, the Plan has a few additional issues of considerable concern. I will summarize these issues as follows:

- The Monitoring Network wells in many areas do not adequately represent the groundwater production in those areas. Most wells in the Network have no well log data, and they were not vetted by the owner or local agency expertise.
- Minimum thresholds and the identification of basin wide undesirable results thresholds are not set to effectively avoid significant additional overdraft and loss of groundwater storage.
- All of the interim milestones have been set the same as the minimum thresholds, without any potential for a margin of operational flexibility or a pathway to achieve the measurable objectives.
- Water quality monitoring of only one constituent (TDS) is not protective of the many potential groundwater quality issues caused by continued overdraft. Tracking a wider spectrum of water chemistry will help understand the basin dynamics more clearly. Water has a fingerprint-like identity, but you do have to look for it. We cannot effectively manage what we do not look for and measure.
- This GSP does not adequately recognize or ensure the protection of the remaining groundwater dependent ecosystems that still exist in the basin. Many springs, seeps and wetlands are on the edge of survival like those remaining cottonwoods in the Cottonwood Region.

Thank you for your thoughtful consideration of the monumental document. The future of Cuyama Valley is well worth all of our efforts.

Thank you, Brenton

Chair Yurosek discussed the milestones in the W&C contract that have not been met. He said his main concern is the economic analysis that has not been done. He said he feels like not having this done is a major barrier to supporting and approving the GSP. He said there is also a sensitivity analysis that W&C identified in their scope that he does not believe has been adequately addressed. He said we need to take a breath as a Board and determine what we need to do here. Chair Yurosek asked staff to consider these comments.

Director Christensen mentioned that there was a public comment discussed regarding water quality information from pumping and asked if staff could respond to that. Mr. Beck said we discussed the nexus between water quality of SGMA-required activities. He said there is disagreement on this nexus and we have documented that. He said the Central Coast Regional Water Board requested the CBGSA perform additional water quality monitoring and mitigation, and we will need to address this in the coming period.

(8a) Report of the Executive Director

Mr. Beck said he does not agree with all of the criticism comments on the plan but does respect and recognize that they are all fair and feels some are appropriate. He thanked the Board, SAC and public for their efforts. He said there are items in W&C's scope that were not met due to out-of-scope activities and we will work to find a solution to the deferred tasks from W&C original contract.

c. Fiscal Year 2019-20 Budget Adoption

Mr. Beck presented an overview of the FY 19-20 budget and a cash flow comparison.

Director Wooster asked if there is any work that will not get done before the end of the fiscal year and will show up in the following fiscal year as an expense. Mr. Beck said yes, and he said these will be reviewed later in the presentation.

Director Wooster commented that in the future, if we are in a similar financial problem, it is better to inform the Board first. Mr. Beck agreed and said staff will no longer perform out-of-scope activities without budget authorization. Mr. Beck said there was a request to fill the vacant SAC positions, however due to budget we have not pursued action on this item and asked the Board if they would like to do a contract task order amendment to accommodate this. Director Wooster said this fine and commented that several months ago the Board was told to implement this. Mr. Beck said since this issue was identified in December 2018, we have not performed any additional work that we did not have authorization on.

Chair Yurosek said the \$180,000 W&C overage is really \$280,000 since the economic analysis was deferred.

Mr. Beck presented an overview of Hallmark Group's budget. He reported that the budget was split in seven and five month periods since the current Hallmark task order has been authorized through GSP development which ends January 31, 2020. He reported that the meeting assumptions for the next year include no technical forum meetings, six board and SAC meetings per year, 2 public workshops per year, and 2 newsletters per year, along with the staffing

requirements for Hallmark Group, W&C, and legal. Mr. Beck commented that the budgets presented are placeholder budgets and we do not have authorization to do additional work outside of updated task orders.

Director Wooster asked for Cuyama acres minus the Bureau of Land Management and State lands as one of the factors when looking at allocating costs. Mr. Beck said we will add this to the array of options.

Chair Yurosek asked for clarification regarding Mr. Beck's statement in that the budget could go from \$1.4 million to between \$800,000 and \$1.2 million. Mr. Beck said we have not assessed the absolute minimal budget yet and believes we can get it down to \$1 million.

Chair Yurosek said he believes the Board needs to decide on how the budget is funded and we need to solve that before we pass a budget.

Director Compton asked if we will be receiving grant funding. Ms. Regmi said there will be another round of funding and the Proposal Solicitation Package (PSP) will be coming out in the spring 2019. She said some of the groundwater basins that were not in a critical overdraft basin but were due to basin modification will receive priority funding. She reported that another round of funding will be available in 2020 for implementation costs.

Director Albano said he has a hard time budgeting money when we do not know who is paying for it. Mr. Beck said he would donate 40 hours of his time to figure out a funding structure.

Director Albano said he believes we can whittle the budget down and create solutions that work for everyone and if we do not he fears there will be litigation.

Director Wooster asked Mr. Beck why he thought we could get the budget down to \$1 million. Mr. Beck said he thinks a lower level of technical work being done will get to at \$1 million budget.

Director Albano asked if it would make sense to combine the Board and SAC. Mr. Beck said the Joint Exercise of Powers Agreement (JPA) provides for the SAC to assist in the GSP development and implementation so the Board must have envisioned some role for the SAC going forward, but if you combine them it may diminish the role of the SAC. Director Albano said he feels more of the CBGSA Board members do not benefit from the SAC meetings.

Director Compton asked if the counties can still pursue grant funding on behalf of the CBGSA, and Mr. Beck confirmed they could.

Director Glenn Shephard asked how much of the \$1.4 million is covered by the grant funding and Mr. Beck replied \$195,000.

Chair Yurosek said we need to determine the funding structure and suggested meeting with an ad hoc to accomplish this. Director Wooster asked if Chair Yurosek prefers to have an ad hoc versus having the Board discuss the funding structure at the level being presented currently. Chair Yurosek said he prefers an ad hoc to develop conceptual ideas to then present and discuss with the Board.

Chari Yurosek asked if there were any volunteers on Board to participate in the ad hoc. Director Wooster volunteered and was then appointed to the existing budget ad hoc.

Director Compton asked if the Cuyama Basin Water District (CBWD) disbands can costs ever fall to the counties. Mr. Hughes said in the JPA you can pull out but you are responsible for all costs incurred at withdrawal point.

Committee Member Post asked about the rates that go into performing the administrative and technical components of a meeting. He asked how a SAC meeting could cost \$18,000 and said this high cost is offensive to him.

SAC Chair Jaffe said she is concerned with the underlying assumptions and said she has concerns with the removal of the technical forums. She feels that the technical forum is the place where expertise is shared and debated and is where we gather our valuable information for our plan. She advocates for the continuation of the technical forums. SAC Chair Jaffe asked if a component in the GSP implementation should change, for example in how or what we need to monitor, and we are not budgeted for that, how will this be handled. Mr. Beck said if Ms. Regmi has requirements that we have not budgeted for we will discuss this with the Board.

Local landowner and farmer Jim Wegis said there is no way he can afford the implementation costs and we may be better off to give control of the basin to the State now and farm out the valley until they shut us down.

Director Cory Bantilan asked if Mr. Van Lienden addressed the breakdown in costs that Committee Member Post asked. Mr. Beck suggested staff provide a detailed breakdown of the costs of a SAC and Board meeting at the June 5, 2019 Board meeting.

d. Stakeholder Engagement Update

Nothing to report.

i. Review of Public Draft Comment Period

Nothing to report.

8. Groundwater Sustainability Agency

a. Report of the Executive Director

This item was covered after Item No. 7b.

b. Progress & Next Steps

Mr. Beck provided an update on the near-term GSP schedule and accomplishments and next steps, which are summarized in the Board packet.

c. Report of the General Counsel

Nothing to report.

9. Financial Report

a. Financial Management Overview

Mr. Blakslee provided an overview of the CBGSA’s financial activities. He reported that the Grant Administration documents were submitted for the first invoice and we are in the process of revising the invoice with DWR. We are expecting to send a revised invoice next week. Ms. Regmi said the invoice review process is multi-step and can take approximately 3 months before payment is issued.

b. Financial Report

Mr. Blakslee provided an overview of the March 2019 financial report and is included in the Board packet.

c. Review and Approval of Out-of-Scope Activities

Mr. Blakslee presented an estimated cost from W&C and legal counsel to fill the vacant SAC position. Director Wooster said she believes it is very late in the game to add an additional member to the SAC.

SAC Chair Jaffe reported that the SAC voted to fill the vacancy, and the Board was in support of adding a member at the April Board meeting. She mentioned that they could take on some of the roles to bring on a SAC member.

Chair Yurosek asked if the SAC has identified a person and SAC Chair Jaffe replied yes. Chair Yurosek recommended bringing that candidate’s name forward, along with a funding solution outside of the CBGSA at the next Board meeting.

d. Payment of Bills

Mr. Blakslee reported on the payment of bills for the month of March 2019.

MOTION

A motion was made by Director Bracken and seconded by Director Williams to approve payment of the bills through the month of March 2019 in the amount of \$92,350.86, pending receipt of funds. A roll call vote was made and the motion passed unanimously.

- AYES: Directors Albano, Bantilan, Bracken, Cappello, Chounet, Christensen, Compton, Shephard, Williams, Wooster, and Yurosek
- NOES: None
- ABSTAIN: None
- ABSENT: None

10. Reports of the Ad Hoc Committees

Nothing to report.

11. Directors’ Forum

Nothing to report.

12. Public comment for items not on the Agenda

EKI's Senior Hydrogeologist Jeff Shaw discussed EKI's review of the model's sensitivity and uncertainty. He reported that EKI reviewed the calibration data in the area of the basin, along with the perimeters in the model that are sensitive. He said EKI reviewed the sensitivity of horizontal hydrologic conductivity, or the ability of an aquifer or aquifer materials to transmit water. He said in the central basin there is an area that shows high hydrologic conductivity that does not coincide with the data that we see, and this is a flaw in the model. He said a sensitivity analysis needs to be performed to identify the perimeters effecting these outcomes.

Cuyama stakeholder Ann Myhre said she appreciated the conversation and work being done on the GSP, and that there was a little more honesty today. She commented that we do not have enough data and a lot of the studies we want to do will be deferred. She said good luck and reminded the group that the GSP is a living document.

DWR Representative Jack Tung commented on the DWR process and said the 60-day review period is correct and that the 2-year review process will not be interactive.

13. Adjourn

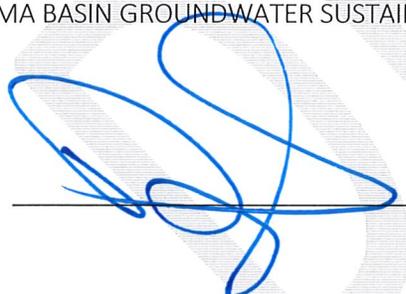
Chair Yurosek adjourned the meeting to the New Cuyama High School Cafeteria at 6:18 p.m.

At the public workshop, a quorum was lost of both the CBGSA Board and SAC and they were adjourned at 6:40 pm.

Minutes approved by the Board of Directors of the Cuyama Basin Groundwater Sustainability Agency the 5th day of June 2019.

BOARD OF DIRECTORS OF THE
CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

Chair: _____



ATTEST:

Secretary: _____

