

Cuyama Basin Groundwater Sustainability Agency Board of Directors Meeting

April 3, 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:

Klinchuch, Matt – *Alternate for Chair Derek Yurosek*
Compton, Lynn – Vice Chair
Albano, Byron
Anselm, Arne – *Alternate for Glenn Shephard*
Bantilan, Cory
Bracken, Tom
Cappello, George
Chounet, Paul
Christensen, Alan – *Alternate for Zack Scrivner*
Williams, Das
Wooster, Jane
Beck, Jim – Executive Director
Hughes, Joe – Legal Counsel

ABSENT:

None

1. Call to order

Vice Chair Lynn Compton called the meeting to order at 4:00 p.m.

2. Roll call

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

Vice Chair Compton informed the attendees that Chair Derek Yurosek could not attend today's meeting and asked that stakeholders utilize the public speaker cards for comments and questions.

3. Pledge of Allegiance

The pledge of allegiance was led by Vice Chair Compton.

4. Approval of Minutes

Vice Chair Compton opened the floor for comments on the March 6, 2019 Cuyama Basin Groundwater Sustainability Agency (CBGSA) Board meeting minutes.

Director Cory Bantilan commented that the minutes incorrectly included a fourth bullet point in the motion he made regarding pumping allocation which stated, “no restrictions for users outside the management areas.”

Director George Cappello commented that the minutes incorrectly captured his statement on page 4 and corrected it to say, “the plan is to make the basin sustainable.”

Director Jane Wooster commented that the minutes incorrectly captured her statement on page 4 and corrected it to say “Brodiaea.”

MOTION

Director Bantilan made a motion to adopt the March 6, 2019 CBGSA Board meeting minutes with the incorporation of the suggested edits. The motion was seconded by Director Williams and passed unanimously.

AYES:	Directors Albano, Anselm, Bantilan, Bracken, Cappello, Chounet, Compton, Klinchuch, Williams, Wooster
NOES:	None
ABSTAIN:	None
ABSENT:	Director Scrivner

5. Report of the Standing Advisory Committee

CBGSA SAC Chair Roberta Jaffe provided a report on the March 28, 2019 SAC meeting, which is provided in the Board packet.

Director Paul Chounet clarified that the Cuyama Community Services District (CCSD) is pumping at 150 acre-feet (AF) per year and would like to discuss this in more detail.

6. Technical Forum Update

GSP consultant Woodard & Curran’s (W&C) Senior Water Resources Engineer Lyndel Melton provided an overview of the March 25, 2019 technical forum call. A summary of the issues discussed is provided in the Board packet. Mr. Melton said several members are requesting model files and W&C will work with them on this.

7. Groundwater Sustainability Plan

a. Groundwater Sustainability Plan Update

Mr. Melton provided an update on the Groundwater Sustainability Plan (GSP) development, which is included in the Board packet.

b. Discussion on Placeholder Section

Mr. Melton reported that the Placeholder Section was distributed on March 25, 2019, and the comment deadline was April 1, 2019.

c. Direction on Eastern Region Sustainability Thresholds

Mr. Melton reported that Item No. 7c’s title is wrong and should say “Southeastern Region.” Director Albano noted that we incorrectly termed the measurable objective as the minimum threshold but fixed that verbiage in the memorandum.

Alternate Director Alan Christensen arrived at 4:15 pm

d. Review of Options for Management Area Governance

CBGSA Executive Director Jim Beck provided an update on the need for direction for W&C to include Board guidance on management area governance in the GSP.

He provided a recap of what the Board provided direction on to establish management areas and the Board direction on pumping allocation in management areas.

He outlined two options for administration of management areas: (1) the GSA is responsible for management areas , and (2) the GSA delegates administration of management areas to entities such as the Cuyama Basin Water District (CBWD) and CCSD.

He said the first issue to resolve is how pumping in the CCSD is handled. Mr. Beck said if the number is 150 AF per year, that would be important to document, but the philosophy is more important. He suggested the CCSD be included as a separate management area and pumping be set at historic usage with some allowance for future growth. He said the modeling assumed the population in Cuyama was flat for the next 50 years. He said since they provide a vital water supply to the community it may make sense to make them their own area. Mr. Beck said the SAC recommended 100 AF per year plus a 20% growth factor over the 20-year implementation period. This recommendation was based on the thought that the historical pumping level of 2015 was 100 AF.

Director Bryon Albano asked how many people CCSD serves. Director Paul Chounet said the CCSD does not track population, but tracks the number of connections. He said there are approximately 220 active connections. He reported that the CCSD has a parcel on Highway 166 that LAFCO added and there are approximately 30 lots that have not been connected yet. He reported that the CCSD also has a number of other commercial lots. To service lots that are not yet connected would represent 30% growth and they are in a contract to supply water. Director Chounet said it makes him nervous to cap the CCSD at a 20% growth factor and anticipates litigation if the CBGSA holds to this. He said in the 1980s the CCSD was using 300 AF per year and have already reduced usage by about half.

Mr. Beck said these are very good points, but asked Director Chounet what the CCSD's committed use is. Director Chounet said there is a commitment to 60 connections that are not active. Mr. Beck said this would total approximately 210 AF per year that is committed, which would be approximately 252 with the 20% growth factor.

Director Jane Wooster asked if their wells cannot pump that water, where does that leave the GSA. Mr. Beck said if the CCSD wells fail, that is a CCSD issue.

Director Wooster asked if we are assuming that the CCSD will get water from outside of their district in order to meet this requirement. Mr. Beck said he was assuming that we were making a provision that when the CCSD pumps they will have the ability to pump up to 252 AF from the central basin, and when we are assigning reductions, we do not assign a reduction to CCSD based on pumping.

Director Wooster said we will not prevent pumping for a certain amount, but we are not guaranteeing they can pump that water. Mr. Beck confirmed and said that the GSA is responsible for not violating thresholds.

Director Albano asked if we take the CCSD out of the management area, why are we putting them in a special category. Mr. Beck said you do not have to. Mr. Beck asked Mr. Melton if they are not a de minimis user, we will need to identify their projected usage in our plan. Mr. Melton said he believes that we are covered but needs to do some additional research.

Vice Chair Compton requested feedback from the Board on including or not including the CCSD in a management area.

MOTION

Director Chounet made a motion to not include the Cuyama Community Services District in a Management Area. The motion was seconded by Director Tom Bracken and passed unanimously.

AYES: Directors Albano, Anselm, Bantilan, Bracken, Cappello, Chounet, Christensen, Compton, Klinchuch, Williams, Wooster
 NOES: None
 ABSTAIN: None
 ABSENT: None

The next issue was a discussion of areas to delegate. Mr. Beck said potential areas to delegate include management actions, pumping reductions, water supply projects, and well head metering (if appropriate). Mr. Beck said under this case they would still need to comply with the plan adopted by the CBGSA.

Vice Chair Compton asked if the cost was the same, and Mr. Beck said he believes the cost is di minimis whether managed internally or externally.

Mr. Beck described the advantages and disadvantages of delegation and non-delegation which is summarized in the Board packet. For non-delegation, you would not need additional agreements but would still need to develop guidelines with a subgroup of landowners.

Mr. Beck said we do not have a recommendation since this is really a policy decision for the Board. Vice Chair Compton asked how other districts are doing it, and Mr. Beck said he has seen it done both ways. Director George Cappello said the Kern Groundwater Authority (KGA) is set up that the local districts are producing information that gets sent up to the KGA. Mr. Melton said the San Luis & Delta-Mendota Water Authority does it both ways which fosters many different interactions and it is working.

Director Albano asked if the management area is within the CBWD, and the CBGSA delegates administrative duties to the CBWD, is there is any assurance for folks that are not in the management area but are in the CBWD regarding payment. Mr. Beck said if the CBWD were to become the administrator there would be an agreement of what they would be handling and the reporting of that. He said the CBWD would need to develop an internal funding structure

within the management area.

Director Das Williams asked if the CBGSA would be responsible if there is litigation over the pumping. Mr. Beck said yes, and the CBGSA would want indemnification to cover this risk.

Director Williams asked what level we would delegate; just a number of reductions expected in a specific year, or would the allocation come back to the Board for approval. Mr. Beck said his expectation is the CBGSA would agree on a glide path and that would be passed on to the management area that dictates pumping reduction requirements which would be reported in regular intervals.

Director Wooster asked if the suggestion was to create a glide path based on information that is not cut and dry, and then the CBWD would be responsible for managing that glide path and pass indemnification on to the CBGSA. Mr. Beck said yes, but he is assuming the CBGSA will adopt a glide path.

Director Wooster said you do not know how much you have to cut because you do not have a starting point. Mr. Beck said he does not disagree, but his assumption is that we have to come to an agreement on direction on the glide path.

Director Cappello said he thinks these are two issues and it might make sense to separate them out. Vice Chair Compton requested that the Board received public comments before continuing.

SAC Vice Chair Brenton Kelly read the below statement which opposed the delegation of governance to any entity other than the CBGSA.

***To: CBGSA Board of Directors Meeting, April 3, 2019
Public Comment From: Brenton Kelly, Resident of the Ventucopa Uplands Re:
Agenda Item #7d, Review of Options for Management Area Governance.***

To the GSA Directors,

Over the past 50 years there have been more than ten published reports focusing on the Hydrologic Budget of the Cuyama Valley Groundwater Basin made by the United States Geological Survey (USGS), United States Department of Agriculture (USDA), California Department of Water Resources (CDWR), Santa Barbara County Water Agency (SBCWA) and UC Santa Barbara Bren School (UCSB). And we now have this one by Woodard and Curran (W&C) for the CBGSA.

All these investigations and published reports indicate a severe "overdraft", with a collective average of 28, 100 AF/Y, or nearly half the estimated annual pumpage. The 1951 USGS estimated the safe yield in the Central Basin to be around 13,000 AF/Y. The 1977 SBCWA report suggested 42 years ago, that the Cuyama Groundwater Basin was in overdraft of 38 TAF/Y.

The current water budget from W&C indicates that we are losing up to 27 TAF with climate change each year, or potentially 125+TAF every five years. This historic loss in groundwater storage is due to the actions of growers in the central portion of the basin who were aware of the overdraft, and their contribution to it, yet chose to continue this destructive rate of pumping, not just for a few years, but for decades. Through wet years and

through drought years. None of this is new or surprising. It is credit to (W&C) that we can now see it all over again in the current Model.

Furthermore, the 2014 USGS study concluded, "large regions have depressed water levels and large unsaturated zones in the Recent and Older alluvium aquifers. These conditions have led to an unsustainable water resource with reduced replenishment, 'overdraft,' poor water quality, and land subsidence. Similarly, reducing pumpage to an amount comparable to average recharge still may not provide a sustainable resource under current agricultural practices and land use." That was 5 years and 125 TAF ago.

Not only have we known this for a long time already, but we have also known why this has continued to happen for so long. Because there was no regulation to ensure the sustainable use of groundwater, and until SGMA was written and this GSA was formed, there has been no political will to make these difficult decisions.

Farmers are the greatest innovators and problem-solvers when faced with changes and clear hard limits. Their ingenuity will find the means and markets to make their land yield. But it is pure wishful thinking to expect creative problem-solving from those interests most responsible for the overdraft and least responsible in exercising voluntary self-restraint or even recognizing groundwater as a basin wide responsibility. As such, delegating responsibility for management, or governance of the central basin to the very entities driven by the same interests that put the basin into overdraft is a set up for failure and an irresponsibility delegation of the duties entrusted in this GSA by SGMA.

Two more points:

- *In order to finance the monitoring, reporting and administrative requirements that the GSA cannot delegate, it must pass a tax measure much like what would be required by the delegated entity. Streamline the bureaucratic duplicity in order that stakeholders' taxes are well stewarded along with the groundwater.*
- *Further, this policy of delegating management of any Management Area to an entity outside the GSA does not take into account the very real potential for one or more new Management Areas being created as a result of a drop of 2 AFN in monitoring wells in other parts of the basin, that are located outside the purview of the Cuyama Basin Water District.*

I urge the GSA to learn from our history, a history that is fully documented in multiple studies and on view in the current water budget. I am opposed to delegating management or governance of any management area to any entity other than the GSA.

*Thank you,
Brenton
Kelly*

Cuyama Valley Family Resource Center's Executive Director Lynn Carlisle asked who enforces the glide path, when the State Water Board would step in, and how this process works. Mr. Beck said the responsibility of the minimum thresholds and measurable objective always stays with the CBGSA. Therefore, whether you are inside or outside of a management area, or not meeting a minimum threshold or measurable objective, the CBGSA will require action. The CBGSA will determine how these areas are managed.

Mr. Melton said the CBGSA will submit annual reports to the State Water Board, and through this, the State will be aware if something is wrong and will step in.

Vice Chair Compton asked for Board input.

Director Chounet said he did not have any input to include. Director Albano said it is possible that being in a management area of a water district in Ventura county a future management area may step in and attempt to pay for actions using property taxes and he would like to know how he can be assured, as a property owner, that he is not being ripped apart by those different entities. He also asked what if the CBGSA decided that they need to access a fee because of a management area. Mr. Beck said the CBGSA does not have unilateral authority to set fees.

Director Albano said he thought the CBGSA was powered to set fees and make restrictions for pumping. Mr. Beck said legal counsel Joe Hughes will be here next month to discuss this more in detail.

Director Williams said he believes the Board needs to decide what to and what not to delegate. Mr. Beck said all the reporting would come to the CBGSA in the annual report, which is the responsibility of the CBGSA.

Director Williams asked what level of delegation we need to determine at today's Board meeting. Mr. Beck said the Board does not need to identify a definitive list of delegation today.

Director Wooster asked if after the GSP is developed and given to the CBWD for management, and the plan does not work, is this the responsibility of the CBGSA and not the water district? Mr. Beck said the Board will adopt the GSP, but we will be providing annual updates, so we can take action to avoid this.

Director Cappello said for those that have heartburn if with this being delegated to the CBWD, there will be public meetings and no information will be hidden from you. He said you will know what levels they are managing to and it will be transparent.

Director Bantilan said he is fine with the delegation, but the devil is in the details and asked if the CBWD even wants to take this on. Director Cappello said yes, as a district they agreed to try to handle administration of the CBWD for the first year or so.

Director Albano said it is not clear to him that he would not need to pay fees for an area he is not in. Director Cappello said neither the CBWD nor the CBGSA has the authority to impose fees, you must go through a Prop 218 election.

Director Arne Anselm said the CBGSA has responsibility for the basin and the administration portion would be performed by management areas. The management areas would then be reporting back to the CBGSA on how they are getting the administrative duties done. Mr. Beck confirmed this. Director Anselm said with that understanding he is in support of delegating administration to the management areas.

SAC Chair Robbie Jaffe asked that if a motion is developed today to please include provisions for a feedback loop on reporting to the CBGSA.

Director Chounet said if the CBGSA is the administrator and institutes a Prop 218, there are more checks and balances in that process. He said if it is administrated by the CBWD, then they control the administrative responsibilities, and this could cloud the Prop 218 process and not protect the minority landowners.

Landowner Sue Blackshear said she agrees with Director Chounet, and as a citizen, would prefer administration remain with CBGSA.

Director Alan Christensen said there are different methods for the assessment of fees and we need to hear more from legal counsel on how they could be structured.

Director Williams said he thinks pumping fees is a better policy than charging per acre because there are more incentives to use less water.

Mr. Beck said the Board needs to determine if they want to delegate administrative responsibility and cost to the management area that is operated by a third party in the GSP.

MOTION

Director Cappello made a motion to delegate administrative responsibility and cost to the management area that is operated by the Cuyama Basin Water District. The motion was seconded by Director Tom Bracken and the motion did not pass with a 60% vote (a 75% approval is need for a supermajority vote).

- AYES: Directors Anselm, Bracken, Cappello, Christensen, Compton, Klinchuch, Wooster
- NOES: Directors Albano, Bantilan, Chounet, Williams
- ABSTAIN: None
- ABSENT: None

Director Chounet asked if you can modify the plan to delegate responsibility down the road. Mr. Beck said that you could do this. He said for budgeting purposes, they will not include development of management area agreement costs and if the Board wants to pursue this down the road, they will have to add this to the budget.

Director Williams said he thinks this approach is very vague and would like more details added to the plan. Mr. Beck said he and Mr. Melton suggested including in the plan that the CBGSA will administer the management areas but will discuss alternative obligation opportunities with the CBWD.

Director Williams suggested adding an ad hoc of two Board members and two non-Board members to meet with staff to work out these details. Mr. Beck said we are running out of time, are already over-budget, and will not be doing additional work without Board approval. Mr. Beck said they will stick with the above wording in the plan.

e. Update on Sustainability and Climate Change Modeling

Mr. Melton reported the modeling results of climate change show a slight bump in average precipitation of roughly 1.4% and increased temperature causing an estimated 5.3% increase in evapotranspiration (ET) rates.

Mr. Beck asked Mr. Melton to explain clearly the difference between the 25,000 AF per year overdraft and the 38,000 annual pumping reduction needed to achieve sustainability. Mr. Melton said the difference accounts for how much water needs to be pumped to meet crops requirements, with the factors being ET and irrigation efficiency.

Landowner Steve Gliessman said he is really excited to see the climate change piece in, however, he commented that we are dealing with pretty variable data that scientists are consistently having to update their information and we need to deal with multiple scenarios. He commented that he would like to see more options.

Ms. Carlisle asked if the 27,000 AF per year is the sustainable yield. Mr. Melton and Mr. Beck said yes, but this is a rough estimate under current operating conditions. Ms. Carlisle asked if we will start seeing that terminology in documentation. Mr. Melton said he is unsure of how this terminology will be incorporated because sustainable yield is a function of how we are currently using the basin. Ms. Carlisle asked if there will be a future update for the central tendency. Mr. Melton said the model will need to be updated over time.

Director Williams said he believes very much in climate change, but for the purpose of the substantive work, the climate change does not matter much since the 55% reduction will not be the most challenging, but the initial 1% reduction will be the most challenging.

f. Direction on Implementation Plan Interim Milestones (i.e. Glide Path)

Mr. Melton provided an overview of the GSP implementation timeline that included language for management area development and administration. Mr. Melton said on the glide path there are two fundamental questions, 1) how much to reduce and 2) the pathway to get there. Mr. Melton said they are recommending no planned pumping allocations until more data is acquired.

Mr. Beck reminded the Board that the first five years are the most critical, and after that there will be more data.

Director Williams said the first couple percent are the most important and 2021 is a very reachable number for the initial reduction. He commented that we would want to have room for doing reductions, and recommended 2 years of reductions, then halting reductions for 2 years for evaluation. Director Williams stated that this will allow for a truth test of the model versus actual data and will provide a chance to develop new pumping allocations.

Mr. Beck asked Mr. Melton to explain the cumulative storage. Mr. Melton said the model shows there is roughly 18 million AF in the Cuyama Basin based on geologic formations and hydrology. He said the estimated change in storage for the blue line in the glide path model of 260,000 AF represents roughly 1.4% of the total estimated basin storage.

Mr. Beck said the Board needs to decide when it begins implementing reductions and what reductions it wants to implement in the first five years.

SAC Chair Jaffe said she really appreciates the team putting together the change in storage in the glide path tool.

Ms. Carlisle asked for clarification regarding the 100,000 AF of lost groundwater storage between the glide paths options. Mr. Beck said these are examples and staff are not recommending these glide paths. Ms. Carlisle recalled that we discussed what undesirable results were and how we were using pumping as a proxy for groundwater storage. Mr. Beck said that is the storage component of this.

Ms. Carlisle asked if there is a big gap in the glide path, then is the pumping not equal and would there be undesirable results. Mr. Beck said the undesirable results can occur in a localized area. He said the basin can be balance, but localized areas can be in violation of thresholds, so you need to look at both tools when evaluating sustainability. Mr. Beck said we are not trying to back into an acceptable storage number.

Ms. Blackshear asked if they CBGSA can focus on the first 5 years. Mr. Beck said staff's recommendation is to focus on the first 5 years for today.

Vice Chair Compton requested feedback from the Board on the initial year for reductions.

Director	Preferred Year for Initial Reduction
Albano	2024
Anselm	2021
Bantilan	
Bracken	2024
Cappello	2024
Chounet	2021
Christensen	2024
Compton	2021-22
Klinchuch	2023-24
Williams	2021
Wooster	2023-24

Mr. Blakslee reported that four (4) Board members voted for 2021-2022, and six (6) for 2023-2024.

Mr. Beck provided his thoughts on the bookends. He said if we start working on the reductions on February 1, 2020, he does not believe we can get it done in that amount of time. Mr. Melton and Mr. Beck believe that 2022 is a very ambitious goal for starting.

Director Anselm asked if we are talking water year. Mr. Beck said he is assuming 2020 means February 1, 2020. He assumes other dates mean starting at the first of the year.

Director Christensen asked if Director Williams was saying an adjudication can occur and what would be the practical effect. Director Williams said the sooner we get going the sooner we will know what process we will have (adjudication, etc.).

Director Cappello said from an agriculture perspective you are not the one being cut and having to deal with the financial issue. He said W&C is saying it would be pushing it to get it to 2022.

Director Chounet said regardless of when we start or the amount of data we have, we know we will need to reduce pumping.

Vice Chair Compton restated that it is unrealistic to go before 2022 and suggested starting in the later part of 2022 or early part of 2023.

Director Wooster said this plan has been presented as what we need to do, and like the weather, we really do not know is going to happen. She suggested that we monitor and gather more data to gain a greater understanding before we reduce pumping.

Mr. Beck asked if a cut of 10% in the first 5 years is acceptable.

Director Bantilan said there is not a lot of water that will become available and what is the reason for waiting to reduce pumping. Director Wooster said we do not know about regional variability.

Director Williams suggested reducing 3.3% per year for the first few years.

Director Albano said he believes if we cut that soon, we will not have it figured out right.

Director Cappello commented that they might need 2-3 years to readjust contracts on sales and inform customers that we will not be growing for them. He said they are dealing with a financial and viability issue.

Mr. Beck said by end of 2023 you would experience a 5% reduction. He suggested maintaining the idea of compliance until end of 2023 and having farmers submit their plan for reduction in the beginning of 2023.

Director Cappello said different farmers have different water needs during the year, and Director Wooster commented that your crop schedule can change because of the weather.

Director Albano said each entity will have a number of pumping reduction and this has to be in place by the end of 2022 if we cut in 2023.

Mr. Beck said we have until January 31, 2020 to figure out how were going to reduce. If the plan is in place in 2020, we have all of 2020 and 2021 to figure out a pumping allocation plan that would be submitted in January 2022. Director Cappello said if we set the date to January 2022 or 2023, in that calendar year, you have to reduce 5%. By end of year (2023), landowners turn in ET values to show that they did it. If they did not, CBGSA decides what to do with landowners that did not comply. He said sometimes the weather is bad, and you have to chop a crop off which changes planting and therefore, farmers need a full calendar year to know what they are allotted. Mr. Melton said he agrees with the sentiment.

MOTION

Director Williams made a motion to conceptually approve a glide path the begins with a pumping allocation plan in 2022, with 5% of actual reductions verified in 2023, and 5% of actual reductions verified in 2024. The motion was seconded by Director Albano and the motion passed with 100% vote.

AYES: Directors Albano, Anselm, Bantilan, Bracken, Cappello, Chounet, Christensen, Compton, Klinchuch, Williams, Wooster
NOES: None
ABSTAIN: None
ABSENT: None

MOTION

Director Wooster made a motion to straight-line the glide path from 2024 to 2040 (equals 5.625% per year). The motion was seconded by Director Albano and the motion did not pass with a 66.67% vote.

AYES: Directors Albano, Anselm, Bracken, Cappello, Christensen, Compton, Klinchuch, Wooster
NOES: Directors Bantilan, Chounet, Williams
ABSTAIN: None
ABSENT: None

MOTION

Director Williams made a motion to straight-line the glide path from 2024 to 2038 (equals 6.5% per year). The motion was seconded by Director Chounet and the motion passed with a 100% vote.

AYES: Directors Albano, Anselm, Bantilan, Bracken, Cappello, Chounet, Christensen, Compton, Klinchuch, Williams, Wooster
NOES: None
ABSTAIN: None
ABSENT: None

i. Direction on Implementation Financing Plan

Mr. Melton said we will estimate the management area activities costs in the implementation plan since the Board took action to keep delegation of the management areas with the CBGSA for the time being.

Director Wooster suggested not having the dollar amounts of the assessments in the plan. Director Williams said his preference is to just put pumping fees but understands if we are not there yet. Director Albano said he is fine with the one million dollar budget for these first couple years, as long as the budget decreases with the reduction in water.

Director Cappello also suggested leaving the numbers out and preferred to have a full array of options in the plan.

The Board provided direction on including the following financing options in the plan: fees paid by pumpers, assessments by acre, and/or a hybrid approach. At Director Wooster's suggestion Vice Chair Compton requested that grazing is included as an example under de minimis use.

g. Stakeholder Engagement Update

GSP outreach consultant the Catalyst Group's Charles Gardiner provided an update on stakeholder engagement which is provided in the Board packet.

i. Review of Public Draft Comment Period

Mr. Gardiner said the public draft GSP 30-day review period will be set when the document is released.

8. Groundwater Sustainability Agency

a. Notice of Standing Advisory Committee Resignation

Mr. Beck reported that Claudia Alvarado informed the SAC that unfortunately, she will no longer be able to participate in the SAC and resigned from the Committee. He said that the SAC is recommending a replacement. Directors Chounet, Williams, and Cappello volunteered to meet as the ad hoc.

Ms. Carlisle requested that the following letter be placed in the minutes and addressed to the Board Directors of the CBGSA:

I am writing today to address the issue of the composition of the Standing Advisory Committee and its representation of the residents of the Cuyama Valley.

With the resignation of Claudia Alvarado due to personal and family commitments, the Standing Advisory Committee is now left with a vacant seat on the Committee. As you may remember, at the February 7, 2018 meeting of the Groundwater Sustainability Agency, numerous members of the Cuyama Valley community spoke in favor of adding two seats to the then 7-member committee and designating those two seats to be held by members of the local Hispanic community. The intention was to provide more equitable representation of the demographics of the Cuyama Valley. At the March 7, 2018 meeting of the Groundwater Sustainability Agency, the Board unanimously voted to add two seats to the Standing Advisory Committee and designate them to be filled by members of the Hispanic community.

According to the 2010 U.S. census, approximately 50% of valley residents are Hispanic and, as such, are "beneficial users" of groundwater. The needs and concerns of the Hispanic community should be equally considered in the Sustainable Groundwater Management Act implementation process, and while two seats out of nine does not constitute equal representation, it's a start.

Including input from members of the Hispanic community will serve to strengthen the creation of the Groundwater Sustainability Plan, and the implementation of the Groundwater Sustainability Plan in future years. It is clear that the Groundwater Sustainability Agency and the Standing Advisory Committee have become, and will be, important entities in the Cuyama Valley for years to come. Ensuring equitable representation by all members of the Cuyama community will ensure that the spirit and letter of the Sustainable Groundwater Management Act legislation are fulfilled with regard to Section 10723.2 of the Act: "Consideration of All Interests of All Beneficial Uses and Users of Groundwater."

The Cuyama Valley Family Resource Center is respectfully requesting that the Standing Advisory Committee recommend to the Groundwater Sustainability Agency that the vacant seat be filled as soon as possible by a member of the Hispanic Community.

Thank you.

The Board provided direction to begin the process of filling the SAC position and Mr. Beck said, since this is an out-of-scope activity, we will estimate the cost of administering this for the Board's approval at next month's meeting.

b. Report of the Executive Director

Mr. Beck reported that he, W&C's Senior Water Resources Engineer Lyndel Melton, Mr. Van Lienden and Mr. Blakslee developed the draft Fiscal Year 2019-20 budget, and met and discussed the budget with the Budget Ad hoc on March 28, 2019 and on April 1, 2019.

Mr. Beck reported that we will not be doing additional out-of-scope meetings going forward. He said we are in a bad spot with the budget and we are trying to make it up. He reported that at the May 1, 2019 Board meeting they will be presenting the Fiscal Year 2019-20 budget and cashflow.

Mr. Beck reported that DWR regional representative Anita Regmi will be attending the May 1, 2019 CBGSA Board and workshop meetings.

c. 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.

d. 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.

b. Financial Report

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

c. Direction on Annual Audit

Mr. Blakslee recommended soliciting one-year and two-year audit bids from the following Bakersfield firms: Daniells Phillips Vaughan & Bock, Brown Armstrong, and Barbich Hooper King Dill Hoffman. This to ensure it is cost effective to proceed with a two-year audit.

Santa Barbara County Water Agency's Water Resources Program Manager Matt Young said he just heard from his auditor-controller and they are requesting a one-year audit.

MOTION

A motion was made by Director Albano and seconded by Director Wooster to solicit audit proposals from firms for one- and two-year periods. The motion passed unanimously.

- AYES: Directors Albano, Anselm, Bantilan, Bracken, Cappello, Chounet, Christensen, Compton, Klinchuch, Williams, Wooster
- NOES: None
- ABSTAIN: None
- ABSENT: None

d. Payment of Bills

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

MOTION

A motion was made by Director Anselm and seconded by Director Bantilan to approve payment of the bills through the month of February 2019 in the amount of \$93,694.98 pending receipt of funds. The motion passed unanimously.

- AYES: Directors Albano, Anselm, Bantilan, Bracken, Cappello, Chounet, Christensen, Compton, Klinchuch, Williams, Wooster
- NOES: None
- ABSTAIN: None
- ABSENT: None

10. Reports of the Ad Hoc Committees

Nothing to report.

11. Directors' Forum

Nothing to report.

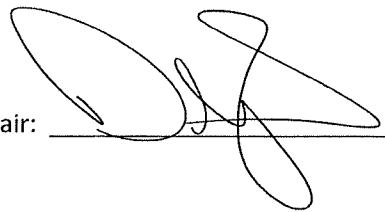
12. Public comment for items not on the Agenda

13. Adjourn

Vice Chair Compton adjourned the CBGSA Board at 7:26 p.m.

Minutes approved by the Board of Directors of the Cuyama Basin Groundwater Sustainability Agency the 1st day of May 2019.

BOARD OF DIRECTORS OF THE
CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

Chair:  _____

ATTEST:

Secretary: _____