

Cuyama Basin Groundwater Sustainability Agency Board of Directors

August 7, 2019

Meeting Minutes

Cuyama Valley Family Resource Center, 4689 CA-166, New Cuyama, CA 93254

PRESENT:

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

ABSENT:

None

1. Call to Order

Chair Derek Yurosek called the meeting to order at 4:03 pm.

2. Roll call

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

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 July 10, 2019 CBGSA Board meeting minutes.

Several Directors presented numerous corrections to the minutes and requested that they be tabled and revised at the next meeting. Executive Director Jim Beck let the Board know Hallmark Group would revise the minutes without charging the CBGSA.

5. Groundwater Sustainability Plan

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

a. Groundwater Sustainability Plan Update

Woodard & Curran's (W&C) Project Manager Brian Van Lienden provided an update on the Groundwater Sustainability Plan (GSP). He stated that the second invoice was submitted to the California Department of Water Resources (DWR), and they have started work on the economic analysis and will have an update in October 2019.

i. Public Comment Process

Mr. Van Lienden noted that if the Board adopts the Intent to Adopt a GSP, a public comment period will start and conclude with a public hearing in November 2019. He reported on several ways the public can comment on the GSP and the efforts underway to inform Cuyama stakeholders aware of the comment period via e-mail and postal mail.

b. Discussion on Extraction Fee Calculation and Collection

CBGSA Executive Director Jim Beck reported that a groundwater extraction fee was discussed at the July 10, 2019 CBGSA Board meeting where the Board took action that a fee would be based on groundwater extractions for 2020 and requested staff to come back to the Board in August 2019 with direction on the administration of a groundwater extraction fee.

Legal Counsel Joe Hughes provided an overview of the legal authority and process for establishing a groundwater extraction fee and discussed Water Code 10730 which provides the authority for establishing an extraction fee. He noted that one question to determine was can you assess fees for administration in arrears or in advance. Mr. Beck said he and legal counsel Joe Hughes are recommending the CBGSA charge fees by some historic basis and then true up fees based on actual data in six months.

Director Compton presented an economic study from the Hansford Group in the Salinas Valley which looked at the basis for passing a Prop 218. She asked if a fee study must be done. Mr. Hughes said yes, a fee study must be done prior to a fee being established. He said some groups determine their fees based on their budget. Mr. Hughes said you can look at the cost of running the CBGSA over a 5-year period and do a study to determine the fee required for the administration of the CBGSA.

Mr. Beck noted that the Board provided direction in July 10, 2019 to establish a 1-year fee based on groundwater extractions and presented several questions for the Board to consider, such as who constitutes a de minimis user. Mr. Hughes confirmed that the Board has some discretion to define de minimis users.

Mr. Beck recommended assigning an ad hoc to work on the development of a groundwater extraction fee.

Mr. Beck presented forms that are used by one of Bakersfield's improvement districts to determine water use for landowners that are not metered. In addition to the forms, Mr. Beck said you could also use satellite imagery.

Director Glenn Shephard said metering and volunteer reporting in Ventura County has been used successfully for many years.

Chair Yurosek recommended an ad hoc consisting of different type of parties that will be impacted. Chair Yurosek appointed Directors Paul Chounet, Jane Wooster, Lynn Compton, George Cappello, and Glenn Shephard. Director Compton said she cannot meet regularly and declined to participate. Director Cory Bantilan asked to be added in her place and Chair Yurosek confirmed this change.

Regarding the schedule, Mr. Beck said the CBGSA will have \$90,000 cash on hand at the end of January 2020, and in order to fund the CBGSA, funds will need to be collected via a groundwater extraction fee starting November 2019 since we anticipate two months to invoice, notice and collect funds.

Mr. Beck said it is important to meet quickly to discuss the policy and administration of a groundwater extraction ad hoc.

c. Discussion Regarding Process for Future Adjustment of Pumping Restrictions under GSP

Mr. Hughes said there was a question that developed some time ago asking if you put pumping restrictions in your GSP, would there be a way to revisit this in the future if the data collected in the interim informed changes to pumping amounts.

Mr. Hughes said you can sunset the restriction, but if you submit this to DWR in your plan, they may look favorably at this type of mechanism in the plan.

Director Wooster commented that as soon as we have enough actual data, we should be making decisions based on that, not just an updated model. Mr. Beck said that is a correct way to think about it and you would want to look at all the data sources to make a decision.

d. Principles of Agreement between the Cuyama Basin Groundwater Sustainability Agency (CBGSA) and the Cuyama Basin Water District for the Administration and Management of the Central Region Management Area of the CBGSA

Mr. Hughes reported on the principles of agreement for administration implementation of the GSP in the Central Region management area. He reported that for the sake of time he drafted a set of principles and sent them to Cuyama Basin Water District's (CBWD) legal counsel Alan Doud and he provided a red-line-strikeout version.

Chair Yurosek suggested an ad hoc to work with staff and the CBGSA to develop an agreement with the CBWD to meet roughly once per month via conference line.

He appointed Directors Williams, Compton, Albano, and Yurosek and staff from both the CBWD and CBGSA. Director Albano let Chair Yurosek he cannot participate in this ad hoc since he is going into a busy season on his farm. Chair Yurosek appointed Director Bracken in place of Director Albano.

Director Wooster said the language in the GSP should say CBWD "may" administer the management areas, not "will."

Cuyama Valley Family Resource Center's Executive Director Lynn Carlisle asked if the CBGSA Board will issue the Notice of Intent to Adopt and then figure out the agreement going forward. Mr. Hughes confirmed this. She asked if the fee details will be in the GSP. Mr. Hughes said no, it

will be in an agreement.

Director Albano said he does not agree with the administration of the management areas being bigger than just the management areas. Director Cappello said it makes sense to make it the CBWD so we do not have to revisit this again. Mr. Hughes said making it the CBWD gives you maximum flexibility and Director Cappello said folks can opt-in or opt-out.

Mr. Beck said the intent is to finalize the agreement before the public hearing, but you could adopt this after if it is not finalized.

Director Wooster asked if the agreement with the CBWD could be different from time to time and presented the thought that the agreement may need to change based on what you are managing. Mr. Hughes said that makes sense.

Director Chounet said when it said it “will” be made part of the GSP and would require a super majority vote where saying “may” does not necessarily require this. Mr. Hughes said he understood this point but thinks it is safer to assume we will require a super majority vote.

Director Albano asked procedurally if we will vote on the plan and then add it to the GSP or add it to the GSP and vote on the GSP. Mr. Hughes said he anticipates voting on the agreement at the public hearing.

Chair Yurosek recommended the agreement not be in the GSP and be brought back to the Board for consideration once developed—hopefully by the public hearing in November 2019.

Ms. Carlisle commented that she believes the development of an agreement for the administration of the management actions and projects in the CBWD should include public input at various stages of its development. Mr. Hughes commented that the public will have an opportunity to see the agreement when it is brought before the Board. Ms. Carlisle asked if it will be in the plan that is submitted to DWR for the public provide comments on. Mr. Beck said it is not a requirement of SGMA to review local agreements.

e. Notice of Intent to Adopt the GSP

Mr. Hughes presented the letter that would go out to the counties and cities which serves as the Intent to Adopt a GSP under the Sustainable Groundwater Management Act (SGMA).

Director Albano commented that one of the letters should be addressed to Cuyama Valley High School, not New Cuyama High School.

MOTION

Director Compton made a motion to adopt the notice intent to adopt the GSP. The motion was seconded by Director Cappello, and the motion passed with a unanimous vote.

AYES: Directors Albano, Bantilan, Bracken, Cappello, Chounet, Christensen, Compton, Shephard, Williams, Wooster, and Yurosek

NOES: None

ABSTAIN: None

ABSENT: None

The Board also considered language changes to GSP Section 7.4.3 Water Supply Transfers/Exchanges. Director Wooster asked to add language in the GSP to this section that would explicitly outline that potential transfer water associated with the storm water capture project would originate outside the Cuyama Basin.

MOTION

Director Alan Christensen made a motion to approve the wording changes to GSP section 7.4.3. The motion was seconded by Director Shephard, and the motion passed with a 93.33% vote.

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

f. Set Public Hearing Date

Director Albano asked once we go to the 90-day public comment period do we need an additional comment period if we make changes to the GSP based on public comment received. Mr. Hughes said no, the Board can make changes based on feedback received at the public hearing.

Director Albano said major changes would be needed to make him comfortable with this plan. He commented that W&C originally quoted \$600,000 to \$1,000,000, and we have now spent over \$2,000,000 and believes this is way too much money. He said as we received more money from the grant, the Board authorized more work and activities and then we ended up doing a lot more and ran out of money and is very disappointed in the GSP.

MOTION

Director Bracken made a motion to set the public hearing date for the conclusion of the public comment period to November 6, 2019. The motion was seconded by Director Chounet, and the motion passed with a 93.33% vote.

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

g. Revise the CBGSA Meeting Schedule through January 2020

Mr. Beck presented the revised CBGSA schedule through GSP submittal in January 2020. He commented that the public hearing is on November 6, 2019 and the Standing Advisory Committee (SAC) meeting is tentatively scheduled for October 24, 2019, which would only be necessary if we need feedback on the Category 1 grant well and stream gage locations. He suggested we could potentially meet with the SAC before the November 6, 2019 meeting if

appropriate, or we could do this work via email or teleconference.

Director Cappello questioned whether we need a separate meeting and believes we could cover these items in a joint Board and SAC meeting. Director Chounet asked if the SAC would be reviewing the delegation agreement and Mr. Beck said that is a possibility and it may make sense to move it before the Board on November 6, 2019. The Board confirmed that they were still ok with meeting at 4:00 p.m. on November 6, 2019 prior to the public hearing at 6:00 p.m.

SAC member Joe Haslett commented that unless they are doing something worthwhile and needed, do not schedule it. If there is something to schedule, he would be happy to participate. Chair Yurosek said the CBWD agreement and location of wells and gages may be important for the SAC to weigh-in on.

MOTION

Director Cappello made a motion to set the remaining Groundwater Sustainability Agency Board of Directors and Standing Advisory Committee meetings through January 2020 according to the schedule provided in Agenda Item No. 6g. The motion was seconded by Director Compton, and the motion passed with a unanimous vote.

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

6. Groundwater Sustainability Agency

a. Report of the Executive Director

No additional update.

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

No additional update.

7. Financial Report

a. Financial Management Overview

Mr. Beck provided an overview of the CBGSA's financial activities.

b. Hallmark Group Task Order

Mr. Blakslee provided an overview of Hallmark Group task order No. 4 which covers the budgeted items not currently accounted for in task order No. 3. The only task in task order No. 4 is for development of a groundwater extraction fee.

MOTION

Director Cappello made a motion to adopt Hallmark Group’s Task Order No. 4. The motion was seconded by Director Compton, and the motion passed with a 93.33% vote.

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

c. Woodard & Curran Task Order

Mr. Van Lienden provided an update on the task order for items not covered under their current task order for work in the July 2019 through January 2020 period.

Director Albano said the Board keeps agreeing to things that we cannot afford and cannot understand how we had a proposal for \$600,000 to \$1,000,000 and now we are at \$2,000,000 plus and are being asked for more money. Director Albano said these costs are the tip of the iceberg. He said some of the management actions are contemplated for tens of millions of dollars and we will need to move in another direction. He said the CBGSA Board needs to start living within our means.

Director Williams said there were a lot of things that did not happen perfectly that attributed to cost overruns. He said five Directors on the Board have funded a consultant war which elevated the cost to the CBGSA. He recommended not fueling two sides of a war. Director Albano suggested Director Williams attend a CBWD meeting. He said they run them differently and they are pretty cheap. Director Williams said he is talking more about the detail and work that comes out of the tech forum. Director Cappello said he disagrees, and their sensitivity analysis can change pumping reductions in the Central Basin by 50%.

Chair Yurosek said we have battled through each budgetary issue the CBGSA has faced and he has been very vocally against overspending and set budget ad hocs to assist in providing financial oversight and does not think the Board has been rubber stamping things.

Director Wooster said things have been expensive, but the plan is based on actual data where the last report a model was based on was an older U.S. Geological Survey (USGS) study and does not know if we can quantify the tremendous value in having a model with real data.

MOTION

Director Cappello made a motion to adopt Woodard & Curran’s Task Order No. 6. The motion was seconded by Director Compton, and the motion passed with a 93.33% vote.

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

d. Financial Report

Mr. Beck provided an overview of the June 2019 financial report, which is included in the Board

packet.

e. Payment of Bills

Mr. Beck reported on the payment of bills for the month of June 2019. Committee member Haslett suggested to consider Prop 68 funds impact on a groundwater extraction fee.

MOTION

A motion was made by Director Christensen and seconded by Director Bantilan to approve payment of the bills through the month of June 2019 in the amount of \$20,167.78, pending receipt of funds. A roll call vote was made, and the motion passed with a 88.89% vote.

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

8. Reports of the Ad Hoc Committees

Nothing to report.

9. Directors' Forum

Nothing to report.

10. Public comment for items not on the Agenda

Nothing to report.

11. Correspondence

Mr. Beck read the below comment from SAC Chair Robbie Jaffe and Vice Chair Brenton Kelly.

Robbie, Brenton and Jim Beck had a conversation on 7/30/19 where we discussed the upcoming needs of the GSA during the implementation of the GSP, and how an Advisory Committee could be most useful. Several issues were discussed that focused on the following topics:

1. Priority activities of the GSA in the first 2-3 years: Allocations/Restrictions - Monitoring Network Development - Management of Monitoring Network
2. Budget: Possible ways to reduce the SAC budget
3. Management Area Authority: Oversight, Compliance and Transparency

1. Priority activities: We discussed that the first part of the implementation phase will include development of some major policy components in order to implement the GSP. The GSA would be well served with a SAC that has continuity from the development phase and can make considered recommendations to the GSA regarding the development of the Monitoring Network to fill data gaps and review of data collection as it comes in as well as reviewing the establishment of an allocation methodology. We encourage the GSA Board to anticipate how they could best utilize the SAC and Technical Forum sub-committees as the nuts and bolts of implementation are worked out in the next

few years. These committees could also help with oversight, compliance, and stakeholder outreach during this critical implementation phase of the GSP. A thoughtful approach to restructuring the SAC and/or combining with the Technical Forum would add value to the budget allocations.

2. Budget Reductions for SAC meetings: We agreed that now that a relationship has been established with the Woodard & Curran consultants, it would be possible to have them participate in the meeting through tele-conference and save travel time & per diem costs. It was further considered that after this initial implementation phase it could be anticipated that the number of meetings per year could be reduced from 6 to 4. This would coincide with monitoring frequencies, when reports are due to DWR and the scope of ongoing needed actions. In addition, we discussed that since all of the SAC meeting agenda items are part of the GSA Board packet that there is negligible additional cost for development of the SAC agenda packet.

3. Management Area Authority: At the April 2019 GSA Board meeting, the Board voted to retain control of the management areas and not delegate this to another agency. The main concern expressed at this meeting was a lack of details in what would be delegated and what authority would be retained by the GSA. We think the GSA should maintain this authority since the Board represents a cross-section of members from the Water District, County representatives and the CCSD and can best represent all stakeholders. If it is the intent of the GSA to delegate some authority to the CBWD then we request this agreement pay attention to the details and maintain oversight and approvals at every step by the entire GSA Board. If authority were to be delegated to the CBWD it must clarify levels of cooperation, require verification and transparency and demonstrate a commitment to the mandates of SGMA. Any such delegation should be matched with sufficient oversight and enforcement capacity to ensure the other GSA members and stakeholders that the Cuyama Basin GSP is being implemented successfully.

Thank you for considering these comments. While the SAC represents diverse opinions, all committee members take our responsibilities seriously and we look forward to serving the GSA Board and the community in this capacity as we move toward sustainability.

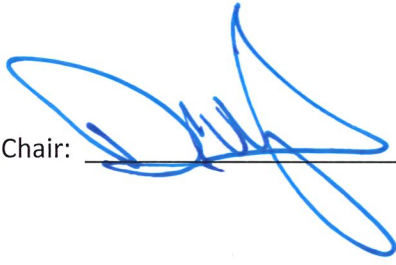
12. Adjourn

Chair Yurosek adjourned the meeting at 6:37 p.m.

Minutes approved by the Board of Directors of the Cuyama Basin Groundwater Sustainability Agency the 6 day of November 2019.

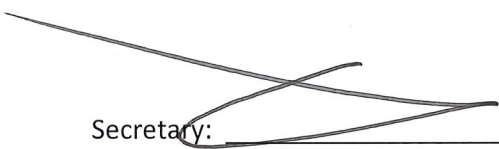
BOARD OF DIRECTORS OF THE
CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

Chair: _____

A handwritten signature in blue ink, consisting of several overlapping loops and strokes, written over a horizontal line.

ATTEST:

Secretary: _____

A handwritten signature in black ink, consisting of several overlapping loops and strokes, written over a horizontal line.