

Cuyama Basin Groundwater Sustainability Agency Board of Directors

March 4, 2020

Draft Meeting Minutes

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

PRESENT:

Yurosek, Derek – Chair
Compton, Lynn – Vice Chair (*telephonic*)
Albano, Byron
Bantilan, Cory
Bracken, Tom
Cappello, George
Chounet, Paul
Christensen, Alan – *Alternate for Zack Scrivner*
Elliott, Darcel – *Alternate for Das Williams*
Shephard, Glenn
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 4:00 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. Election of Officers

Cuyama Basin Groundwater Sustainability Agency (CBGSA) Executive Director Jim Beck let the Board know that per the Joint Powers Agreement, at the first regular meeting of the year, they Board needs to select a Chair and Vice Chair.

MOTION

Director Cappello made a motion to continue with Director Yurosek as Chair and Director Compton as Vice Chair and the motion was seconded by Director Wooster.

Mr. Beck asked if Director Yurosek and Compton were willing to continue serving and they affirmed they were.

The motion passed unanimously.

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

5. Appointment of SAC Members

Mr. Beck reported at the February 27, 2020 Standing Advisory Committee (SAC) meeting, eight of nine members confirmed they were willing to continue serve. He reported under the SAC guidelines adopted by the Board, SAC appointment for the 3-year term is to be established in a staggered manner with three Committee members serving 1-year, 2-year, and 3-year terms. Mr. Beck let the Board know we will reach out to Committee Member Valenzuela and if she is not willing to serve, we will proceed with the current Board process for establishing the ninth member. He also suggested using a poll to determine the initial staggered terms for the SAC.

MOTION

Director Chounet made a motion to appoint the current eight SAC members to serve 3-year terms to be staggered by 1, 2, and 3-year terms to be determined by lot. The motion was seconded by Director Bracken and passed unanimously.

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

6. Approval of Minutes

Chair Yurosek opened the floor for comments on the December 4, 2019 CBGSA Board meeting minutes.

MOTION

Director Bracken made a motion to adopt the December 4, 2019 CBGSA Board meeting minutes. The motion was seconded by Director Christensen and passed unanimously.

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

7. Report of the Standing Advisory Committee

Newly appointed Chair Brenton Kelly provided an overview of the SAC meeting and his report is included below. He noted that some SAC members may not be able to serve 3 years and Mr. Beck let him know we would proceed with the Board direction to determine SAC terms by lot, but if there are issues with

servicing the full three year terms, we will come back to the Board with the potential change.

Standing Advisory Committee Report Meeting: February 28, 2020
Submitted to the CBGSA Board on March 4, 2020
By Brenton Kelly, SAC Chairperson
Brad DeBranch, SAC Vice-Chair

The SAC maintained a full quorum throughout the meeting with only 1 member absent and 1 on the conference call. There were approximately 15 people in the audience including 2 Cuyama Basin Water District (CBWD) Directors who also serve as a GSA Board Member. Jim Beck and Woodard & Curran attended telephonically as was Anita Regmi from CDWR. The meeting lasted just over 2 & 1/2 hours.

There were 6 main areas of discussion:

1. Appointment of new SAC Officers and consideration of continuing participation.
2. Recommendations for the Draft Annual Report
3. Recommendations on the Monitoring Network
 - a. Review of 40 Well Locations for Current Task Order
 - b. Approach for Monitoring in FY 20-21
4. Direction on DWR TSS Well Location
5. Newsletter considerations
6. Concern for the Planning Commission's Cannabis Land Use Overlay

1) When the Committee was polled for their availability to commitment to continue to serve on the SAC, the response was that all members would like to continue, however 3 of the members may not be able to continue for much longer. We discussed the need to establish a 'rolling term' schedule for the sake of member continuity, and this issue may be resolved by a short-term extension request from some members. For now the SAC is requesting that the GSA re-appoint the Committee as it stands. We may need new appointments by next year. Chairperson Roberta Jaffe requested to step down from that position and Vice-chair Brenton Kelly accepted nomination and was elected to that Officer's role. Brad DeBranch offered and was elected to the Vice-chair position. A smooth transition of Officers took place as Roberta was praised and appreciated for her facilitation of the Standing Advisory Committee through the development phase of the GSP.

2) The Draft Annual Report was reviewed as presented by Brian Van Lienden of Woodard & Curran. Some small corrections were suggested, but the discussion focused on the unexpected reduction in Groundwater Extraction estimates for 2019. The suggested cause for the change in modeled estimates was the slightly above normal rainfall and an apparent reduction in the acres irrigated. A general need for transparency and contingency was expressed. Any questions and concerns about verification and validation were answered with the hopeful expectation of the accuracy of 'self-reporting' by major land-owners of both groundwater extraction and land-use. No other inputs or data were used for the sake of comparison or accuracy. This was generally recognised as a potential transparency problem.

3) In discussion of the Monitoring Network it was understood that in this fiscal year 40 of the Representative Wells would be established and measured for elevations but Water Quality will not be tested. Phase two would complete this task with the remaining wells and initiate regular

measuring through next fiscal year 2020-2021. As these wells are established into the Network and manually measured for the first year, they will be evaluated for their suitability and for the potential of installing remote continuously monitoring equipment in future years when more is known about the wells themselves. A list of these 40 wells had been requested by the SAC and sent out via email after the meeting.

4) The SAC supports the ad-hoc committee's discretion for a location for the final DWR TSS multi-completion monitoring well within the Data Gap circle on the map.

5) It was suggested that a small newsletter or postcard should go out in time to announce the GSP comment period and the April 15th deadline for comments to DWR.

6) Much concern was raised by the committee and the audience regarding the County Planning Commission's consideration of streamlining land use planning for Cannabis, a water intensive crop, without apparent regard to the Valley's critical overdraft and the need for groundwater resource management under SGMA and the new GSP. Some effort & budget must be put toward assuring that the Counties provide proper notification to new landowners and alert the GSA of any new well permits and land use changes that may impact the GSP.

8. Groundwater Sustainability Plan

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

a. Approval of Annual Report

Woodard & Curran's (W&C) Project Manager Brian Van Lienden provided an overview of the Annual Report which is due to DWR by April 1, 2020. He reported that the Annual Report Ad hoc reviewed the draft report, provided comments and the revised report was recommended for adoption at the February 27, 2020 SAC meeting.

Mr. Van Lienden reported that the model was updated with land use, precipitation and evapotranspiration data for 2018 and 2019, but no other model variables were changed or recalibrated. He also noted that the land use inputs were determined by landowner-reported land use changes.

Mr. Van Lienden reported that W&C developed a change in groundwater elevation map using two methods. The first used contour maps to interpolate the change in levels, and the second used a change in measured groundwater levels from spring 2018 to spring 2019.

Director Albano asked where the cropped acreage data came from. Mr. Van Lienden reported that the Grimmway and Bolthouse provided land use data and the other large growers reported no change in land use.

MOTION

Director Bantilan made a motion to adopt the annual report and include the change in groundwater elevation map using groundwater levels. The motion was seconded by Director Shephard and passed unanimously.

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

NOES: None
 ABSTAIN: None
 ABSENT: None

b. Update on Groundwater Extraction Fee

Mr. Beck reported that the change in land use for 2019 irrigated acres was one of the issues that attributed to the under collection of the 2020 groundwater extraction fee. The other issue was that fewer large growers were able to report metered use and a higher-than-expected use of the crop evapotranspiration method which is a net reported method versus the gross reporting that metered use presents.

Mr. Beck reported that staff met with the Groundwater Extraction Fee ad hoc on February 21, 2020 and they developed the following recommendations:

1. Issue a new annual fee based on the prior calendar years' pumping for the upcoming FY budget (assumes budget is adopted in May, a hearing is held in May and extraction statements go out).
2. Set a reserve fee for smoothing out under collection issues (develop strict, non-discretionary policy)
3. Adopt a single reporting methodology based on crop ET from satellite imagery (ITRC or LandIQ) with the inclusion of several non-crop categories (livestock, etc.); however, continue to collect metered water use where available to ground-truth reporting.
4. True up current accounts in Q3/4 of 2020

A stakeholder asked what the accuracy of satellite imagery is compared to meters. Mr. Beck replied that the satellite imagery is relatively good, but there is back and forth with comparing actual pumping. Director Cappello reported that evapotranspiration calculated using satellite imagery tracks fairly well with actual use. He also said the State is expected to have a free evapotranspiration service in the next 6-months. He said Grimmway has been satisfied with the evapotranspiration, whereas meters are not full proof.

Chair Yurosek said from a reliability and economic standpoint, using satellite imagery to track water use in the Cuyama Basin seems to make sense.

Director Wooster commented that the evapotranspiration method will not appropriately represent livestock use, domestic use and other non-irrigated uses and several categories such as these would need to be included in the next groundwater extraction fee.

SAC Member Jaffe asked if we move toward satellite reporting would we forgo self-reporting and Mr. Beck confirmed this. She asked when the satellite imagery occurs, and Mr. Beck replied that it occurs monthly by the U.S. government and then various entities analyze that data using algorithms to determine the ET. She asked if the evapotranspiration is accurate in looking at actual extractions. Mr. Beck said he and legal counsel Joe Hughes have discussed this evapotranspiration estimates water use and not directly water extractions but believes this is a fair surrogate for extractions. She asked if the satellite measures land use. Mr. Beck said the satellite measures thermal imaging and visual imagery to determine land use.

Director Albano asked if we use evapotranspiration how do we account for a dry grain crop and pastureland where evapotranspiration is coming off that land. He asked if these issues were

discussed by the ad hoc. Director Wooster reported that roughly \$900 were collected from grazing land and did not believe it would be much of an issue

Mr. Beck said we could develop evapotranspiration maps and preview them with the Board to verify the accuracy of reporting in the beginning of the year. He said we could perform that review by February each year to make sure the information is appropriate.

Director Albano said the appraised value of his operation has dropped by \$2 million dollars and is putting them under considerable financial pressure. He commented that he is very dearly paying the price for the over pumping in the basin where he is in an area where there is adequate water. He strongly requested the Board to work incrementally toward fee equity for the different areas. Mr. Beck replied that the Board directed staff how to proceed and will address these issues during the budget development process and discussion of the long-term funding policy.

Director Wooster commented that number 3 in the ad hoc’s recommendation wording was not what the ad hoc had decided and Mr. Beck suggested modifying the wording to read “the development of non-crop categories.”

MOTION

Director Cappello made a motion to adopt the following Groundwater Extraction Ad hoc recommendations for administration of the next groundwater extraction fee for Fiscal Year 2020-21:

1. Issue a new annual fee based on the prior calendar years’ pumping for the upcoming FY budget (assumes budget is adopted in May, a hearing is held in May and extraction statements go out).
2. Set a reserve fee for smoothing out under collection issues (develop strict, non-discretionary policy)
3. Adopt a single reporting methodology based on crop ET from satellite imagery (ITRC or LandIQ) with the development of several non-crop categories (livestock, etc.); however, continue to collect metered water use where available to ground-truth reporting.
4. True up current accounts in Q3/4 of 2020.

The motion was seconded by Director Bracken and passed unanimously.

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

c. Direction on Monitoring Network

i. Review of 40 Well Locations for Current Task Order

Mr. Van Lienden provided an overview of the proposed locations for phase 1 of the groundwater levels monitoring network and is included in the Board packet.

ii. Approach for Monitoring in FY 20-21

Mr. Van Lienden provided an overview of the approach for phase 2 of the groundwater levels monitoring network and is included in the Board packet.

Mr. Beck replied that staff is looking for Board feedback on monitoring the 100 wells monthly and the Board confirmed this approach.

d. Direction on DWR TSS Well Location

Staff reported that there was an issue with landowner willingness for a monitoring well on their property and requested the Board allow the locations to be set by the ad hoc.

MOTION

Director Shepard made a motion for the DWR TSS Ad hoc to work with staff to select an appropriate location for the monitoring wells and submit the DWR TSS specific application. The motion was seconded by Director Bracken and passed unanimously.

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

e. Update on Prop 68 Application

Mr. Van Lienden provided an update on the Prop 68 recommended funding award and Mr. Beck noted that a portion of the funds received will be used to increase the reimbursement to the CBGSA participants who provided voluntary contributions.

f. Update on Newsletter

Outreach consultant Catalyst Group Mary Currie provided an updated on the next newsletter and noticing for the current DWR comment period.

9. Groundwater Sustainability Agency

a. Report of the Executive Director

Nothing to report.

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

Mr. Hughes reported that with the submittal of the GSPs across the State, Board and Committee members need to be careful on the way you address your questions and concerns to make sure it is clear that your comments are your own and not as a representative of the CBGSA.

10. Financial Report

a. Adopt the Annual Audit

Mr. Blakslee reported on the final financial audited statements for the FY 2018-19 and partial year 2018.

MOTION

Director Cappello made a motion to adopt the audited financial report for FY 2018-19 and the partial year of 2018. The motion was seconded by Director Bracken and passed unanimously.

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

b. Update on FY 20-21 Budget Process

Mr. Blakslee provided an update on the budget development process and let the Board know they will be meeting with the budget ad hoc to review the draft FY 20-21 budget, the cash flow and the voluntary contribution reimbursement.

c. Update on Funding Mechanism for 2021

Mr. Beck let the Board know that staff will need to work with a new ad hoc of the Board to discuss the long-term funding mechanism. This was part of the direction that was included in the passage of the first groundwater extraction fee in November 2019.

Director Albano asked if Chair Yurosek will be setting that ad hoc and Chair Yurosek let him know that he will set that ad hoc based on Director interest and estimated time commitment.

d. Financial Management Overview

Mr. Blakslee provided an overview of the CBGSA’s financial activities which is included in the Board packet.

e. CBGSA Voluntary Contribution Reimbursement Update

Mr. Beck reported that we previously let the Board know that roughly \$90,000 was available reimbursement as of January 31, 2020, but during the cash flow update and the Prop 68 award staff will update the amount of available reimbursement at the May 4, 2020 Board meeting.

f. Financial Report

Mr. Blakslee provided an overview of the November 2019, December 2019, and January 2020 financial reports, which are included in the Board packet.

g. Payment of Bills

Mr. Blakslee reported on the payment of bills for the months of November 2019, December 2019, and January 2020.

MOTION

A motion was made by Director Bracken and seconded by Director Chounet to approve payment of the bills through the months of November 2019, December 2019, and January 2020 in the amount of \$201,914.15, pending receipt of funds, and renew membership in the California Association of Mutual Water Companies. The motion passed unanimously.

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

11. Reports of the Ad Hoc Committees

Nothing to report.

12. Directors' Forum

Nothing to report.

13. Public comment for items not on the Agenda

Nothing to report.

14. Correspondence

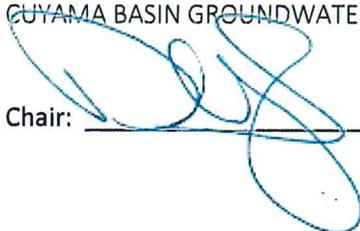
A notice regarding cannabis development in Cuyama was included in the Board packet and Mr. Beck let the Board know staff would be coordinating with the counties on a variety of issues, including notification of new well permits.

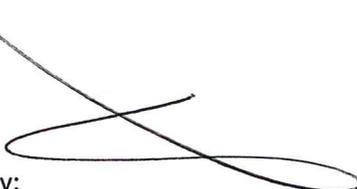
15. Adjourn

Chair Yurosek adjourned the meeting at 6:38 p.m.

Minutes approved by the Board of Directors of the Cuyama Basin Groundwater Sustainability Agency the 6th day of May 2020.

BOARD OF DIRECTORS OF THE
CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

Chair:  _____

ATTEST:

Secretary: _____