

Cuyama Basin Groundwater Sustainability Agency Board of Directors Meeting

May 2, 2018

Meeting Minutes

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

PRESENT:

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

ABSENT:

Compton, Lynn – Vice Chair

1. Call to order

Chair Derek Yurosek called the meeting to order at 4:02 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. Board Protocol

Cuyama Basin Groundwater Sustainability Agency (CBGSA) Executive Director Jim Beck provided background on the process for Board and public interactions, and Chair Yurosek reiterated the need to use speaker slips when an audience member would like to comment on an agenda item. To keep the Board meeting flowing smoothly, Chair Yurosek outlined the process where discussion will occur first at the Board level and then public comment will be addressed for those that have filled out a comment card.

4. Pledge of Allegiance

The pledge of allegiance was led by Chair Yurosek.

5. Approval of Minutes

Chair Yurosek opened the floor for comments on the April 4, 2018 CBGSA Board meeting minutes. Minor editorial changes were suggested and a motion was made by Director Glenn Shephard and second by Director Jane Wooster to approve the minutes. The motion passed unanimously and the minutes were adopted. Director Das Williams abstained from the vote since his alternate attended the April 4, 2018 meeting.

6. Report of the General Counsel

a. Funding Agreements Update

Legal Counsel Joe Hughes provided an update on the draft funding agreement that is required by the County of San Luis Obispo and the Cuyama Community Services District (CCSD). He reported that the process was slowed down a little due to the County of Kern participation issue. He also reported that he worked with San Luis Obispo County (SLO) staff to revise the agreement to apply to just the entities requiring an agreement—SLO and the CCSD.

David Couch Alternate Alan Christensen arrived at 4:14 pm

Director Williams asked for an update on the County of Kern issue, and alternate Director Alan Christensen responded that County of Kern elected officials are still discussing this item. He let the CBGSA know there was a recent redistricting in Kern County and they are still working on the transition to the new Supervisor and resolution to this issue.

Director Byron Albano asked if Kern County does pay would that invalidate the funding agreement. Mr. Hughes replied that the way the funding agreement is set up is between SLO and CCSD; however, if the first assessment deck is reshuffled, we would need to recalculate the first assessment.

Alternate Christensen reported that the County of Kern is concerned with the frequency of assessments and asked how many there will be. Mr. Beck responded that there are only two assessments for the completion of the plan, with the second scheduled for June 2018, but after that time DWR reimbursements will kick in.

Director Paul Chounet said he voted on the payment of cashflow based on everyone paying and expressed concern taking the funding agreement to his Board if the County of Kern does not pay.

Alternate Christensen said he was clear during allocation negotiations that he did not have the authorization to pay funds, but voted on an allocation.

Director Williams said Santa Barbara County is committed to the CBGSA and its participation is not contingent on other members paying, but he expressed concern about the concept of another member paying the County of Kern’s portion and the bias this might create.

Director Wooster made a motion to authorize the funding agreement subject to final review by legal counsel. The motion was seconded by Director Williams, opposed by Director Chounet, abstained by alternate Christensen and passed with a simple majority.

Director Albano asked that Director Chounet let his Board know the situation with the County of Kern and the discussions that occurred among the Board.

7. Report of the Standing Advisory Committee and referral of matters to the SAC

CBGSA Standing Advisory Committee (SAC) Chair Robbie Jaffe provided a verbal report on the April 26, 2018 SAC meeting. Her written report is included below.

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CBGSA – Standing Advisory Committee Report

To: the GSA Board

From: Roberta Jaffe, SAC Chair

Re: SAC Meeting 4/29/18

Eight of nine committee members were present.

We had a full room, with the audience representing the community, especially residents from the western portion of the Cuyama Basin.

You will be hearing similar reports as to what we heard and discussed at our meeting, so I will present highlights and key questions that were asked by the SAC and the audience.

Two items that will be moving forward for your approval based on the unanimous approval of the SAC:

- that the meeting time of the SAC be changed from 3:00-5:00 to 4:00 – 6:00. This time adjustment will make it easier for all members of the SAC to attend as well as those from the community.
- to adopt SAC Guidelines that clarify the roles and responsibilities of SAC members. These Guidelines were developed by an ad hoc committee of Vice-Chair Kelly, Member Draucker and myself, presented to the March SAC meeting, and then revised based on feedback and approved at our last meeting. The Guidelines elaborate on the Article 8.1 of the Joint Power Agreement which establishes the SAC within the GSA. The Guidelines include sections on Purpose, Membership, Terms and Responsibilities, Decision Making, Meetings, Officers and Finance. The one area of negotiation was related to whether an alternate to the GSA Board could serve on the SAC. A compromise was reached allowing an alternate to serve on the SAC, but to recuse him or herself from a SAC meeting if they know they will be sitting on the upcoming GSA Board meeting.

We received an update on the Groundwater Sustainability Plan led by Woodard & Curran team member Brian Van Lienden and a stakeholder outreach report from Mary Currie.

Our next phase of GSP development will focus on developing sustainability goals. Sustainability Indicators and Sustainability Thought Questions were introduced. These questions will be a key focus in the upcoming June workshops to help us develop our desired outcomes.

An important component of their update was the report on data collection progress, including a helpful matrix of data collected by sub region. Questions were asked as to whether pumping data would be collected, so current use could be analyzed; if satellite imagery would be used for evaluating land

subsidence and groundwater use. In addition, questions were asked as to how the data will be validated. As SAC Chair, I ask the GSA Board ensure that these questions will be addressed and that the data will be both objective and verifiable.

We reviewed the first draft of the Description of the Plan Area which will be a component of the GSP. Written comments will be received on this until May 24th. Concern was expressed that agricultural land use will only be shown until 2014, since significant changes have taken place in different areas of the Basin since then.

Woodard & Curran shared their recommendation for a data management system. Mary Currie gave an update on stakeholder outreach including the introduction of the first GSA newsletter which was published this week as part of the quarterly Cuyama Recreation Guide which all residents receive.

Ray Shady from Grapevine Capital presented on the new vineyard, called North Fork Ranch Vineyard, that has been installed in the western portion of the Basin. 12 agricultural wells and 850 acres of grapes have been planted after the passage of SGMA. The vineyard only occupies 10% of the 8700-acre parcel that was purchased by Harvard University's Endowment Fund in 2012. New hydrogeologic information was presented to support the vineyard's groundwater as coming from an isolated sub-basin. This data will need to be validated and compared with other data on this area. Mr. Shady projected that a total of 2 AFY per acre would be used to irrigate the vineyard (a total of 1700 AFY for the current vineyard). This projection is based on a statewide average and may not be accurate for the extreme heat of the Cuyama Basin. One of the slides presented set objectives of creating a separate management area and potentially submitting for a boundary modification separating the western end from the Basin (a proposal that has already been denied by DWR). Key questions that were asked about the new vineyard by the SAC and the audience included: what evidence is there for impermeable boundaries that isolate their water supply; what the plans are regarding submitting a boundary modification; what evidence is there that Cottonwood Canyon area's water supply would not be impacted by the new vineyard; what the downstream impact would be if the Cuyama River is the recharge source for the vineyard's water; and what are Harvard's plans for the remaining 90% of the land that they own as part of this parcel. The SAC and audience appreciated the sharing of information about the vineyard with the community and hope for further dialogue.

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a. SAC Guidelines and Responsibilities

Mr. Beck provided a brief overview of the SAC Guidelines and Responsibilities and let the Board know the SAC adopted the guidelines at the April 26, 2018 meeting. A motion was made by Director Shephard to adopt the SAC Guidelines and Responsibilities. The motion was seconded by Director Chounet and passed unanimously.

8. Groundwater Sustainability Agency

a. Report of the Executive Director

Mr. Beck reported that we received the first funds from the first assessment. He thanked the Cuyama Basin Water District for paying their portion of the assessment.

b. Board Meeting Conflict on July 4, 2018

At the April 4, 2014 Board meeting, Mr. Beck reported that there was a CBGSA Board meeting conflict with the 4th of July national Holiday. He suggested we move the Board meeting to following week on July 11th, but keep the SAC meeting on June 28, 2018. Per the Board, an email was sent to Board member's staff after the April Board meeting to ensure July 11th was not a conflict. Since no conflicts were reported, Director Glenn Shephard made a motion to move the July 4th CBGSA Board meeting to July 11th. The motion was seconded by Director Cory Bantilan, and passed unanimously. Director Chounet said there is a CCSD meeting on July 11th at 7 p.m., but he said he can make it work. Director Williams also said he has a conflict, but he can make it work.

c. Revise Standing Advisory Committee Meeting Time

The SAC asked to move their starting time to 4 p.m. to facilitate greater community participation. A motion was made by Director Chounet to move the SAC meeting time to 4 p.m. The motion was seconded by Director Cappello and passed unanimously.

d. Progress & Next Steps

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

9. Groundwater Sustainability Plan

a. Groundwater Sustainability Plan Update

GSP consultant Woodard & Curran (W&C) staff Brian Van Lienden provided an update on the GSP development. Regarding the request for data, Chair Yurosek commented that the May 31, 2018 deadline may be too soon. Director Cappello also let Mr. Van Lienden know they are working on a limited timeframe to get him their data. Chair Yurosek encouraged Mr. Van Lienden to continue to work with Cuyama Basin Water District's (CBWD) Matt Klinchuch to get the word out on specific data needs with the CBWD.

Director Albano expressed concern about calling the Ventucopa area by that name and would like W&C to consider using more generic names (to not imply Water Management Areas).

SAC Chair Jaffe asked for clarification on what defines "historic" data needs, and Mr. Van Lienden replied that "historic" could mean as recent as last week.

b. Technical Forum Update

Mr. Van Lienden reported that the April 6, 2018 technical forum was attended by 15 individuals including representatives from the CBWD, EKI, Grapevine Capital, County of San Luis Obispo and W&C. Topics for discussion included Cuyama Valley geology and the model grid. The next monthly meeting is scheduled for Friday, May 4, 2018.

Director Albano asked which companies were represented and Mr. Van Lienden replied that Santa Barbara Pistachio Company and Grapevine Capital had representatives on the call.

Director Wooster expressed concern regarding the makeup of the technical call and indicated that having more CBGSA participants would seem appropriate.

Director Albano asked what the purpose of the input received from these calls is, and what are

the participating technical staff bringing to the table. Mr. Van Lienden said they have technical expertise in the basin that can be of use to W&C as they develop the GSP. Mr. Beck commented that the benefit of receiving technical comments on the front side of the GSP development can streamline things.

Director Chounet asked for clarification regarding the structure of the technical forum asking if it is a technical advisory committee or a technical forum. Mr. Beck replied that it is a technical forum.

SAC Vice Chair Kelly said his opinion of the technical forum is not to inject opposition, but to function as a peer-review mechanism.

c. Description of the Plan Area

Mr. Van Lienden provided an update on the Description of the Plan Area and reported that the plan can be accessed via the CBGSA's website. Public comments are due May 24, 2018 to Taylor Blakslee at tblakslee@hgcpm.com.

d. Data Management Approach

Mr. Van Lienden provided an update on the data management approach and asked the Board for consensus on using Opti. Mr. Beck let the Board know he had sat in on presentations regarding Opti and that it is a good tool that is within the budget of the CBGSA.

Director Wooster encouraged meeting attendees to provide well data to W&C for the development of a robust model.

e. Stakeholder Engagement Update

GSP outreach consultant the Catalyst Group's Charles Gardiner provided an update on stakeholder engagement and reminded attendees of the upcoming public workshops on June 6, 2018.

10. Grapevine Capital Partners Presentation

Grapevine Capital Partner staff Ray Shady provided a presentation on Grapevine Capital Partners' operations. His presentation focused on who they are and the data they have shared with W&C. Mr. Shady's presentation can be accessed on the CBGSA's website.

Director Albano asked where Grapevine Capital thinks their water will come from to sustain their operations. Mr. Shady replied that their analysis of river flow events is enough to sustain their vineyard operations.

Director Wooster questioned Mr. Shady's assertion that they do not receive recharge from Cottonwood Creek. Cleath-Harris Geologists Neil Currie reported that the bedrock comes to the surface and that is why Cottonwood Creek is flowing at the surface.

Director Bantilan asked W&C how long the peer review process will take. Mr. Van Lienden reported that they should have their basic sense of the Cuyama basin geology in 2-3 weeks and will provide a report at the June Board meeting and public workshop. Director Shephard asked if there are any established Best Management Practices or acceptability of the data W&C is receiving. Mr. Beck said W&C will provide an update on the quality of the data.

Director Bantilan asked if technical forum participants will weigh-in on the information Grapevine Capital's presented. Mr. Van Lienden said they will be discussing geology on the next technical forum call. Director Bantilan said hearing the pros and cons from the technical forum is important for the Board to hear and Chair Yurosek agreed that this will be important.

Cuyama Valley landowner Randall Tognazzini asked when Cleath-Harris Geologists was hired. Mr. Shady said before planting and then they were re-engaged to assess the Russell fault when insufficient data was indicated by the California Department of Water Resources during the boundary modification process.

Mr. Tognazzini asked if the artesian well was thermal based. Mr. Shady replied that the well pressure is gravity based. Mr. Tognazzini asked why they have not developed the remainder of their 8,700 acres. Mr. Shady said they feel confident with his team's current analysis that supports the 850 acres of plantings. Mr. Tognazzini asked how you have a vision for the future if the river isn't flowing. Mr. Shady mentioned flash flow events and downstream streamflow gages that help them support their plantings.

Cuyama Valley landowner Steve Gliessman asked how many acre feet (af) of water is in their basin. Mr. Shady said they estimated 54,000 af in their sub-basin. Mr. Gliessman asked how long will that last since the river has not flowed for some time. Mr. Gliessman also asked how upstream capture will affect Grapevine Capital's operations. Mr. Shady said that that is a big question that will need to be addressed by the Sustainable Groundwater Management Act.

Audience member Ann Myhre commented that it seems like Mr. Shady is making the case to divide the basin and asked him if that is where they are heading. Mr. Shady replied that from a geologic standpoint, yes, but from a community perspective they are asking to be a separate Water Management Area. Ms. Myhre asked if they will be contributing towards costs as a member of the CBGSA community. Mr. Shady said they believe the data they supplied is valued at something, but have not committed to monetary contributions at this time. Director Williams asked that Grapevine Capital consider a financial contribution considering the additional burden on W&C to analyze their data.

Director Wooster asked how many wells they drilled to water the 850 acres. Mr. Shady reported that they have 12 production wells.

Alternate Alan Christensen left the meeting.

11. Financial Report

a. Financial Management Overview

Mr. Beck provided an update on the financial costs through March 2018.

b. Fiscal Year 2018/19 Budget Development

Mr. Beck provided an overview of the FY 2018-19 budget. He noted that we met with the budget ad hoc group on March 26, 2018 and reviewed the draft FY 2018-19 budget with Director Bantilan, Chounet and Bracken; Matt Klinchuch; and Matt Young. A motion was made by Director Cappello to adopt the FY 2018-19 budget and was seconded by Director Shephard.

A supermajority vote of 75 percent is required to pass the budget and was met with a 77.78 percent approval vote. Alternate Christensen had left the meeting, and Director Compton was not able to attend, and thus, did not vote on this item.

Directors Bantilan and Williams left at 6:44 pm

c. Payment of Bills

Mr. Beck reported on the payment of bills. A motion was made by Director Shephard and seconded by Director Wooster to approve payment of the bills through the month of March 2018 in the amount of \$182,809.03, pending receipt of funds. The motion passed unanimously.

12. Reports of the Ad Hoc Committees

Nothing to report.

13. Directors' Forum

Nothing to report.

14. Public comment for items not on the Agenda

Lee Knudtson with WellIntel introduced the company he works for that provides remote well monitoring technology.

15. Adjourn

Chair Yurosek adjourned the CBGSA Board at 6:55 pm.

I, Jim Beck, Executive Director to the Cuyama Basin Groundwater Sustainability Agency Board of Directors, do hereby certify that the foregoing is a fair statement of the proceedings of the meeting held on Wednesday, May 2, 2018, by the Cuyama Basin Groundwater Sustainability Agency Board of Directors.

Jim Beck

Dated: June 6, 2018