

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

November 6, 2019, 4:00 p.m.

Meeting Minutes

New Cuyama High School Cafeteria, 4500 CA-166, New Cuyama, CA 93254

PRESENT:

Board of Directors:

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

Standing Advisory Committee:

Jaffe, Roberta – Chair
Kelly, Brenton – Vice Chair
DeBranch, Brad
Draucker, Louise
Haslett, Joe
Valenzuela, Hilda Leticia
Valenzuela, Jose

ABSENT:

Board of Directors:

None

Standing Advisory Committee:

Furstenfeld, Jake
Post, Mike

1. Call to order

Chair Derek Yurosek called the meeting to order at 4:04 p.m.

2. Roll call

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

3. Pledge of Allegiance

The pledge of allegiance was led by Chair Yurosek.

4. Approval of Minutes

a. July 10, 2019 (Regular Meeting)

Chair Yurosek opened the floor for comments on the July 10, 2019 Cuyama Basin Groundwater Sustainability Agency (CBGSA) Board meeting minutes.

MOTION

Director Shephard made a motion to adopt the July 10, 2019 CBGSA Board meeting minutes. The motion was seconded by Director Chounet and passed unanimously.

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

b. August 7, 2019 (Regular Meeting)

Chair Yurosek opened the floor for comments on the August 7, 2019 CBGSA Board meeting minutes.

MOTION

Director Shephard made a motion to adopt the August 7, 2019 CBGSA Board meeting minutes. The motion was seconded by Director Chounet and passed unanimously.

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

5. Report of the Standing Advisory Committee

CBGSA SAC Chair Roberta Jaffe provided a brief verbal report on the November 6, 2019 SAC meeting and let the Board know she would provide SAC feedback on several Board items during the meeting.

6. Groundwater Sustainability Plan

Mr. Van Lienden provided an update on GSP activities and schedule, and August-October 2019 accomplishments, which is included in the Board packet.

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

Legal counsel Joe Hughes provided an overview of the Agreement between the CBGSA and the Cuyama Basin Water District (CBWD) for administration and management of the central region management area of the CBGSA, which is included in the Board packet.

The ad hoc reported that development of the agreement was a fair process and a compromise was reached in developing the final agreement before the Board.

Cuyama Valley Family Resources Center’s Executive Director Lynn Carlisle asked why enforcement was not mentioned in the agreement. Director Das Williams said they had a big discussion on this and one idea was to include 75% vote threshold, but ultimately, an expiration date was used for the agreement.

MOTION

Director Bracken made a motion to adopt the Agreement between the Cuyama Basin Groundwater Sustainability Agency (CBGSA) and the Cuyama Basin Water District for administration and management of the central region management area of the CBGSA. The motion was seconded by Director Compton and passed unanimously.

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

b. Adopt a Resolution Designating the CBGSA Board Chairperson as the Authorized Representative to File an Application and Execute an Agreement with the California Department of Water Resources for the Prop 68 Grant Program

Mr. Van Lienden provided an overview of the Prop 68 application, and the need to authorize a representative to file the application and execute an agreement with the California Department of Water Resources (DWR) for the Prop 68 Grant program.

Director Williams asked if pumping fees will decrease if this application is successful. Mr. Beck said we will not know if our application is successful for the current proposed extraction fee, but it could reduce pumping fees in the next year.

SAC Chair Jaffe reported that the SAC unanimously supported this item.

MOTION

Director Bantilan made a motion to adopt Resolution No. 19-01 authorizing the CBGSA Board Chairperson, or his designee, as the authorized representative to file an application and execute an agreement with the California Department of Water Resources for the Prop 68 Grant Program. The motion was seconded by Director Christensen and passed unanimously.

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

c. Direction on Field Work Locations

Mr. Van Lienden provided an overview of the field work and recommended locations for the installation of stream gages for the surface monitoring network, which is included in the Board packet.

Director Lynn Compton commented that we would want to monitor at both sides of a fault and asked if that was considered. Mr. Van Lienden replied that we are working to monitor the Russel and Santa Barbara faults by installing wells near those locations under our DWR Technical Support Services (TSS) application.

CBGSA SAC Vice Chair Brenton Kelly encouraged other landowners to participate in the monitoring network.

Walking U Ranch, LLC's Patrick Bright asked for the cost to complete the work to-date, what the value of the data is, and how the CBGSA is going to stop evaporation. Mr. Beck commented that DWR is providing the funding for the installation of the wells, but there are administration costs for staff to work with DWR on this. He said the Board has had a number of discussions, including many Board meetings and ad hocs, and W&C's efforts are consistent with the direction received by the Board.

Director Byron Albano said he believes we do have a lot of data and need to do work with the data we have. He said the last time we proposed a grant we got a lot of things, but they caused us to go over budget and we need to be careful we do not get sidetracked pursuing more data and increasing the cost to the CBGSA.

Mr. Van Lienden reported on the stream gages we plan on installing and presented the recommended locations (1 and 3) to the Board. He reported that, at the recommendation of the SAC, he will investigate a private bridge at Spanish Ranch for potentially replacing location 3.

CBGSA SAC Chair Jaffe expressed that piezometers were recommended by the SAC to be included in the monitoring network.

Director George Cappello asked what the general size of the stream gages are. An audience member replied that they are about the size of a doghouse. Mr. Beck said the size is determined by the stream channel.

Mr. Beck mentioned that the stream gages will require annual operations and maintenance to check the stream gage channel and the maintenance will be less predictable. He said flow events require regular inspection and costs for this will be included in the Fiscal Year 2020-21 budget.

Director Jane Wooster said if you put a transducer in a production well, there is a chance the transducers will get stuck in the well and it will be very expensive.

MOTION

Director Bantilan made a motion to approve stream field gage locations 1 & 3 as outlined in the November 6, 2019 CBGSA Joint Board of Directors and Standing Advisory Committee meeting memo No. 6c, explore the bridge location at Spanish Ranch as potential alternative site for location 3, and work with USGS on the installation of these gages. The motion was seconded by Director Compton and passed unanimously.

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

7. Groundwater Sustainability Agency

a. Report of the Executive Director

Mr. Beck provided an overview of the draft agenda items for the upcoming December 4, 2019 CBGSA Joint Board of Directors and Standing Advisory Committee meeting which is included in the Board packet.

b. Progress & Next Steps

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

c. Report of the General Counsel

Nothing to report.

8. Financial Report

a. Financial Management Overview

Mr. Blakslee provided an overview of the CBGSA’s financial activities and reported that the Hallmark Group and Woodard & Curran are on budget and schedule for the Fiscal Year 2019-20 period.

b. Financial Report

Mr. Blakslee provided an overview of the July, August, and September 2019 financial reports and are included in the Board packet.

c. Payment of Bills

Mr. Blakslee reported on the payment of bills for the months of July, August, and September 2019.

MOTION

A motion was made by Director Bracken and seconded by Director Williams to approve payment of the bills through the months of July, August, and September 2019 in the amount of \$268,999.44, pending receipt of funds. The motion passed unanimously.

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

9. Reports of the Ad Hoc Committees

Nothing to report.

10. Directors’ Forum

Chair Yurosek asked staff to poll the CBSGA Board to start the December 4, 2019 CBGSA Joint Board of Directors and SAC meeting at 3:00 p.m.

11. Public comment for items not on the Agenda

Resident Jim Menzies commented that he feels that he is being unfairly taxed on all his acreage and that it is not equitable arrangement. Chair Yurosek mentioned that he believes he is referring to CBWD fees. Mr. Menzies said it sounds like the CBGSA is putting money from one pocket into another. Director Jane Wooster said the CBWD did help fund the CBGSA for the first year, but the Board should consider a funding mechanism that utilizes a tiered approach in the future. She said the groundwater extraction fee is a work in progress and it will take time to reach an equitable solution.

Walking U Ranch, LLC's owner Kathleen Marsh introduced herself as a lawyer and congratulated the Board for voting to fund the GSA using an extraction fee since that is consistent with the law. She expressed concern that the GSP states that the GSA Board may consider different assessment methods. She said the possibility of winning a Prop 218 election is close to zero. She requested the CBGSA add one sentence to page 8-4 that says if a land-based assessment is attempted the CBGSA will "hold and win a Prop 218 election."

Director Williams commented that the language we developed for the draft was before the Board voted to use an extraction fee for the first year. He asked staff if there is an issue with adding this language to the GSP. Mr. Beck said he does not want to prematurely get into the public hearing recommendation, but we are planning on changing language in the final GSP.

Ms. Carlisle asked the CBGSA to discuss the role of the SAC at the December 4, 2019 CBGSA Joint Board of Directors and SAC meeting, and she expressed alarm at the SAC role possibly changing.

12. Correspondence

Nothing to report.

13. Public Hearing – GSP

Chair Yurosek opened the GSP hearing at 6 p.m. and provided opening statements.

Mr. Beck provided an overview of the GSP process and reported that since late 2017, we have had 83 Board, SAC, technical committee, and ad hoc meetings to bring us to the public hearing on the GSP. He presented the various plan components that were adopted by the Board between 2018 and 2019. Lastly, he let meeting attendees know that participants have three minutes to provide written or verbal comments.

Public Comments:

SAC Vice Chair **Brenton Kelly**, a representative of Quail Springs Permaculture Agriculture, stated that the GSP underestimates the groundwater deficit, and provided verbal comments summarizing his written comments submitted previously. These written comments are included in the GSP public comments.

Steve Gliessman, a farmer in Cottonwood Canyon and owner of Condor's Hope Ranch provided additional written comments and verbally summarized those comments. These written comments are included in the GSP public comments.

SAC **Chair Jaffe**, a farmer in Cottonwood Canyon, provided additional written comments and verbally summarized those comments. These written comments are included in the GSP public comments.

Resident **Jan Smith** allocated her three minutes to Ms. Jaffe.

Pamela Baczuk of the Cuyama Valley Community Association (CVCA) read a statement on behalf of the CVCA and is included in the GSP public comments.

Sue Blackshear, a representative of Quail Springs Permaculture Agriculture and resident of Cuyama provided verbal comments summarizing her written comments submitted. The written comments are included in the GSP public comments.

Matt Klinchuch of the CBWD commented that the CBWD expressed concerns about the high cost for GSA administration, potential project and management actions, and added that the implementation timeline should be more flexible.

Steve Pearson, a representative of Quail Springs Permaculture Agriculture commented that the GSP should include funding of water supplies for disadvantaged communities and include the monitoring of additional constituents (not just total dissolved solids (TDS)).

CBGSA Board Director **George Cappello** provided written comments on the GSP and are included in the GSP public comments.

Bolthouse Land Company's **Daniel Clifford** provided written comments on the GSP and are included in the GSP public comments.

Mr. Beck provided an overview of the changes staff recommended.

Chair Yurosek closed the public hearing at 6:45 p.m.

Director Compton commented that she read all the comment letters and believes the Board has already provided direction on all the items brought up. She said the CBGSA GSP is not locked in stone and portions of the GSP will be updated as we move forward, however we have a good format. She said the Board has heard all the public comments and appreciated their participation in the process.

Director Cappello stated that he does not have any comments.

Director Shephard said he does not have any comments but thanked the Board and staff for all the work to develop the GSP.

Director Albano said there has been not accountability for the difference in pumping sustainability for the different areas.

Director Bantilan said coordinating with the Counties is not something we need to add to the GSP, but something we will engage in with the Counties as we move forward. In response to a stakeholder concern on cannabis growth, he mentioned that there is a cannabis map available as an informational resource.

Chair Yurosek expressed appreciation from staff and said the 83 meetings was an indication of a lot of hard work.

Alternate Director Christensen said that this is not the end of the GSP and encouraged folks that it can grow and progress.

Director Wooster commented that the CBGSA has been charged with solving a big problem that does not have an easy problem or solution. She said she appreciates all the feedback on the GSP.

Director Williams said given the scale of the problem (taking out at least twice as much) any solution is going to be really tough. He stated that all the components in the GSP were tough compromises and there is a 75% vote threshold to pass each component of the plan. He said that this is indicative of the compromises that were made. Director Williams said he is a fan of phasing things in gradually, however that means we would need to start quickly for the path to be gradual. He said he believes there is a better way to control costs. He stated that he does not believe the CBWD and CBGSA should function with two sets of consultants battling back and forth and is concerned about all land-use decisions. Director Williams said Santa Barbara currently gives a well to anyone that follows the appropriate process. He said, regarding cannabis, this issue should be considered on a case-by-case basis.

Director Bracken said there has not been any easy decisions and the Valley is being forced to curtail their operations. He said he appreciates the participation and that there is not a perfect plan. Director Bracken said he has learned that there is a lot that we do not know, and unfortunately the timeline was forced by the State and we need to move it across the finish line.

Director Chounet stated that he lives in the Cuyama Valley and his goal is to represent local residents. He said preserving water for Cuyama residents is his highest priority and his fear is that in the future, their equipment will not be adequate to remove arsenic in their water supply.

14. Public Hearing – Groundwater Extraction Fee

Mr. Hughes opened the public hearing on the groundwater extraction fee rate at 6:59 p.m.

Mr. Beck said he will provide an overview of the draft groundwater extraction fee report. He said the CBGSA member agencies contributed seed money to get the CBGSA started, but there was an understanding that future funding would need to be derived from a different mechanism. Mr. Beck said the Board decided to levy a groundwater extraction fee for 2020.

Mr. Beck provided an overview of the written comments to-date, which is included in the Board packet. Chair Yurosek commented that the Board will provide direction to staff following the review of comments.

Public Comments:

Jim Menzies said an economic analysis of the impact on different crops for the \$19 per acre-foot (af) should be done. He commented that the CBGSA should make sure its costs can be stair-stepped so that it can function as pumping reductions are made. Mr. Menzies asked what would happen if Grimmway or Bolthouse leaves and who would pay the \$1M bill.

SAC Vice Chair **Brenton Kelly** expressed the need for a tiered structure to a groundwater extraction fee.

Ms. Smith said she appreciates how much everyone has been working on this GSP. She said some things are very complex, but others seem straightforward, like those that have managed their groundwater use sustainably. She said she would like to look at a fee from the point of fairness and believes the larger farmers that use more water should pay for more of the fee. Additionally, she believes there should be ways to incentives saving water.

Mr. Pearson said a major fault in the GSP is that the water deficit is in the Central part of the Basin and believes the rates should be adjusted for sustainable groundwater users.

Resident **Sarah Nunez** said she has to pay fees to the Cuyama Community Services District and money to pay for bottled water. She said she wants to ensure the CBGSA is addressing water quality with a finer lens.

Mr. Hughes closed the groundwater extraction fee public hearing at 7:38 p.m.

15. Set a Groundwater Extraction Fee for 2020

Director Compton thanked everyone that submitted comments/letters to the CBGSA. She said it is very important to understand what happens if the big farmers leave. She said ag is a commodity crop and there is only so much they can push on to the end user. Additionally, she said growers need flexibility to grow what they need to.

Director Cappello said there are already programs that address water quality issues, such as the irrigated lands program. He said Sustainable Groundwater Management Act (SGMA) is aware of these water quality issues, however, it is not intended to fix these existing issues. Director Cappello confirmed that they are over pumping on the valley floor and will need to make pumping reductions, but the Ventucopa area is connected to the water supply in the Central Basin.

Director Albano said if you have property that you have been over pumping, you know that is not sustainable. He said he never had to worry about water running out and he absolutely rejects the idea that water being pumped throughout the valley is equal. Director Albano commented that he is the only farmer on the Board that is farming in a sustainable manner. He said he is willing to fund the CBGSA for the next year, but on the condition that we seriously discuss sustainability and an equitable funding mechanism before passing the Fiscal Year 2020-21 budget.

Director Bantilan said his understanding is that we cannot charge the State and federal users. Mr. Hughes said that is not correct regarding the State, however he has not done a deep dive on the federal. Director Bantilan said the goal was not to drive the glide path earlier than expected and also commented that grazers have been operating very sustainably. Additionally, he commented that cannabis and hemp farming show very high water usage however people have been providing lower numbers so he is not sure how to solve that at this time.

Director Shephard, Christensen, Bracken, and Wooster stated that they do not have any comments.

Director Williams said he empathizes with the landowners on the fee, but believes a fee tied to water use most fairly reflects the water usage within the basin. He believes the Board should explore equity

issues as it relates to the fee, and believes the CBGSA and CBWD should reduce the duplication of services.

Director Chounet said 35 years ago the CCSD was serving same number of homes and used twice as much water. He said since then the CCSD has already cut their water usage in half and then cut 22% to comply with the Governors’ 20% by 2020 initiative. He said there are not a lot of green lawns, but there are a large number of swamp coolers that are affordable but are high water users. Director Chounet requested that the term “residential” be changed to “domestic on page 3 of the groundwater extraction fee report.

Director Albano said he would like to include language that the flat per-acre fee would be used for 2020 and we will agree to discuss the fee for 2021 before the Fiscal Year 2020-21 budget is passed. Director Wooster commented that the resolution clearly states the fee is for one year. Director Chounet said he supports the fee but agreed that there must be a discussion before the budget is passed.

MOTION

A motion was made by Director Williams and seconded by Director Chounet to agendize the discussion for both budget and whatever fees are necessary to fund the budget in March 2020. The motion passed unanimously.

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

MOTION

A motion was made by Director Bantilan and seconded by Director Christensen to adopt Resolution 19-02 determining and establishing a groundwater extraction fee as presented to the GSA board by the budget ad hoc committee as outlined in the attached document against all persons operating groundwater extraction facilities within the Cuyama Basin. The motion passed unanimously.

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

16. Adjourn

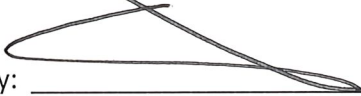
Chair Yurosek adjourned the meeting to the New Cuyama High School Cafeteria at 8:17 p.m.

Minutes approved by the Board of Directors of the Cuyama Basin Groundwater Sustainability Agency the 4th day of December 2019.

BOARD OF DIRECTORS OF THE
CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

Chair:  _____

ATTEST:


Secretary: _____

