

Cuyama Basin Groundwater Sustainability Agency Board of Directors Meeting

March 3, 2021

Meeting Minutes

PRESENT:

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

Lorena Stoller, CBWD
Anita Regmi, DWR

ABSENT:

None

1. Call to Order

Cuyama Basin Groundwater Sustainability Agency (CBGSA) Chair Derek Yurosek called the meeting to order at 4:00 p.m. Hallmark Group Project Manager Taylor Blakslee provided direction on the meeting protocols in facilitating a remote-only meeting.

2. Roll Call

Mr. 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. Annual Appointment of SAC Members

Mr. Blakslee provided a background of the establishment of the Standing Advisory Committee (SAC) Guidelines in May 2018 that established 3-year Committee terms following the submittal of the Groundwater Sustainability Plan by January 31, 2020. He noted that the SAC established staggered, 1-, 2- and 3-year terms and Committee Member Louise Draucker was up for reappointment. He noted at

the February 25, 2021 SAC meeting, the SAC voted to for Committee Member Draucker to continue serving on the SAC.

MOTION

Director Chounet made a motion to appoint Louise Draucker to the Standing Advisory Committee for a 3-year term. The motion was seconded by Director Wooster, a roll call vote was made and passed with 89%

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

5. Report on SAC Role Ad hoc

Jim reported on the SAC role ad hoc were an ad hoc of the Board met with the SAC Chair to discuss the SAC's ongoing role and responsibilities and to ensure that the SAC was getting the direction and support it need from the Board. Mr. Beck said he appreciated the time the Board took in having these discussions and Chair Yurosek commented that there is a continued need for increasing SAC membership and solicited the Board to assist in recommending candidates to the SAC.

6. Standing Advisory Committee Meeting Report

SAC Chair Brenton Kelly provided a report on the February 25, 2021 SAC meeting and is included below.

*Standing Advisory Committee Report
 Meeting Date: February 25, 2021
 Submitted to the GSA Board on March 3, 2021
 By Brenton Kelly, SAC Chair*

The Standing Advisory Committee met virtually with all 6 committee members, three staff from allmark Group and one from Woodard & Curran, and several public attendees. The meeting lasted a little over 2 hours.

We started off with some organizational housecleaning in which Committee member Draucker was nominated and unanimously approved for another 3 year term, and Members Kelly and DeBranch were reelected as Chair and Vice Chair respectively.

Update on SAC membership.

The Committee was informed by Jean Gaillard of his willingness to serve on the SAC. It is expected that at the next meeting his application will be forwarded to the GSA for appointment. There remain 2 vacancies on the SAC for representation from the Latino community.

Update on SAC Role Ad hoc

The GSA convened a SAC Role ad hoc meeting on January 21, 2021 to discuss ways to coordinate and ensure that effective guidance and advice is being provided by the SAC. He reported it was a good meeting, and while there were no specific actions, it was a helpful meeting. He let the SAC know the Board ad hoc expressed appreciation for all the hard work the SAC has been doing. The SAC would like the GSA Directors to consider how the SAC can best be of service to the Board.

Approval of the 2021 Annual Report

The discussion primarily focused on some format issues to help clarify the Maps and for consistency in future reports. It was generally felt that the Report was well done and continues to add detail to understanding the condition of the Basin. It was uncomfortably noted that the condition does not look good and continues with the trend of historic overdraft.

MOTION

Committee Member Jaffe made a motion to recommend adoption of the 2021 Annual Report. The motion was seconded by Committee Member DeBranch, a roll call vote was made, and the motion passed unanimously.

Adopt Model Refinement Technical Memo

A lot of discussion was concerning the priorities of the big-ticket items. Although the SAC appreciates the separation of items subject to grant funding, it was questioned how some of these expenses would directly lead to implementing the needed reductions. The extraordinary amounts of money required to accomplish these tasks was of concern to Committee Members and no motion was made to approve the tech memo.

The remainder of the meeting was informational updates and reports that are the same as part of this Board Packet, apart from the following item.

Coordination between the GSA and Counties

This has become a standing report on the SAC agenda. Robbie Jaffe reported that Santa Barbara County's District 1 office in collaboration with District 5 has appointed an ad hoc committee: Cuyama Valley Cannabis Advisory Committee, to develop voluntary guidelines for those applying for cannabis growing permits in the Cuyama Basin. The committee consists of 6 representatives from the community and 5 from the cannabis growers. If guidelines are negotiated, applicants will have the option to include them in their permit. If guidelines are included in an application, the committee will agree to not file an appeal. Water use and availability issues are of top priority. The discussion has included the possibility of a Water Use Offset, by which currently irrigated lands would be fallowed and the Acre Foot equivalent of water would be exchanged for the new cannabis operations. This is very much the purview of this Board and it is understood that the GSA would need to be involved at some level in coordination with the Counties.

Respectfully submitted,

Brenton Kelly
Standing Advisory Committee Chair

CONSENT AGENDA**8-9. Consent Agenda**

Chair Yurosek reminded the Board that the consent agenda combines Board item nos. 7, 8, and 9. asked if any Directors wanted to discuss one of the consent agenda items in more detail and Director Chounet asked the minutes to be moved out.

MOTION

Director Wooster made a motion to approve the consent agenda consisting of 8. Payment of bills; and 9. Financial Reports for December 2020 and January 2021. The motion was seconded by Director Shephard, a roll call vote was made and passed with 93.33%

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

7. Approval of January 13, 2021 Board Minutes

Director Chounet noted that the minutes incorrectly noticed him as present for two votes after he needed to leave the meeting early. Staff noted this change would be made.

MOTION

Director Chounet made a motion to approve the minutes. The motion was seconded by Director Bantilan, a roll call vote was made and passed with 100%

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

ACTION ITEMS

10. Consider Options for Long-Term Fee Equity

Executive Director Jim Beck reported that the Long-Term Fee Equity Ad hoc met on February 8 and 18, 2021 to discuss options for determining long-term fee equity in the Cuyama Basin. He noted that Ad hoc member Cappello made a motion to recommend the Board not set a long-term fee policy at this time, due to a lack of data, but review annually. This motion resulted in a 4-1 vote (Directors Bantilan, Cappello, Chounet, Wooster for the recommended motion and Director Albano against).

Director Albano commented that he continues to be very frustrated with the fee process and the lack of a plan being developed in regards the long-term fee.

Director Wooster said one of the things the ad hoc discussed is how the administrative fees are assessed in the basin. She said the Sustainable Groundwater Management Act (SGMA) requires administrative fees to be spread uniformly unless you have special projects. She said the ad hoc did not feel the CBGSA is far enough along to determine long-term fee policies.

Director Albano asked what information is needed to have the discussion of fee equity and proportioning costs on non-sustainable areas. Mr. Beck said it depends on what your definition of sustainability is, and the Board has not defined this yet. Director Albano said we have spent millions of dollars to develop a groundwater model and determine water flows and is that information enough to

understand sustainability in the basin? Director Wooster said some feel the model may not be as accurate as it could be. Director Albano said every update will come with a degree of uncertainty but believes the price of water has been set at a flat rate which does not reflect the value of land. He said he is concerned SGMA was written poorly to account for small basins like Cuyama and stressed that water being tied to the land needs to be recognized.

Director Cappello said the Board has followed SGMA appropriately but noted it is a slow process as there has been a lack of data and the CBGSA is working on collecting data via the monitoring networks. He noted that Title 23 Section 354.18 paragraph seven requires that a water budget quantify "an estimate of the sustainable yield for the basin" and that needs to be determined before fee equity can be fully addressed.

Chair Yurosek agreed with Director Wooster and Cappello that we do not have enough data to set a long-term fee policy at this time.

Walking R Ranch owner and attorney Kathleen Marsh commented that a land-based assessment cannot be passed without a successful Prop 218. She said the agenda language was vague and recommended that it say that fees should be assessed on pumping and not acreage.

MOTION

Director Cappello made a motion not to set a long-term fee policy at this time but to review annually. The motion was seconded by Director Wooster, a roll call vote was made and passed with 93.33%.

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

11. Approval of the 2021 Annual Report

Woodard & Curran technical consultant Brian Van Lienden provided an update on the water year 2019-2020 annual report that will be submitted to the California Department of Water Resources by the April 1, 2021 deadline which is included in the Board packet.

SAC Chair Kelly let the Board know this was presented at the SAC and the consensus was the report was well done, however a request was made to update the included maps with several identification features such as a few key roads and major canyons.

Director Wooster noted that there are some typos and asked if the draft report included edits from EKI. Mr. Van Lienden let her know they had not received those edits yet but would review them once received.

Director Wooster said she was surprised with the change in groundwater levels from 2019 to 2020 and suggested we clarify that we have a lack of data points but expect to have better representation for the for the water year 2021-2022 report. She also asked staff to verify the status of wells from Table 7-3 and Mr. Van Lienden said he would check those. Mr. Beck said staff did discuss the inadequacy of the change in groundwater level maps that resulted in general contours due to a lack of data points and suggested

clarifying the lack of data in the report.

Director Albano and Chounet agreed to leave the change in groundwater levels map in the report with the language explaining a lack of data.

MOTION

Director Wooster made a motion to approve the 2021 Annual Report with modifications to address typos and non-substantive changes and add qualifying language for the annual change in groundwater map. The motion was seconded by Director Compton, a roll call vote was made and passed with 100%.

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

12. Adopt Model Refinement Technical Memo

Mr. Van Lienden provided an update on the development of the proposed model update which is summarized in the Board packet.

Mr. Beck reminded the Board that this effort was started to gain an understanding of the funding required to perform the proposed modeling update and adoption of the memo is not authorizing expenditures but will only be used for the budgeting process and the review of those costs in May 2021 after the budget ad hoc reviews costs.

SAC Chair Kelly noted that the SAC is not responsible for financial decisions, but they were surprised at the high costs of some of the items.

Director Albano said he does not think we are going to make any decisions based on modeling in the coming fiscal year and is not sure why we are proposing to spend money on this.

Chair Yurosek noted that EKI provided comments on the technical memo and Mr. Van Lienden confirmed he would follow up with EKI to receive and review EKI comments.

MOTION

Director Cappello made a motion to approve the Model Technical Refinement memo with the inclusion of non-substantive comments from EKI or others. The motion was seconded by Director Chounet, a roll call vote was made and passed with 93.33%.

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

13. Consider Applying for a USBR WaterSMART Grant

Mr. Van Lienden presented a potential grant opportunity to fund central basin management area

activities and asked the Board if they would like staff to pursue this grant opportunity as outlined in the Board packet.

Mr. Beck commented that staff is more familiar with the State grants and the USBR grant may carry more risk of a successful award.

Director Cappello asked for the best estimate on the chance of a successful award. Mr. Van Lienden said it depends on how many applications are submitted and staff is not aware of that number. Director Williams said his concern is that application costs may be high, and it is only worth it to him if there is a 30 to 40 percent chance of being awarded the grant.

Director Albano commented that the activities discussed seem to be attributed to pumping allocations in the central basin management area and asked if the administrative costs of the grant would be borne by the management area or the basin at large. Mr. Beck said that is a fair comment and this would be discussed with an ad hoc if the Board directs staff to pursue this grant.

Director Chounet said he is concerned with how competitive Cuyama would be. He asked the total pool of money and Mr. Van Lienden said it is roughly \$3,000,000. Mr. Van Lienden also noted that the grant is for all the western states.

Director Shephard asked if there was budget for this and Mr. Beck said there is not. Mr. Shephard said he recommended not pursuing this grant. Chair Yurosek said he is concerned with the perception of a water market and does not think Cuyama will be competitive enough to justify the unbudgeted costs. Director Williams clarified that his comment is that we need to have adequate budget to pursue future grant funding opportunities.

Chair Yurosek noted that consensus was reached not to pursue this grant opportunity. He said the key takeaway is that we want to pursue future grant opportunities and need to include money in future budgets.

REPORT ITEMS

14. Administrative Updates

a. Report of the Executive Director

Mr. Beck provided an update on the near-term schedule, tasks and progress. He noted that the Hallmark Group's costs have trended higher than budgeted and there is a need to reallocate costs between Hallmark Group and Woodard & Curran since the Hallmark Group was managing Provost & Pritchard instead of Woodard & Curran as well as additional technical support. He noted that the CBGSA's overall budget is in good health and tracking below budget. He said staff receives a variety of requests and we may need to be more formal in processing requests going forward for Board discussion.

b. Report of the General Counsel

Klein DeNatale Goldner attorney Alex Dominquez let the Board know he did not have a report.

Director Albano asked if having a recurring closed session item on the agenda is appropriate from a Brown Act/legal perspective. Mr. Dominguez said the Brown Act allows for closed session for several specific circumstances one of them being potential litigation and a report on facts and circumstances if they are ongoing. Director Albano commented that he is concerned that kicking him out of the room is a violation of protocol for purported impending litigation. Mr. Beck said in his experience, this is being handled consistent with other organizations.

Director Albano said he did not appreciate the way this closed session item is being handled. Chair Yurosek said they are following legal counsel's advice and that Director Albano's voice is heard at every meeting.

c. Update on Administration of FY 21-22 Groundwater Extraction Fee

Mr. Blakslee provided an update on the Fiscal Year 2021-2022 groundwater extraction fee development and informed the Board that staff was collecting 2020 water use from irrigators previously identified. He said the 2020 water use and the Fiscal Year 2021-2022 budget will be used to determine the recommended fee for consideration at the upcoming rate hearing on May 5, 2021.

d. Update on FY 21-22 Budget

Mr. Blakslee provided an update on the Fiscal Year 2021-2022 budget component list. He reported that the component list was reviewed with the budget ad hoc and the next step is for staff to price out the included components prior to the next budget ad hoc meeting.

15. Technical Updates

a. Update on Groundwater Sustainability Plan Activities

Mr. Van Lienden provided an update on the Groundwater Sustainability Plan (GSP) activities and the overall project schedule which are included in the Board packet.

b. Options for CBGSA Administration of New Development and Changes in Water Use

Mr. Beck let the Board know that discussions regarding GSA and county authority over changes in land use and water use were brought up at the SAC and discussed briefly at the January 2021 meetings. He let the Board know the purpose of today's presentation is to discuss what the CBGSA can and cannot do as it relates to land and water use changes.

Key points in Mr. Dominguez's presentation included:

1. Nothing in SGMA or a GSP adopted under SGMA supersedes a city or county's land use authority, including the city or county general plan, within the overlying basin.
2. A GSA may: (1) Impose spacing requirements on new groundwater well construction, (2) Authorize temporary and permanent transfers of groundwater extraction allocations within GSA boundaries, and (3) Establish accounting rules to allow unused groundwater extraction allocations to be carried over from one year to another and voluntarily transferred, (4) Regulate, limit, or suspend: (i) Extraction from individual groundwater wells or groundwater wells in the aggregate, (ii) Construction of new groundwater wells, (iii) Enlargement of existing groundwater wells, and (iv) Reactivation of abandoned groundwater wells, and (5) Otherwise establish groundwater extraction allocations.

3. These actions must be consistent with the applicable elements of the county's general plan, unless there is insufficient sustainable yield in the basin to serve a land use designation in the county general plan.
4. SGMA requires that a GSA consider, among other things, the interests of local land use planning agencies.

Mr. Beck reminded the Board that staff developed an information sheet for new landowners and said the Board could consider a similar effort to educate and inform who the GSA is and what do we do. He also said we need to consider the planning/review time to coordinate with county general plan updates in the upcoming budget.

SAC Member Robbie Jaffe said her understanding is that the CBGSA has authority of approving new wells and encourages the CBGSA to counteract the extractions that are continuing to occur.

Cuyama Valley Family Resource Center Executive Director Lynn Carlisle asked why the CBGSA has not taken a position on approving new wells in the central basin management area and said that there are black market water trades occurring now and asked if the CBGSA will take a position on this.

Mr. Beck said water markets are something that every GSA is wrestling with and the CBGSA will need to take that topic on in the near future.

c. Presentation on Cannabis Development in the Cuyama Basin (Amy Steinfeld, Cannabis Industry Representative)

Cannabis industry representative and attorney Amy Steinfeld provided a presentation on cannabis growth and proposed projects in the Cuyama Valley. Ms. Steinfeld said that most of the proposed cannabis projects will be planted outside of the central basin management area. She said she is not aware of any black-market trades but said she thinks this comment is related to the offsets that the cannabis growers are offering voluntarily.

Mr. Beck said the challenge with offsets is ensuring the technical aspects of the offset program meet the requirements of SGMA.

Ms. Steinfeld said they have hired a hydrogeologist and an engineer to make sure the offsets are real and will be required to submit a report to the county and can provide the CBGSA with a copy.

Director Wooster asked how many of the proposed projects are on previously irrigated land and Ms. Steinfeld said she does not represent all the growers but estimated roughly half of the proposed projects.

Director Wooster asked how a property off Foothill Road paying a landowner for an offset in the Ventucopa area will impact groundwater levels. Ms. Steinfeld said their current understanding of the basin is that it functions like a large bathtub were offsets in one area can be considered to help sustainability in the basin. Director Wooster replied that Cuyama Basin is not completely uniform, and their hydrogeologist may find the basin is considerably more complex.

Director Williams said he appreciated the efforts to develop water reduction programs.

Director Albano said direction has not be given on future water use and it is difficult to plan for future operations without this information; however, he applauded Ms. Steinfeld's efforts to develop an offset program. However, he cautioned that he is not keen on creating a market to fallow land in areas where fallowing routinely occurs based on available water supplies. He said he does not believe that fallowing land in Ventucopa is a solution to achieving conservation and sustainability.

d. Update on Monitoring Network Implementation

Mr. Van Lienden provided an update on monitoring network implementation activities including a status on (1) drilling of DWR TSS wells, (2) installation of transducers, and (3) installation of two stream gauges which is included in the Board packet.

e. Update on Monthly Groundwater Conditions Report

Mr. Van Lienden provided an update on the groundwater level monitoring network and levels for January 2021 which is included in the Board packet.

f. Update on Modifications to the Groundwater Level Monitoring Network

Mr. Van Lienden reminded the Board that it took action on January 13, 2021 to reduce the groundwater level monitoring network to 58 wells and reduce the monitoring frequency from monthly to quarterly. Mr. Van Lienden reported that staff discussed these changes with DWR staff and they confirmed those changes would be acceptable, however, they requested the CBGSA complete a full year of monthly monitoring. Regarding changes to the threshold trigger, DWR said changing this threshold would be more difficult and likely require a Groundwater Sustainability Plan amendment; however, since the reduced groundwater representative level network consists of 65 wells (58 in addition to several dedicated monitoring wells) staff does not recommend changing the thresholds at this time.

16. Closed Session

The Board entered closed session at 7:27 p.m. The Board ended closed session and resumed the regular session at 7:48 p.m. No reportable action was taken.

17. Report of the Ad Hoc Committee

Nothing to report.

18. Directors' Forum

Director Albano asked who made the decision to add closed session to the agenda and Chair Yurosek replied that it was added to the agenda at the direction of legal counsel.

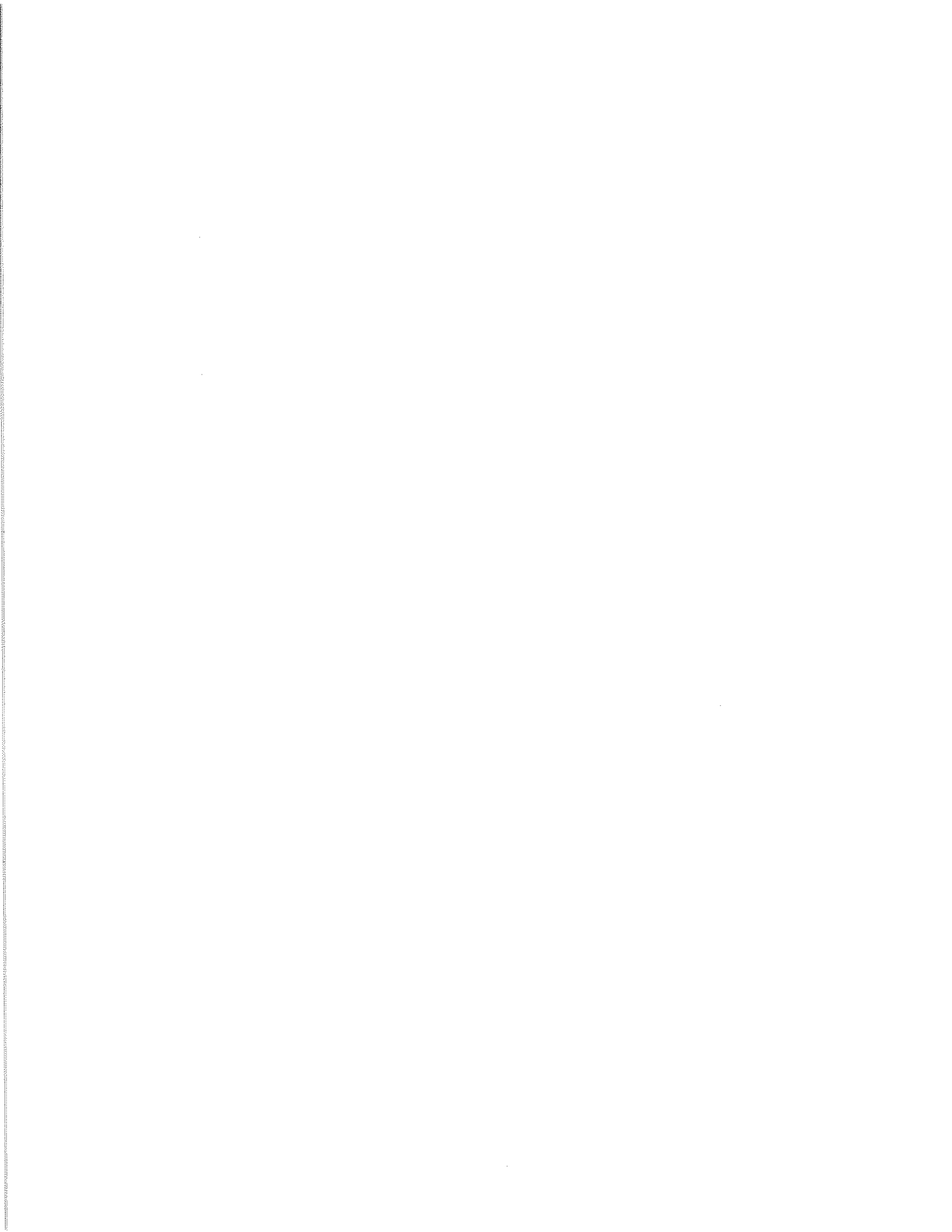
19. Public comment for items not on the Agenda

Nothing to report.

20. Correspondence

Nothing to report.

21. Adjourn



Chair Yurosek adjourned the meeting at 7:55 p.m.

Minutes approved by the Board of Directors of the Cuyama Basin Groundwater Sustainability Agency the 5th day of May 2021.

BOARD OF DIRECTORS OF THE
CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

Chair: _____



ATTEST:

Secretary: _____

