

AGENDA

Regular Meeting of the

BOARD OF TRUSTEES

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT NO. 1

will be held at **3:00 P.M., Tuesday, September 17, 2019**
at 1070 Faraday Street, Santa Ynez, Ca. - Conference Room

- I. CALL TO ORDER AND ROLL CALL**
- II. PLEDGE OF ALLEGIANCE**
- III. REPORT BY THE SECRETARY TO THE BOARD REGARDING COMPLIANCE WITH THE REQUIREMENTS FOR POSTING OF THE AGENDA**
- IV. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF AUGUST 20, 2019**
- V. ADDITIONS OR CORRECTIONS, IF ANY, TO THE AGENDA**
- VI. PUBLIC COMMENT** - Any member of the public may address the Board relating to any non-agenda matter within the District's jurisdiction. The total time for all public participation shall not exceed fifteen (15) minutes and the time allotted for each individual shall not exceed three (3) minutes. The District is not responsible for the content or accuracy of statements made by members of the public. No Action will be taken by the Board on any public comment item.
- VII. CONSENT AGENDA** - All items listed on the Consent Agenda are considered to be routine and will be approved or rejected in a single motion without separate discussion. Any item placed on the Consent Agenda can be removed and placed on the Regular Agenda for discussion and possible action upon the request of any Trustee.
 - CA-1. Water Supply and Production Report
 - CA-2. Status of WR 89-18 Above Narrows Account
 - CA-3. Report on State Water Project – Central Coast Water Authority Activities
 - CA-4. Status of State Water Resources Control Board Permits, Environmental Compliance & Hearings Update
 - CA-5. National Marine Fisheries Service – September 7, 2000 Biological Opinion for Cachuma Project Continuing Operations
 - CA-6. Cachuma Project and Water Service Contract Update
 - CA-7. Update on Security Measures for Water Utilities
- VIII. MANAGER'S REPORT - STATUS, DISCUSSION AND POSSIBLE BOARD ACTION ON THE FOLLOWING SUBJECTS:**
 - A. DISTRICT ADMINISTRATION** - (Est. 1 Hour)
 1. Financial Report on Administrative Matters
 - a) Presentation of Monthly Financial Statements – Revenues and Expenses
 - b) Approval of Accounts Payable
 - B. OPERATIONS AND MAINTENANCE**
 1. Purchase of Two Fleet Vehicles
 - a) Consideration of and Award of Bid
- IX. REPORT, DISCUSSION AND POSSIBLE BOARD ACTION ON THE FOLLOWING SUBJECTS:** (Est. ½ Hour)
 - A. Cachuma Project – U.S. Bureau of Reclamation Continuing Operations**
 1. Cachuma Project Water Service Contract No. I75r-1802R, Water Deliveries, Exchange Agreement, Entitlement, Water Storage, Accounting, Water Supply Projections & SWRCB Permits
 2. 2020 Water Service Contract
 - B. Sustainable Groundwater Management Act**
 1. Eastern Management Area Update
- X. REPORTS BY THE BOARD MEMBERS OR STAFF, QUESTIONS OF STAFF, STATUS REPORTS, ANNOUNCEMENTS, COMMITTEE REPORTS, OBSERVATIONS AND OTHER MATTERS AND/OR COMMUNICATIONS NOT REQUIRING ACTION**
- XI. CORRESPONDENCE: GENERAL MANAGER RECOMMENDS THE ITEMS NOT MARKED WITH AN ASTERISK (*) FOR FILE**

- XII. REQUESTS FOR ITEMS TO BE INCLUDED ON THE NEXT REGULAR MEETING AGENDA:** Any member of the Board of Trustees may place an item on the meeting agenda for the next regular meeting. Any member of the public may submit a written request to the General Manager of the District to place an item on a future meeting agenda, provided that the General Manager and the Board of Trustees retain sole discretion to determine which items to include on meeting agendas.
- XIII. NEXT MEETING OF THE BOARD OF TRUSTEES:** The next Regular Meeting of the Board of Trustees is scheduled for **October 15, 2019 at 3:00 p.m.**
- XIV. CLOSED SESSION -** The Board will hold a closed session to discuss the following items:
- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
[Subdivision (d)(1) of Section 54956.9 of the Government Code - 4 cases]
1. Name of Case: Adjudicatory proceedings pending before the State Water Resources Control Board regarding Permits 11308 and 11310 issued on Applications 11331 and 11332 to the United States Bureau of Reclamation and complaints filed by the California Sport fishing Protection Alliance regarding the operating of the Cachuma Project and State Board Orders WR73-37, 89-18 and 94-5; and proposed changes to the place of use of waters obtained through aforementioned permits for the Cachuma Project
 2. Name of Case: Adjudicatory proceedings pending before the State Water Resources Control Board regarding Permit 15878 issued on Application 22423 to the City of Solvang regarding petitions for change and extension of time and protests to the petitions
 3. Name of Case: Santa Barbara Superior Court Case No. 18CV05437, Santa Ynez River Water Conservation District, Improvement District No.1 v. Holland, et al.
 4. Name of Case: Santa Barbara Superior Court Case No. 19CV01873, Cachuma Operation and Maintenance Board v. Santa Ynez River Water Conservation District, Improvement District No.1
- XV. RECONVENE INTO OPEN SESSION**
[Sections 54957.1 and 54957.7 of the Government Code]
- XVI. ADJOURNMENT**

This Agenda was posted at 3622 Sagunto Street, Santa Ynez, California and notice was delivered in accordance with Government Code Section 54954. This Agenda contains a brief general description of each item to be considered. The Board reserves the right to change the order in which items are heard. Copies of the staff reports or other written documentation relating to each item of business on the Agenda are on file with the District and available for public inspection during normal business hours. A person who has a question concerning any of the agenda items may call the District's General Manager at (805) 688-6015. Written materials relating to an item on this Agenda that are distributed to the Board of Trustees within 72 hours (for Regular meetings) or 24 hours (for Special meetings) before it is to consider the item at its regularly or special scheduled meeting(s) will be made available for public inspection at 3622 Sagunto Street, during normal business hours. Such written materials will also be made available on the District's website, subject to staff's ability to post the documents before the regularly scheduled meeting. If you challenge any of the Board's decisions related to the agenda items above in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence to the Board prior to the public hearing. In compliance with the Americans with Disabilities Act, if you need special assistance to review agenda materials or participate in this meeting, please contact the District Secretary at (805) 688-6015. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
 IMPROVEMENT DISTRICT NO. 1
AUGUST 20, 2019 REGULAR MEETING MINUTES

A Regular Meeting of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1, was held at 3:00 p.m. on Tuesday, August 20, 2019 in the Conference Room at 1070 Faraday Street, Santa Ynez.

- | | | | |
|-------------------|-------------------|-------------------|---------------|
| Trustees Present: | Harlan Burchardi | Michael Burchardi | |
| | Jeff Clay | Brad Joos | |
| Trustees Absent: | Lori Parker | | |
| Others Present: | Chris Dahlstrom | Paeter Garcia | Mary Martone |
| | Karen King | Eric Tambini | Matt Caviglia |
| | Ray Stokes | Matt VanderLinden | Fred Kovol |
| | Frances Komoroske | Kevin Crossley | Tamara Rowles |
| | Chuck Bell | | |

I. CALL TO ORDER AND ROLL CALL:
 President Clay called the meeting to order at 3:00 p.m., he stated this was a Regular Meeting of the Board of Trustees. Mrs. Martone reported four members of the Board were present and Trustee Parker was absent.

II. PLEDGE OF ALLEGIANCE:
 President Clay led the Pledge of Allegiance.

III. REPORT BY THE SECRETARY TO THE BOARD REGARDING COMPLIANCE WITH THE REQUIREMENTS FOR POSTING OF THE AGENDA:
 Mrs. Martone presented the affidavit of posting of the agenda, along with a true copy of the agenda for this meeting. She reported that the agenda was posted in accordance with the California Government Code commencing at Section 54950 and pursuant to Resolution No. 340 of the District. The affidavit was filed as evidence of the posting of the agenda items contained therein.

IV. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF July 16, 2019:
 The Minutes of the Regular Meeting of July 16, 2019 were presented for consideration.
 President Clay asked if there were any changes or additions to the Regular Meeting Minutes of July 16, 2019. Minor changes were requested.
 It was MOVED by Trustee M. Burchardi, seconded by Trustee H. Burchardi and carried by a 4-0-0 voice vote, with Trustee Parker absent, to approve the Regular Meeting Minutes of July 16, 2019 as corrected.

V. ADDITIONS OR CORRECTIONS, IF ANY, TO THE AGENDA:
 Mr. Dahlstrom stated there were no additions or corrections to the agenda. He reported that Mr. Ray Stokes, CCWA Executive Director, was in attendance to present information on Agenda Item IX.C. Mr. Dahlstrom recommended that Item IX.C. be taken out of Agenda order and discussed after Item VII. The Board concurred with rearrangement of the Agenda as proposed by Mr. Dahlstrom.

VI. PUBLIC COMMENT:
 Ms. Frances Komoroske and Mr. Fred Kovol provided public comment to the Board.

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1 **VII. CONSENT AGENDA:**

2 The Consent Agenda report was provided in the Board Packet.

3
4 It was **MOVED** by Trustee H. Burchardi, seconded by Trustee Joos and carried by a 4-0-0 voice
5 vote, with Trustee Parker absent, to approve the Consent Agenda as presented.

6
7 **VIII. MANAGER'S REPORT - STATUS, DISCUSSION AND POSSIBLE BOARD ACTION ON THE FOLLOWING**
8 **SUBJECTS:**

9 **A. DISTRICT ADMINISTRATION:**

10 1. Financial Report on Administrative Matters

11 a) Presentation of Monthly Financial Statements – Revenues and Expenses

12 The Board was provided the Statement of Revenues and Expenses for the month of July
13 in the handout materials.

14
15 Mr. Dahlstrom reviewed the Statement of Revenues and Expenses for the month of
16 July. He reported the revenues exceeded the expenses by \$195,612.56 for the month of
17 July. Mr. Dahlstrom explained that the District's 2019-2020 fiscal year began on July 1st
18 and the financials reflect the first month of activity for the new fiscal year. He explained
19 that the water production for the month was 209 AF short or 38.9% less than the ten-
20 year running average for the month of July. He stated that this was due to continued
21 customer water conservation, which in turn impacts water sales revenues.

22
23 b) Approval of Accounts Payable

24 The Warrant List was provided in the handout material for Board action. The Warrant
25 List covered warrants 22437 through 22515, for the period of July 17, 2019 through
26 August 20, 2019 in the amount of \$549,953.98.

27
28 Ms. Frances Komoroske provided comments to the Board.

29
30 It was **MOVED** by Trustee H. Burchardi, seconded by Trustee M. Burchardi and carried
31 by a 4-0-0 voice vote, with Trustee Parker absent, to approve the Warrants List as
32 presented.

33
34 2. Annual Review of Investment Policy

35 The Board packet included the District Investment Policy and Table 1 Investments
36 Authorized under California Government Code Section 53601.

37
38 Mr. Dahlstrom explained that the Board annually reviews the Investment Policy. He
39 indicated that historically the Board has chosen a very conservative approach to its
40 investment portfolio. Mr. Dahlstrom reported the District currently maintains monies in a
41 Public Investment Money Market Account (FDIC) at Rabobank and one in the Local
42 Agency Investment Fund (LAIF), which offers local public agencies the opportunity to
43 participate in a pooled portfolio. Mr. Dahlstrom stated that there were no recommended
44 changes to the Investment Policy.

45
46 It was **MOVED** by Trustee H. Burchardi, seconded by Trustee M. Burchardi and carried by
47 a 4-0-0 voice vote, with Trustee Parker absent, to accept the Investment Policy as presented.

48
49 3. 2018/2019 Annual Audit Preparation and Field Work

50 Mr. Dahlstrom reported that each year the District is required to have the District's
51 financials audited by an outside firm. He explained that Bartlett, Pringle & Wolf will be
52 conducting the audit field work at the District office the last week of August. He stated
53 management is currently preparing all of the year-end financial transactions in preparation

1 of the field work. Mr. Dahlstrom stated the final draft audit will be presented to the Board
2 of Trustees in October or November.

3
4 **B. OPERATIONS AND MAINTENANCE:**

5 1. **Landscape and Agricultural Irrigation System Evaluations**

6 The Board packet included an article titled Cal Poly's Thriving Irrigation Training Center
7 and a sample Landscape Evaluation Report and Irrigation Evaluation Report.

8
9 Mr. Dahlstrom reported that the District hired a student intern from Cal Poly San Luis
10 Obispo Irrigation Training & Research Center (ITRC) to develop a landscape and
11 agricultural irrigation system evaluation process which will be utilized by the District in
12 an effort to work with customers on their individual landscape efficiency patterns. Mr.
13 Dahlstrom explained that typically the District works with the Cachuma Resource
14 Conservation District (CRCD) to refer customers to the CRCD for assistance with their
15 private land irrigation and agriculture efficiency practices.

16
17 Mr. Dahlstrom introduced Mr. Matt Caviglia, District Intern. He explained that Mr.
18 Caviglia developed the Landscape and Irrigation Evaluation Program which will provide
19 irrigation/agricultural system analysis and technical assistance to improve customer water
20 use efficiency. Mr. Dahlstrom reviewed the two samples of the evaluations that were
21 conducted as test pilots for the new program. He explained the criteria and method for
22 each of the examples as well as the recommendations provided. The Board was provided
23 time for questions and comments. Mr. Caviglia provided comments to the Board. Mr.
24 Dahlstrom expressed his appreciation to Mr. Caviglia for his work on this program and for
25 his interest in working with the District this summer. Mr. Dahlstrom stated this program
26 will be available and offered to interested customers wishing to improve irrigation
27 practices once District staff have been trained to implement the program. Trustee Joos
28 requested this program be announced in the next quarterly newsletter. The Board thanked
29 Mr. Caviglia for developing the program and working with the District.

30
31 2. **Water Meter Replacement Program**

32 a) **Purchase of Neptune Meters - Phase I**

33 The Board packet included Purchase Order #982 for Ferguson Enterprises Inc. (FEI) in
34 the amount of \$113,822.73.

35
36 Mr. Dahlstrom provided background on the District's infrastructure dating back to the
37 1960's and water meter longevity. He explained that as part of the 2019/20 Budget,
38 the Board approved Phase I of Meter Replacement program. Mr. Dahlstrom reported
39 that the last meter replacement program took place in 2005, where approximately 90%
40 of the District's inventory was replaced. He explained that the typical lifespan of water
41 meters is guaranteed for 10 years. He stated that over time meters begin to deteriorate
42 and do not record full allotment of water that is being used, or malfunctions in the
43 registers or the housing in the meter begin to occur. Mr. Dahlstrom stated that Purchase
44 Order No.982 in the amount of \$113,822.73 that is included in the Board packet is for
45 Phase I of the Meter Replacement Program. He reported the Field crew will begin
46 replacing approximately 292 meters in a systematic process of routes. Mr. Dahlstrom
47 explained that prior to installation, customers will be notified so that they are aware of
48 the District work that will be completed. He indicated that the Meter Replacement
49 Program will be no cost to customers. Mr. Dahlstrom recommended approval of the
50 Purchase Order No. 982 for FEI - Ferguson Enterprises Inc. in the amount of
51 \$113,822.73.

52
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1 The Board discussed the benefits of replacing meters; types of meters, leak notifications,
2 compatibility with current billing system, comparative pricing, reliability, radio-read
3 technology (AMI/AMR) as well as costs associated with telemetry/communications.
4 Trustee Joos indicated that he would like staff to keep an eye on technology so that in
5 the future customers will have the ability to identify and monitor their use and any
6 leaks that may occur.
7

8 After discussion, it was MOVED by Trustee M. Burchardi, seconded by Trustee H.
9 Burchardi, and carried by a 4-0-0 voice vote, with Trustee Parker absent, to approve
10 Purchase Order No. 982 to Ferguson Enterprises Inc. (FEI) in the amount of \$113,822.73
11 for the first phase of the Meter Replacement Program.
12

13 3. Purchase of Two Fleet Vehicles

14 a) Consideration of and Award of Bid

15 The Board packet included the bid results for the purchase of two fleet vehicles.
16

17 Mr. Dahlstrom explained that as part of the approved 2019/20 Budget, the District sent
18 out six bids for the purchase of two (2) Chevrolet Silverado 2500HD Regular Cab 4wd
19 trucks with service bodies and lift-gates. He reported that two bids were received. Mr.
20 Dahlstrom reviewed the bid results. He reminded the Board that the District has
21 various makes and model of fleet vehicles, ranging from Dodge, Toyota, Chevrolet and
22 Ford. He explained that this year bids were sought from Chevrolet dealers since last
23 year the District successfully obtained two vehicles from Ford. Trustee Joos questioned
24 why bids were not sought from Ford this year. Mr. Dahlstrom explained that this was
25 done last year and this year the District chose to purchase from Chevrolet. Trustee Joos
26 expressed his desire to use local dealerships when possible including getting additional
27 bids from Ford this year. Based on this discussion, the Board consensus was to delay
28 action on the purchase of the vehicles at this time, and to request staff to review the
29 possibility of obtaining bids from both Ford and Chevrolet. Mr. Dahlstrom stated that
30 information will be provided to the Board at the October meeting related to the fleet
31 vehicle bids.
32

33 4. Water Treatment/Maintenance Building for Office Water Production Well

34 The Board packet included preliminary drawings of the water treatment & maintenance
35 building and outline specifications.
36

37 Mr. Dahlstrom reviewed the architectural preliminary drawings of the water treatment &
38 maintenance building. He stated the new building will include a water treatment area and
39 laboratory, maintenance shop, operations room, maintenance office, and equipment
40 storage. He explained that the next step in the process was to file the CEQA Notice of
41 Exemption for the project.
42

43 a) Notice of Exemption

44 The Board packet included a copy of the CEQA Notice of Exemption for the Water
45 Treatment/Maintenance building.
46

47 Mr. Dahlstrom recommended approval of the Notice of Exemption (NOE) and
48 requested authorization to post and file the NOE. Trustee Burchardi noted there was
49 an error in the project description. He indicated that the structure size needed to be
50 corrected to read "The proposed structure would be approximately 20' high 54' long x
51 36" (not 20" high x 45' x 32' wide as indicated on the NOE).
52

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1 It was MOVED by Trustee M. Burchardi, seconded by Trustee H. Burchardi and carried
2 by a 4-0-0 voice vote, with Trustee Parker absent, to approve the CEQA Notice of
3 Exemption for the Water Treatment/Maintenance Building for the Office Water
4 Production well, as corrected, and authorize the General Manager to sign and file the
5 NOE with the Santa Barbara Clerk Recorder's Office.
6

7 **IX. REPORT, DISCUSSION AND POSSIBLE BOARD ACTION ON THE FOLLOWING SUBJECTS:**

8 **A. Cachuma Project – U.S. Bureau of Reclamation Continuing Operations**

9 **1. Cachuma Project Water Service Contract No. I75r-1802R, Water Deliveries, Exchange**
10 **Agreement, Entitlement, Water Storage, Accounting, Water Supply Projections**

11 The Board packet included a July 22, 2019 US Bureau of Reclamation letter re: Cachuma
12 Reservoir Water Year 2020 Allocation Request, State Water Resources Control Board
13 Meeting Agenda for August 20, 2019 and August 1, 2019 Warren Act Contract
14 Teleconference information.
15

16 Mr. Dahlstrom reviewed the current activities relating to the Cachuma Project. He stated
17 that the US Bureau of Reclamation concurs and supports the Santa Barbara County's
18 request made on behalf of the Member Units for the Cachuma Reservoir Water Year 2020
19 Allocation request for a full 25,714 af.
20

21 Mr. Dahlstrom reported the State Water Resources Control Board was scheduled to meet
22 in Closed Session to discuss the draft order on Permits 11308 and 11310 of the US Bureau
23 of Reclamation for the Cachuma Project considering whether and how to modify the
24 permits to 1) protect public trust values and downstream water rights, and 2) act on
25 petitions to change the place and purpose of those permits. He recapped the history of the
26 State Board Hearings and activities dating back to 1999, 2000 and in 2012. Mr. Dahlstrom
27 indicated that the State Board will likely not take any action until a new Biological Opinion
28 is released.
29

30 Mr. Dahlstrom reported that CCWA is considering an increase in the amount of State Water
31 for the South Coast participating agencies to store in the Lake for Warren Act purposes.
32 He explained the Exchange Agreement and the Warren Act terms and conditions and
33 discussed the possible impacts to ID No1. if CCWA increases the volume of water for the
34 South Coast.
35

36 Mr. Dahlstrom stated there are several contracts that are expiring concurrently in
37 September 2020 which include; Master Contract, Member Unit Contracts, O&M Transfer
38 Contract, Warren Act Contract, Settlement Agreement and the Exchange Agreement. Mr.
39 Dahlstrom reported there was a teleconference scheduled to discuss the Warren Act
40 Contract, however it was cancelled.
41

42 **2. 2020 Water Service Contract**

43 Mr. Dahlstrom stated the 2020 Water Service Contract I75r-1802R expires September 30,
44 2020. He reported there has been no response from the US Bureau of Reclamation
45 regarding the basis of negotiation. He stated that meetings to begin discussions on the new
46 Contract have been set and confirmed for September 4th. He stated that the Cachuma
47 Member Unit Managers will meet with Santa Barbara County Water Agency
48 representatives and USBR to discuss the new contract. He stated that information would
49 be provided at the September meeting.
50
51
52

1 B. Sustainable Groundwater Management Act

2 1. Eastern Management Area Update

3 Mr. Paeter Garcia reported on the current activities related to the Eastern Management
4 Area (EMA) Groundwater Sustainability Agency. He reviewed the topics discussed at the
5 July 25th EMA Meeting, which included selection of the seven member citizen advisory
6 group from the application process that was developed, a draft communications and
7 engagement plan for the first chapter that the consultants have to work on, and a draft
8 Intra-Basin Administrative Agreement. Mr. Garcia discussed the major objectives of the
9 Sustainable Groundwater Management Act and the purpose of the agreements for the
10 EMA. He stated the next meeting of the EMA will be in October.

11
12 C. State Water Project - Central Coast Water Authority

13 1. State of California Department of Water Resources Delta Conveyance Project

14 This item was taken out of agenda order and discussed at 3:15 p.m.

15
16 Mr. Dahlstrom introduced Mr. Ray Stokes, Executive Director of Central Coast Water
17 Authority.

18
19 Mr. Stokes provided a PowerPoint presentation on the Department of Water Resources
20 (DWR) Delta Conveyance Project. The presentation included: What problems is the Delta
21 Conveyance trying to address; how did Cal Waterfix propose to address those issues;
22 Benefits of Delta Conveyance; DWR/SWP Contract Amendment Negotiations; Single
23 Tunnel Delta Conveyance Cost Estimates; Key Considerations; Likely DWR Requests of
24 Individual SWP Contractors and CCWA Project Participant and Board Decisions. Mr.
25 Stokes reported that DWR announced that the contract amendment negotiations are now
26 expected to be complete by the end of September rather than August; therefore, the CCWA
27 Project participants have additional time to discuss participating in the Delta Conveyance
28 project. Mr. Stokes provided time for the Board to ask questions and provide comments.
29 Mr. Dahlstrom reported that the City of Solvang management has indicated they do not
30 wish to participate in the Delta Conveyance project, which would mean that if ID No.1
31 does choose to participate all costs will be incurred by ID No.1.

32
33 2. Consideration of Participating with CCWA in the Delta Conveyance Project

34 Mr. Dahlstrom stated there is no recommendation or action required at this time, he would
35 provide further information regarding costs at the September meeting.

36
37 Mr. Fred Kovol provided comment to the Board.

38
39 The Board thanked Mr. Stokes for his presentation.

40
41 X. REPORTS BY THE BOARD MEMBERS OR STAFF, QUESTIONS OF STAFF, STATUS REPORTS,
42 ANNOUNCEMENTS, COMMITTEE REPORTS, OBSERVATIONS AND OTHER MATTERS AND/OR
43 COMMUNICATIONS NOT REQUIRING ACTION:
44

45 The Board packet included a July 24, 2019 Association of California Water Agencies article titled
46 "Governor signs SB200 Approving Second Part of the Safe Drinking Water Funding Solution"
47

48 The Board packet included Assembly Bill No. 756 Relating to the California Safe Drinking Water
49 Act - authorizing the State Board to order a public water system to monitor for perfluoroalkyl and
50 polyfluoroalkyl substances.
51

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1 The Board packet included a July 15, 2019 letter from Thompson Housing Consultants discussing
2 a proposed project on the corner of Sagunto Street and Meadowvale Road. Mr. Dahlstrom stated
3 that the District has not received a water service application for the project at this time.
4

5 The Board packet included the July 2019 Family Farm Alliance Monthly Briefing.
6

7 **XI. CORRESPONDENCE: GENERAL MANAGER RECOMMENDS THE ITEMS NOT MARKED WITH AN**
8 **ASTERISK (*) FOR FILE:**

9 The Correspondence list was received by the Board.
10

11 **XII. REQUESTS FOR ITEMS TO BE INCLUDED ON THE NEXT REGULAR MEETING AGENDA:**

12 There were no requests from the Board.
13

14 **XIII. NEXT MEETING OF THE BOARD OF TRUSTEES:**

15 Mr. Dahlstrom stated the next Regular Meeting of the Board of Trustees is scheduled for September
16 17, 2019 at 3:00 p.m.
17

18 **XIV. CLOSED SESSION:**

19 Mr. Garcia announced prior to adjourning to Closed Session that Closed Session Agenda Item
20 XIV. B.1. relates to a potential legal position, transactions occurrences or other events that could
21 result in litigation disputes and/or adjudicatory proceedings against ID No.1 in connection with
22 the Sustainable Groundwater Management Act (SGMA) and within that context. He reported that
23 the Item pertains to a request that has been received by ID No.1 from its legal counsel Brownstein,
24 Hyatt Farber Schreck to execute a conflict waiver to allow the Brownstein Hyatt Farber Schreck
25 firm to provide ongoing legal representation to ID No.1 on all of its matters including those items
26 related to SGMA and to concurrently provide legal services to Montecito Water District and
27 Montecito Water District Groundwater Sustainability Agency with regard to SGMA Matters.
28

29 The Board adjourned at 5:31 p.m. for a brief recess. At 5:39 p.m., the Board reconvened and
30 adjourned to closed session to discuss agenda items XIV.A. 1. - 4. & B.1.
31

32 **A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

33 [Subdivision (d)(1) of Section 54956.9 of the Government Code - 4 cases]

- 34 1. Name of Case: Adjudicatory proceedings pending before the State Water Resources
35 Control Board regarding Permits 11308 and 11310 issued on Applications 11331 and
36 11332 to the United States Bureau of Reclamation and complaints filed by the California
37 Sport fishing Protection Alliance regarding the operating of the Cachuma Project and
38 State Board Orders WR73-37, 89-18 and 94-5; and proposed changes to the place of use
39 of waters obtained through aforementioned permits for the Cachuma Project
40
- 41 2. Name of Case: Adjudicatory proceedings pending before the State Water Resources
42 Control Board regarding Permit 15878 issued on Application 22423 to the City of
43 Solvang regarding petitions for change and extension of time and protests to the
44 petitions
45
- 46 3. Name of Case: Santa Barbara Superior Court Case No. 18CV05437, Santa Ynez River
47 Water Conservation District, Improvement District No.1 v. Holland, et al.
48
- 49 4. Name of Case: Santa Barbara Superior Court Case No. 19CV01873, Cachuma
50 Operation and Maintenance Board v. Santa Ynez River Water Conservation District,
51 Improvement District No.1
52

1 B. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION

- 2 1. Potential initiation of litigation against the agency [Subdivision (d)(2) of Section 54956.9
3 of the Government Code – 1 case]
4

5 XV. RECONVENE INTO OPEN SESSION:

6 [Sections 54957.1 and 54957.7 of the Government Code]
7

8 The Board reconvened to open session at 6:47 p.m. Mr. Garcia announced that the Board met in
9 Closed Session concerning Agenda Items XIV.A. 1-4. He reported that there is no reportable
10 action on the Agenda Items XIV.A. 1-4.
11

12 Mr. Garcia stated that with regard to Closed Session item XIV. B.1 in Open Session we announced
13 the facts and circumstances relating to the matter prior to adjourning to Closed Session. He stated
14 that the Board considered the matter in Closed Session and took action by a 4-0 voice vote, with
15 Trustee Parker absent, to decline to approve the Conflict Waiver as requested by ID No.1's legal
16 counsel Brownstein Hyatt Farber Schreck to allow the Brownstein Hyatt Farber Schreck firm to
17 provide legal services to Montecito Water District and the Montecito Groundwater Sustainability
18 Agency with regard to the Sustainable Groundwater Management Act.
19

20 XVI. ADJOURNMENT:

21 Being no further business, it was MOVED by Trustee M. Burchardi, seconded by Trustee Joos and
22 carried by a unanimous 4-0-0 voice vote, with Trustee Parker absent, to adjourn the meeting at
23 6:49 p.m.
24

25
26 **RESPECTFULLY SUBMITTED,**
27
28

29
30 _____
31 Mary Martone, Secretary to the Board
32

33 **ATTEST:**

34 _____
35 Jeff Clay, President
36

37 **MINUTES PREPARED BY:**

38 _____
39 Karen King, Board Administrative Assistant
40
41

**BOARD OF TRUSTEES
SANTA YNEZ RIVER WATER
CONSERVATION DISTRICT, ID No.1
September 17, 2019**

Consent Agenda Report

CA-1. Water Supply and Production Report. Overall, the water production was significantly less than the 10-year running average for the month of **August** to meet the lower demand for domestic, rural residential and agriculture water caused by mild weather conditions and shift with lower customer usage. This is below typical of water produced for this month in past years. Water conservation by ID No.1 customers remains a major factor in overall total use. **This resulted in total water production that was 166 acre feet (AF) or 29.9% less water demand for the month than the 10-year running average as shown on the Water Production Report.**

Since the 2018-19 rainfall season began on September 1, 2018, there has been 136% of rainfall recorded through August 31, 2019 at Lake Cachuma. Rainfall at the lake for the year is 116%. The USBR Daily Operations Report for Lake Cachuma in **August** recorded the lake elevation at 737.07' with the end of month storage of 148,083 AF compared to the end of June level of 738.47' or 151,727 AF. USBR recorded precipitation at the lake of 0.00 inches in July for a year total of 26.51 inches. The Lake storage was not supplemented with SWP water being imported by the South Coast agencies. The end of August actual Evaporation was 1,500.1 AF. USBR reinitiated actual evaporation being deducted from Project Carryover and SWP water effective October 1, 2017.

USBR initially allocated only a 20% water delivery for WY2018-19. ID1's prorated share is 530 AF. With conditions hydrologic and water supply conditions improving throughout this rain season through March and the lake over 70% of capacity, ***USBR re-allocated 100% deliveries to the Cachuma Member Units as of April 1, 2019.*** Currently the lake is at 76.6% of capacity. At a point when the reservoir storage exceeds 100,000 AF, the Cachuma Member Units typically received a full allocation. Conversely, a 20% reduction from the pro-rated full deliveries would occur at less than 100,000 AF and incremental reductions at other lower storage levels. These terms were superseded by USBR allocation reduction this year. ***The amount of Cachuma Project Exchange Water delivered was 521 AF for the month.***

Fish Conservation Pool filled in 2010 to elevation 753.00' to capture approximately 9,200 AF for fish releases the year of a spill condition and the year following as is now being used. The fish Passage Supplement Account (PSA) of 3,200 AF and the Adaptive Management Account (AMA) water was reset at 500 AF. As of October 1, 2018 the AMA Fish Account was restored 3,551 AF with the lake level rebound this past winter.

There were Fish releases as incorporated in the Downstream Water Rights Releases as part of the Settlement Agreement. Below explains the reasons for the flows recorded in Hilton Creek and in the Stilling basin which are direct excerpts from the ESA Section 7 Consultation 2000 Biological Opinion issued to USBR:

NMFS 2000 Biological Opinion Requirements in a Spill Year with Surcharge

- *10 cfs at Hwy 154 Bridge - year of a spill exceeding 20,000 AF*
- *1.5 cfs at Alisal Bridge - year of a spill exceeding 20,000 AF and steelhead are present at Alisal Reach*
- *1.5 cfs at Alisal Bridge - year immediately following a spill exceeding 20,000 AF and if steelhead are present at Alisal Reach*

NMFS 2000 Biological Opinion Requirements in a Minimal or No-Spill Year with Surcharge

- 5 cfs at Hwy 154 - less than 20,000 AF spill or No Spill and Reservoir Storage above 120,000 AF
- 2.5 cfs at Hwy 154 – in all years with Reservoir Storage below 120,000 AF but greater than 30,000 AF
- 30 AF per month to “refresh stilling basin and long pool” – less than 30,000 AF in Reservoir Storage and re-initiate consultation.

Currently, the gravity flows originating from the barge and at the outlet works through the Hilton Creek Emergency Backup System (HCEBS) travel through the Hilton Creek Watering System piping and are released directly to the diffuser box at the Upper and Lower Release Points (LRP), with delivery to **Hilton Creek for August of 178.7 AF and supplemental fish passage flows from the outlet works for the month is 236.5 AF for a total of 415.2 AF.**

There has been **30,082.6** AF of water released as of August 31, 2019 for fish since the year after the spill in 2011. During a Downstream Water Rights release, fish water is included within the release amounts according to the settlement agreement. Once those releases concluded, “Project” water will continue to be debited although the fish water is being diverted from the Stilling Basin below Bradbury Dam. With the fish Conservation Pool rearing water account, a total of **34,767.2** AF has been released for fish during the period following the spill condition in 2011.

DWR’s initial allocation for WY2019 is 10% or 70 AF for ID1’s prorated share. In February, DWR increased the allocation to 35% or 245 AF. DWR increased the allocation to 70% in April or 490 AF for ID1. On June 19, 2019, DWR announced its final allocation increase to 75% or ID1’s share of 525 AF including the drought buffer. **The District’s SWP “Table A” delivery was 0 acre-feet in August with accounting for the return (30 AF in August)** of transferred water to the City of Solvang in an effort to avoid spill of its purchased supplemental SWP water that was stored in San Luis Reservoir in 2017.

The District’s river water supply production remains available and consistent with all licensed well fields operational. Currently, with livestream conditions downstream in accordance with WR89-18, credit in the ANA is first priority water being replenished in Cachuma and expected to be whole with the end of the inflow recession. This allows for the District to produce its full licensed amount should it be needed. The District’s Upland Groundwater well production remains operational.

Direct diversion to USBR and the County Park was 3.03 acre-feet. For the month, 0.00 AF was produced from the Santa Ynez Upland wells. The 6.0 cfs river well field produced 0.00 AF for the month and 0.00 AF was produced from the 4.0 cfs well field.

Santa Barbara County recorded rainfall for **August** in Santa Ynez at 0.00 inches. The average rainfall is 0.04inches for the month and the year-to-date (September 1 to August 30) total is 26.68 inches. The Santa Ynez River watershed Antecedent Index (AI) or soil saturation remains dry condition. The total rainfall in the upper watershed of the Santa Ynez River Basin above Cachuma was 34.61 inches or 132% for the year. Lake Cachuma received 136% of normal rainfall to date at the County’s rainfall gauge. According to the CIMIS report for the month, rainfall in Santa Ynez was 0.00 inches with no crop frost protection days.

NEW INFORMATION BELOW IS PRESENTED IN BOLD TYPE

CA-2. Status of WR 89-18 Above Narrows Account.

The USBR report for April 30, 2019 for the Above Narrow Account (ANA) and Below Narrows Account (BNA) shows the Above Narrow Account (ANA) and Below Narrows Account (BNA) at 11,657 AF and 2,069 AF, respectively. **No downstream water rights released will occur in 2019.**

ID No.1 staff performs field monitoring on behalf of and jointly with the Parent District and fisheries data collection during the water rights release period. Staff also conducts stream gauging to determine live-stream events at San Lucas Creek for reporting to the SYRWCD and USBR. Live Stream conditions ceased in the SYR watershed.

CA-3. **Report on State Water Project – Central Coast Water Authority Activities.** In June, DWR increased the allocation to the State Water Contractors to 75% of delivery requests due to well above average snow pack and precipitation in the 8-station index region. No change in deliveries are expected. DWR revised its initial allocation in February and increased the amount to 35% of deliveries requested.

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The CCWA Board of Directors cancelled its August 22, 2019 meeting.

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The acquisition of the 12,214 AF of Suspended SWP Water has moved forward with approval by the Board of Supervisors at a meeting in February. CCWA will continue to pursue the acquisition through DWR on behalf of the parties requesting water including the Cities of Santa Maria and Guadalupe, ID No.1, and the City of Solvang through ID No.1's contract. DWR and the County will require reimbursement of those past costs. ID No.1's share is estimate to be \$1.4 million based on its 500 af request. The annual cost of the water is anticipated at \$150/af plus treatments costs. The Board of Supervisors met on October 4th and did not approve the reacquisition of the 12,214 for Santa Maria, ID No.1 and Solvang, Guadalupe, and the newest request from Carpinteria Valley Water District. This is a setback with the Supervisors not acting in the best interest of the requesting agencies and possibly jeopardizing ID No.1's 800 AF of the last available SWP water.

The Board of Supervisors acting as the Board of Directors of the SBCFCWCD met again on November 1, 2016, heard public comments from all the participating CCWA agencies, and voted to move forward with developing an agreement with CCWA to acquire the remaining 12,214 AF on behalf of the five requesting agencies. An agreement is expected completed prior to the end of the year. A meeting is scheduled for December 13, 2016.

The Board of Supervisors approved the liability and indemnification agreement between the County and CCWA and voted 3 to 2 to move approve the reacquisition of the Suspended SWP water for the parties including ID1 that will receive 500 AF.

DWR has authorized CCWA to prepare an EIR on the suspended water reacquisition. A CEQA lead agency agreement was approved by CCWA; the county has yet to approve the agreement. Additionally, to ensure the County will move forward with the acquisition process once those participating agencies (including ID No.1) commit to funding the CEQA review, CCWA is seeking an implementation agreement with the County. The agreement terms are being negotiated between CCWA and SB County.

Board of Supervisors acting as the Board of Directors of the SBFC&WCD met on May 2, 2017 to discuss and concur with the lead agency agreement between DWR and CCWA authorizing CCWA to proceed with EIR for the suspended water reacquisition. Supervisor Williams conditioned the agreement to use this water as a mechanism to control growth by not allowing transfers or sale of this water by those parties acquiring this suspended water including ID1, the north county agencies, and the Carpinteria Valley Water District which entered this arrangement very late in the process. There was opposition to CCWA preparing the EIR

and comments made to re-open the Water Supply Retention Agreement. Misinformation was presented about the reacquisition process and the SWP agreements. Following this diversion from the agenda item, the Board voted 3-2 approving CCWA as the lead agency.

The contract assignment underway between CCWA and SB County may have an effect on the Suspended Water Reacquisition timing and process.

Contract Assignment from SB County to CCWA will allow a direct interaction between the CCWA contractors with DWR for the reacquisition of SWP water.

A final participation decision by all CCWA parties is needed by CCWA in September 2019.

Minimal progress has been made with Santa Barbara County as of this date for reacquisition of the suspended water.

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On August 29, 2017, CCWA provided costs and financing of the California WaterFix project, (the Twin Tunnels). The information is presented to give an idea of the estimated costs of the Cal WaterFix project for each agency as well as the financing structures being proposed to finance the project.

As of November 2017, all irrigation contractors in the Cal WaterFix have withdrawn from or substantially reduced participation. This will likely create a shift in the cost allocation and increase the acre foot costs of the project as defined and require a reevaluation of the contracting language.

The new Governor of California has stepped away from the Ca Waterfix after years of planning and environmental sunk costs and will now pursue the new diversion and bypass project named the Delta Conveyance project. \$300 million of new planning costs are estimated.

The State is now proposing the Delta Conveyance Project as a single pipeline with an estimated \$14 billion cost. The SWC are considering costs and participation at this time.

CCWA is requesting its member's decision to participate prior to the CCWA Board meeting in October 2019.

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CCWA and the contracting agencies continue to work on our pursuit of the assignment of the State Water Contract from Santa Barbara County to CCWA. CCWA Board is scheduled to vote on the amendment to the JPA agreement and the amendments to the Water Supply Agreements at its meeting on October 26, 2017. ID No.1 needs approval prior to the October 26th CCWA Board meeting. Additionally, CCWA is meeting with DWR on September 19th and hope to get more clarification from DWR on its positions regarding the assignment.

With the CCWA and its contracting agencies approval of the assignment and a Bond rating analysis, this paves the way for DWR to take action consenting to the assignment. Once this occurs prior to the end of the calendar year, it is anticipated that SB County will take action in January 2018.

The Bond Rating for CCWA was accepted by DWR in March 2018 and CCWA expects DWR's approval of the assignment.

CCWA is requesting DWR to notify SBFC&WCD indicating the assignment can move forward. The notification was expected the week of September 10, 2018.

CCWA provided notice to Santa Barbara County regarding next steps in the process following DWR's concurrence to assign.

The 3rd District Supervisor Joan Hartmann agreed to meet with representatives from CCWA, ID1, and City of Buellton on December 6, 2018 regarding the logic and benefits of Contract assignment from the County to CCWA. The one hour meeting provided an opportunity to present the positions of her constituent agencies in this region, hear the reasons for local agency contracting, and allow for questions. A follow up meeting may be scheduled before the matter goes before the Board of Supervisors in February 2019.

No progress has been made to date on the County's assignment of the contract.

CA-4. State Water Resources Control Board (SWRCB) Permits, Environmental Compliance and Hearings Update

The first phase of the SWRCB continuing jurisdiction hearing on the Cachuma Project Applications 11331 and 11332 took place in November 2000 and were specific to the "Place of Use" revisions. The SWRCB continued the hearing for the Phase 2 portion which was held in October and November of 2003 and based on the SWRCB's Draft Environmental Impact Report ("EIR") released in August 2003 for the continuing operation of the Cachuma Project. Joint legal representation at this hearing involved USBR, SYRWCD, SYRWCD, ID No.1 and CCRB and the focus was proposed changes in the Cachuma Project operations based on the protection of the public trust resources - the Southern Steelhead trout, modifications to the water rights permits, and the Settlement Agreement.

Since then, the SWRCB revised the DEIR in 2007 and included two additional alternatives that could affect the hearings and decisions before the SWRCB in 2003. ID No.1 provided extensive comment during the review period as did others involved in the joint representation. In order to update the RDEIR, the SWRCB engaged Impact Sciences Inc in November 2009 to review the hearing testimony, analyze two DEIR's and provide the necessary updates, and complete to a final EIR with response to comments.

Because the SWRCB did not have adequate funding for Impact Sciences to conduct the required work, in May 2010 the SWRCB division of water rights requested that CCRB and ID No.1 provide financial assistance which was approved by both agencies in the amount of \$85,000 and forwarded to the State General Services in June 2010.

Impact Sciences has delivered the Administrative Final EIR to the SWRCB staff on August 27, 2010 with an expected water rights decision issuance in late fall early or winter 2010, or should a hearing be needed, spring 2011.

Based on a meeting on February 7th with the SWRCB staff, additional delays will occur in the EIR process which will affect the hearing date. Circumstances, including staff availability and funding in the water rights division has now pushed the possible date for a decision without water rights hearing for a least 6 months. Should a hearing be required, it may take up to 2 years.

Recent discussions indicate that the State Board staff may revise the DEIR alternatives and environmentally preferred alternative. It is the position of ID No.1 and CCRB that alternative 3C which analyzed current operations with the existing BiOp and Water Rights Order 89-18 with modifications, and recognizes the Settlement Agreement is the environmentally preferred alternative. Other alternatives will have impacts on water supplies and the continuing operations of the Cachuma Project. No time frame has been indicated by the State Board Staff as to the completion of the Final EIR.

On April 1, 2011, ID No.1 received the re-circulated and modified “2nd Revised Draft Environmental Impact Report” from the SWB for comment which were due on May 16th 2011. The 2DEIR shows the new “no action” alternative as 3C and the “environmentally superior” alternative as 4B the SWP exchange for BNA water to Lompoc. Other SWB updates are incorporated in the 2DEIR. ID No.1 management, special legal counsel BB&K, consultants Stetson Engineers and Hanson Environmental will review the 2DEIR for changes and provide water resources, hydrology, biologic, and legal comment letter by the deadline. This will be coordinated with the Parent District and CCRB.

The Parent District and ID No.1 legal counsel and management are in the process of completing a joint comment letter to the SWRCB, which the Parent District took the lead in preparing. The letter content is being coordinated with the CCRB for consistency. Comment period was extended from May 16th to May 31st.

The SWRCB has assigned David Rose as the legal counsel to handle the responsibilities for the 2DEIR in place of Dana Differding who is on maternity leave for up to one year. It appears that the State Board Staff will make an effort to finalize the EIR, including the responses to comments by year’s end. However, this will require the ID No.1 and CCRB (excluding Carpinteria Valley Water District because it withdrew from CCRB) to provide additional funding for the completion of the document.

With the recent additional funding approved by both ID No.1 and CCRB 3 in the amount of \$45,000 to fund the SWRCB for completion of the FEIR, to date the Member Units have provided a grand total of over \$675,000 for this SWRCB environmental process. Carpinteria Valley Water District participated as a Cachuma Project Member Unit in sharing the \$45,000.

Impact Sciences, the SWRCB consultant for the preparation of the FEIR, completed work on the response to comments and finalizing the EIR. SWB staff has indicated that a Final EIR may be completed by mid-November.

On December 8, 2011, the SWRCB as the lead agency under CEQA announced the completion and availability of the FEIR for consideration of modifications to the Cachuma Project Water Right Application 11331 and 11332. The FEIR will be included in the SWRCB hearing administrative record unless Parties to the proceedings object by January 9, 2012. Should there be an objection and it is likely the SWB will hold a hearing.

The SWRCB received comment and objection letters from several parties including the Environmental Defense Center on behalf of CalTrout, Department of Fish and Game, National Marine Fisheries Service, among others.

The SWRCB has supportive documentation by its deadline of February 28th. The hearing date for the FEIR to be incorporated into the administrative record is set for March 29 and 30, 2012. A significant collaborative effort is underway between USBR, ID No.1, Parent District, and CCRB to prepare for the hearings.

The SWRCB hearing involved the joint advocacy participants and witnesses of ID No.1, Parent District, and CCRB along with USBR to support and defend the SWRCB’s FEIR and the elements contained within the document to be incorporated into the record for a later determination of the Water Rights Order. The opposing parties were the Environmental Defense Center (EDC) and their witnesses on behalf of CalTrout, who representatives were noticeably absent from the hearings, as well as the National Marine Fisheries Service and the California Department of Fish and Game. The Board Hearing Officer issued the ruling on April 5 to incorporate the FEIR into the record with minor corrections to be made prior to the Board certification of the document.

The SWRCB Division of Water Rights may have a water rights order issued by October 2012.

In a recent update from the SWRCB Division of Water Rights, it is unlikely that a hearing will take place in 2012 on a Water Rights Order and FEIR certification for the continuing operation of the Cachuma Project under permits 11308 and 11310. No time has been set by the SWB for 2013.

On Thursday, February 7th, the SWRCB staff rescinded the place-of-use issuance in the 2000 Phase I hearing for the GWD. Although this is not expected to affect the issuance of a draft water rights order for continuing operation of the Cachuma Project. Charlie Hoppin, SWRCB Chairman will not be continuing his position which is likely to significantly affect the timing of the draft water rights order.

SWRCB has indicated that a draft order is scheduled for 1/14/2014 which is one year nine months from the hearing in 2012.

Recent indications that the SWRCB will schedule a hearing on the Draft Water Right Order for permits 11308 and 11310 in October 2013 as reported by Cal-Strategies. However, information from other sources now report that the State Board now appears to have delayed the timing of a hearing to after the first of the year.

Cal-Strategies recently reported that an internal closed session of the SWRCB may occur on January 7, 2014. At this point, no progress has been made in accelerating the water rights order issuance.

Information indicates that the SWB will meet in closed session now in mid to late February on the internal draft water rights order. The State Board is discussing water transfers and drought preparedness in response to the lowest allocations on record to agricultural users and communities.

The SWB has cancelled all water rights activities and hearings due to the drought proclamation by the Governor. The latest information from SWRCB staff is that the hearing may occur in October.

SWB staff has indicated that the Board may meet in closed session in late July or early August. Recent communications with SWB staff indicate that the drought and state-wide water supply issues will take priority and the focus of the SWB will be on those matters. No time has been provided for a hearing.

The State Board may meet in closed session in December to review a Draft Water Rights Order for permits 11308 and 11310 as a result of the hearings that took place in October 2003 and March 2012 on the EIR.

The SWRCB calendar does not show any session in December for Draft Water Rights Order on the Cachuma Project. The last SWB hearing activity was March 2012. SWRCB calendar does not show any session in January 2015.

After hearing a report and confirmation from CCRB's consultant Cal Strategies that the SWRCB would have its closed session hearing on February 17, 2015 with a release of a draft Water Rights Order the following day, this date has once again been pushed. ID1 will continue to check the SWRCB hearing calendar.

No SWRCB hearing date has been set due to the recent Governors orders for continuing State-wide drought conditions and increased regulatory actions taking priority.

The SWRCB held a closed session on the Draft Water Orders on August 22, 2016. Although there was nothing to report out of the closed, management contacted SWRCB staff to inquire about timing of the Order. On September 7, 2016 the Draft Order amending permits 11308 and 11310 was issued to the Bureau of Reclamation and copied to the parties in the past hearings including ID No.1. The Draft Order is under

review by ID No.1 management, its consultants (Stetson Engineers and Hanson Environmental), and special legal counsel with comments due back to the SWRCB by noon on October 25, 2016.

The SYRWCD and ID No.1 jointly requested a time extension to provide comments from the SWRCB that is consistent with USBR and others. Because of the complexity of the Draft Order, 45-days were not enough time and therefore the request extends to after the first of the year. The SWRCB granted a time extension to December 9, 2016 as the deadline for submittal of comments.

ID No.1 submitted its comment letter to the SWRCB by the deadline. The comment objected to the SWRCB adoption of 5C or more water for public trust resources steelhead rather than the adoption of the environmentally superior alternative of 3C, a balanced water option between steelhead and water supply. ID No.1 coordinated with the SYRWCD to develop a common position but separate letter. Other parties providing comments on the SWRCB Draft Order included USBR, CCRB, NOAA-NMFS, CDFW, EDC/Caltrout, & Cal Farm Bureau.

The special interest group's submitted comment suggesting the SWRCB extend beyond alternative 5C and the NMFS recommended postponing the adoption of the Order to include the 2016 BO. Sample letters are in the Board packet and the entire set of letters can be made available upon request.

A notice was provided in early March 2018 related to the change in the noticing recipient list.

SWRCB held a closed session hearing on August 7 2018. No information to date has been forwarded by the SWB staff.

Additional SWRCB closed session hearings were held on August 28 and 29, 2018. No information to date has been forwarded by the SWB staff.

The SWRCB held a closed session item on Permits 11308 and 11310 on March 5 and 6, 2019.

On March 27, 2019 the SWB issued the Revised Draft Order Amending Permits 11308 and 11310 for continuing operation of the Cachuma Project. The 371 page order reflects terms for continuing operations by USBR, conditions for protection of downstream water rights and public trust resources, and conditions for water supply. The comment period ends on April 29, 2019 at noon. On April 5, 2019, a joint letter from CCRB, SYRWCD, ID#1 and City of Lompoc was sent to the SWB requesting a 45-day extension given the complexity and content of the order. The extension request by the local interests was supported by USBR.

The Extension was approved by the SWRCB and comments are due in June. ID No.1, USBR and CCRB submitted comments to the SWRCB on the draft order.

The State Water Board provided notification that it would return to closed session on July 16, 2019 to discuss the pending draft order.

A new date was set for a closed session hearing by the SWB of August 20, 2019.

The SWRCB scheduled a hearing on September 17, 2019 to certify the EIR and adopt the Water Rights Order for continuing operation and maintenance of the Cachuma project under permits 11308 and 11310. This order has significant consequences on the Cachuma Project water supply by the need for protection of the public resources (fisheries) and further protects the downstream water rights. The US Bureau of Reclamation will also be required to study fish passage and the effects of diversions on the fisheries among many other plans and studies required by the SWRCB.

CA-5. National Marine Fisheries Service – 2000 Biological Opinion issued to USBR for the Continuing Operations of the Cachuma Project and Section 7 Re-Consultation

The 2000 Biological Opinion (BiOp) issued by NMFS requires USBR to comply with the terms and conditions (T&C's) and reasonable and prudent measures (RPM's) to avoid a take condition of the listed Steelhead/rainbow trout which allows for the continuing operations of the Cachuma Project for water supply purposes. The Cachuma Project Member Units are carrying out those requirements out on behalf of the USBR.

Under the 2001 MOU, CCRB representing the four south coast Member Units, and ID No.1 have jointly funded and conducted the studies, projects and monitoring requirements as defined in the T&C's and RPM's.

Two passage barrier removal projects have now received full and partial grant funding; Quiota Creek crossings #2 and #7 respectively. Although #2 was not the responsibility of the Member Units, (it is identified in the EIR as a Santa Barbara County Project), both projects may be needed to comply with the BiOp and avoid additional measures that may include additional water releases from Member Unit water supply for fish downstream of Bradbury Dam. The combined cost of these two bridge projects are estimated at \$1.8 million.

The Quiota Creek Crossings #2 was completed in 2011 within the contract time. A complete accounting will be provided. Crossing #7 funding is pending approval by the granting agencies. COMB included this crossing in the 2012-2013 Budget and the majority of the Board approved entering into a sole source contract with Lapidus Construction to build crossing #7.

Construction on crossing #7 is complete and a report from COMB regarding the budget will be forthcoming. Grant funding for Crossing #0 is being processed.

During the week of February 25th - 28th, USBR Staff Nick Zaninovich and Doug Deflitch were conducting Routine Operation & Maintenance Inspection of the Cachuma Project facilities. This is a routine inspection according to the SOP protocols. On Thursday February 28th, they visited the USBR owned and operated Hilton Creek watering system siphon/pump barge in order to perform maintenance on the pumps. After "testing the apparatus" on February 28, in the early hours of March 1st, an "incident" occurred and the Hilton Creek watering system lost the ability to siphon water from the lake, flows stopped at both the upper and lower release valves, and there was no water in Hilton Creek. The COMB Biology Staff (CBS) was notified by the USBR Dam Tender at approximately 10am and immediately went to Hilton Creek to rescue fish. NMFS was also notified by USBR of the situation and the fish mortality. At 12:30pm on March 1st, the pumps were activated and the water started flowing again.

CBS is documenting the situation with an incident report which will be submitted to the USBR. The USBR is currently working on an incident report. The system is currently using the pumps for pressurized releases at a higher rate of 8 cfs (16AFD) rather than 6 cfs (12 AFD) as the required target flows. USBR is attempting to install a temporary delivery system so that the Hilton Creek watering system can be assessed. The apparent USBR operator error or system infrastructure failure will be confirmed in a report.

A report was filed by USBR on March 13, 2013 regarding the Hilton Creek water system failure.

A regional power outage on June 24, 2013 created another HCWS failure to deliver flows into the creek habitat. Because the HCWS was operating on power only and not in siphon mode, the system was down for several hours from 11:30 pm to 4:45 am according to USBR. Additional fish losses occurred and NMFS

was notified. USBR has been working internally to develop a reliable and redundant HCWS. No definitive plans have been presented. Costs are reason that a backup system (Rain for Rent) was not put into place.

Currently, the system is functioning on a static level delivery flow of 7.7 cfs with no plans discussed with the MU's on the remedies to vary the flow rates or the system.

Hilton Creek water system continues to release 9.2 AFD or 4.6 cfs which is greater than the requirements in the 2000 BO. This water is "Project" contract water used as water supplies for the Cachuma Member Units. USBR has not yet remedied this problem because of funding issues.

Reclamation is investigating a redundant HCWS and repairs to the existing system with a time frame of a year or more.

On June 9, Michael Jackson of USBR reported to ID No.1 management that on the previous Thursday and Friday, USBR airlifted (using a helicopter) a replacement Hilton Creek pump onto the barge and now have both pumps repaired and operational. USBR staff will continue to monitor its system.

USBR installed a by-pass water line to the 10-inch outlet valve at the Control house for the purpose of supplying colder water to Hilton Creek. This installation may create constraints in the downstream water rights releases. USBR also compelled CCWA to install a by-pass and a high line over the radial gate sill to deliver SWP water into the lake rather than through the control house and intake works. The consequences of both actions have not yet been fully evaluated.

USBR has prepared a Draft BO on the focused consultation for the Drought Operations and Hilton Creek Watering System including the 30,000 AF Storage trigger in the reservoir thus reducing fish flows. The contents of the final Draft BO have not been made available, however, there are Parent District and ID No.1 concerns over any permanent connection at the outlet works to serve Hilton Creek affecting downstream and contract water delivery capabilities.

Negotiations are on-going with USBR regarding the 30,000 AF Storage triggering point for fish flows. The focused Draft BO for Drought operations and the reduced fish flows was withdrawn by USBR. No.1 and CCRB are meeting with USBR to present information to assist USBR in the consultation with NMFS related to lowering the fish flows to 1.0 AFD of 30 AF per month according to the 2000 BO. This is in comparison to the nearly 400 AF per month currently being released for fish into Hilton Creek.

ID No.1 jointly requested with CCRB that USBR modify and reduce fish releases into Hilton Creek to 30 Acre-feet per month in accordance with the 2000 BiOp. A joint letter was sent on July 15, 2014 and USBR subsequently requested additional information on the Cachuma Storage and hydrology. This joint information was forwarded on December 12, 2014. A request was made on January 5 as to the status of this action by USBR.

In accordance with the 2000 Biological Opinion, since the available water in storage is below the 30,000 AF trigger, USBR will consultant with NMFS to determine the outcome of the reduced fish flows to 1.0 AFD or 30 AF per month. No action has been taken to date and NMFS requested additional studies and analysis.

USBR submitted the additional information prepared jointly by USBR, CCRB, ID No.1, and CCRB as requested by NMFS for the Critical Drought Operations on June 10th and July 1st, 2015.

There is pending litigation, USBR v. Caltrout related to Hilton Creek and the Emergency Hilton Creek Pumping System. ID No.1 is an Intervener with the SYRWCD and CCRB with USBR in this case. The

plaintiffs claim is “take” of the Endangered Steelhead/rainbow trout and temporary and permanent fixes to the HCEPS.

Settlement documents have been submitted by the USBR, the Intervening Parties and the Environmental Defense Center for CalTrout on September 23, 2015.

USBR successfully tested the Hilton Creek Emergency pumping System in late October to meet the conditions of the Settlement.

The parties to the USBR v. Caltrout settlement Agreement accepted the USBR the Hilton Creek Emergency Backup System as complete. As part Settlement conditions- Stipulation #2, the USBR called the parties to meet on January 27, 2016 to review and take comments on the “Hilton Creek Enhanced Gravity Flow System” (HCEGFS) and proposed connection to the penstock. ID1 representatives Walsh and Dahlstrom provided testimony to USBR as well as the SYRWCD General Manager. Cal Trout and CCRB also provided input. Dale Francisco, a member of the public attended the meeting that was meant only for those parties to the litigation and Settlement Agreement. ID1 submitted its issues with this situation to USBR. This was neither a Brown Act meeting nor a public meeting.

USBR has not yet responded to comments regarding the HCEGFS.

With the Cachuma Project water available to the Member Units being less than 7,000 AF, on April 6, 2016 ID1 requested that USBR convene an AMC meeting to consider changes in passage, maintenance, rearing and critical dry year water for fish downstream of Bradbury Dam. ID1 requested that USBR lead this meeting to propose to NMFS that it allow the reduction of flows to 1 Acre Foot per day in accordance with the 2000 BO. It was suggested that this meeting is urgent given the lake levels and available water supply for human consumption.

Two AMC meetings meeting were conducted on April 29, 2016 and again on May 3, 2016 to discuss the reduction of fish flows, the emergency Hilton Creek pumping system, and fish rescue. NMFS and USBR are negotiating possible solutions. However, fish relocation will require a NMFS 135-day process at which time water will be unavailable.

Several AMC conference calls have occurred in May and June to determine the best means to sustain the existing population of trout in Hilton Creek. No final decision has been made to relocate fish except to consider trucking water to the creek as a temporary fix. An action will be needed prior and following to the downstream water rights releases.

The latest decision by NMFS and USBR following the July AMC meeting was to have water trucks available to fill tanks for making temporary releases into the lower release point of Hilton Creek as the downstream water rights releases commence and after the releases are terminated. Once those releases start from the outlet works, pressure to the Hilton Creek piping will cease and therefore no water would be delivered. Monitoring of the 57 trout in the Creek will continue.

Hilton Creek is being watered at the lower release point from trucked water into a set of tanks. Water comes from a source at outlet works. NMFS has not approved the trapping and relocation of those remaining Rainbow trout to a facility capable of ensuring survival.

Water to the lower release point of Hilton creek is provided from a pump system in the Stilling Basin. The water is essentially being recirculated with no refreshing releases anticipated from the outlet works. USBR is the lead on this project.

With the elevation of the lake now at 712', USBR will be testing the Hilton Creek pump barge in March in anticipation of NMFS mandating fish flow resume to Hilton Creek beginning in April. Flows will be subject to the criteria in the 2000 BO.

USBR tested the Hilton Creek pump barge on April 7 and resulted in a failure mode which requires the continued use of the HCEBS at the outlet works to continue to gravity force water to the lower release point in Hilton Creek. No time or a cost estimate is forecast for repairs by USBR. As a result, CCWA was forced to re-install the bypass pipeline up the spillway and through Gate #4 rather than connect to the penstock at the outlet works control house as has been done over the past 25 years. CCWA deliveries of SWP water to the south coast will be through this temporary bypass.

CCWA was directed by USBR to cease delivery operations through the Bradbury Dam penstock by March 23, 2017. On April 14, 2017, the CCWA bypass pipeline was re-installed based on modifications and approval by USBR which allows CCWA deliveries of SWP water to resume. CCWA south coast agencies paid for the re-installation.

As of March 2018, CCWA deliveries to the lake were shut down from March 21 to March 27. Typical daily deliveries were 40 AF.

For the month of April, 2018, releases for fish at 4.48 AFD are made through the HCEBS and through the outlet works.

Fish releases continue through the HCEBS and outlet works. As of August 6, 2018 the downstream water rights account for fish release throughout the duration of the ANA/BNA release period.

The Downstream water rights releases were curtailed on September 12, 2018. Fish releases from Project Water into Hilton Creek resumed at a rate of 8.01AFD.

USBR made steelhead passage water releases the beginning on February 6, 2019 with the flow conditions in the Santa Ynez River and in accordance with the 2000 BO. Those releases are subject to an agreed upon schedule between USBR and NMFS and that come from the fish passage account of 3,551 AF. The starting flow rate is 60 CFS and then ramping down incrementally.

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On February 9, 2011, USBR submitted completed the documentation supporting compliance (Compliance Report) to NMFS with the requirements pursuant to the September 11, 2000 Biological Opinion. The binder contains responses and actions that address the 15 RPM's and associated Terms and Conditions. USBR staff recently requested the status of the 2008, 2009 and 2010 annual monitoring report, including trend analysis for 2005-2008 (Term & Condition 11-1) that was not contained in the Compliance Report. CCRB, ID No.1 and Parent District will review the update of the 2008 report within the next week for submittal to USBR. The 2009 and presumably 2010 reports are work in-progress being prepared by the joint biology staff.

The 2008 Annual Monitoring Report and Trend Analysis for 2005-2008 for the Biological Opinion for the Operation and Maintenance of the Cachuma Project on the Santa Ynez River was reviewed by ID No.1, Parent District and CCRB then finalized for submittal to USBR on June 22, 2011. On June 23, USBR submitted the document to the NMFS and will be incorporated into the USBR Compliance Binder.

The 2009 Annual Monitoring Report and Trend Analysis were made available in draft form for review by ID No.1, Parent District and CCRB on July 7. ID No.1 provided comments which were incorporated into the final document. The Report was reviewed by a COMB Fisheries Committee which provided comment

on the Report. Although COMB and this committee is not part of the fisheries review process and/or on the Adaptive Management Committee (AMC) as defined in and as part of the 1994 or 2001 Fisheries MOU's with Reclamation and others, these comments were provided to COMB biology staff. Comments on the Report have not yet been circulated by the biology staff to the AMC or other agencies part of the Fisheries process to consider.

On October 27, the Biology Staff forwarded the revised Executive Summary of the 2009 Annual Monitoring Report and Trend Analysis for final review by CCRB, SYRWCD and ID No.1 along with their respective consultants. Comments specific to the text for funding sources and preparation of the document were provided by ID No.1. As of this date, the 2009 Report has not yet been sent to Reclamation.

NMFS issued a letter to USBR indicating delinquent monitoring reports; 2009, 2010 and 2011 as well as the RPM 6 related to the monitoring of 89-18 water rights releases. COMB was named in this letter for not having submitted the 2009 report by the August 24, 2011 due date. A response was requested of USBR.

On March 9, 2012, USBR submitted to the NMFS the 2009 Annual Monitoring Report and Trend Analysis for the Biological Opinion for the Cachuma Project. This document complies with RPM 11, T&C 11.1 of NMFS's Biological Opinion. The 2010 report is the next report for submittal. This document was prepared by USBR, the staff and consultants of the Cachuma Project member units.

USBR submitted to the NMFS the report for monitoring fish movement during water rights releases during a three year period. This document complies with RPM 6, T&C 1) A&B of NMFS's Biological Opinion.

Annual Monitoring Report 2010 was submitted to USBR in February 2013.

A draft 2011 Annual Monitoring report was recently made available on June 7 by the Cachuma Project Biology Staff with a due date of June 11 for review and comment. Given the demand for review and preparation of the Draft BA by June 28, this time is being reconsidered.

USBR submitted a June 3, 2013 letter to NMFS regarding the 2000 BO RPM 6 (downstream water rights releases) Study Plan. According to the SCCAO Area Manager, this plan for monitoring during water rights releases was produced by USBR and the Cachuma Project Biology Staff (COMB). In a conference call on July 1, 2013 between the downstream parties only and USBR (Michael Jackson, SCCAO Manager et. al.) a significant issue has been created with this action and the associated "Study Plan" because of the disregard of Reclamation to engage, consult or allow review of this action by the SYRWCD or any downstream interest that involves this water right release. According to Michael Jackson's explanation, this plan was worked on by Ned Gruenhagen of USBR and the "Cachuma Project Biologist", Tim Robinson of COMB. The significant issue herein lies with the lack of communication and involvement of the SYRWCD and downstream water rights interests, and with the additional conditions in this June 3 Study Plan (e.g. warm-water predator fish data and water quality analysis) that are not required in the 2000 BO.

The language in this study plan admits that these items are not a requirement (second to last paragraph on page 2). As a Cachuma Member Unit and as a downstream water right holder, COMB's action (understanding from USBR of the Cachuma Project Biology Staff's involvement) to engage in any activity beyond that of the 2000 BO is not allowable. In this circumstance, the Study Plan has created additional level of effort and provides that the CPBS of COMB will be conducting and immediately carrying out of these activities which are beyond the 2000 BO requirements; and, COMB becoming directly involved in water rights matters, thus violating the COMB JPA related to 1.3.h.i – "a matter involving water rights of any party".

The downstream parties were not apprised of the preparation of the Study Plan nor included in its development and unaware of this letter. Legal Counsel from the SYRWCD and ID No.1 are involved.

Conflicting information and inconsistencies related to the content of the draft 2011 Annual Monitoring report have caused USBR to hold the submittal.

The 2011 Monitoring report was modified by USBR and released in March.

The EDC has filed a 60-day notice of intent to sue USBR citing violation of the 2000 BO and the ESA because of the Hilton creek pump problems and referencing COMB's April 14, 2014 letter. According to Michael Jackson, the USBR Solicitor will be responding to both EDC and COMB.

USBR has responded to COMB and a rebuttal from COMB to USBR. Additionally, COMB's CPBS has completed a draft of RPM-6 related to water rights without the involvement of the SYRWCD or ID No.1 as a downstream user and as participants on the AMC. This has caused significant issues and COMB has engaged in water rights activities outside the scope of its authority.

USBR awarded the contract for Hilton Creek Emergency Backup System (HCEBS) to Sansone Company in the amount of \$659,993 and to be constructed by December 3, 2014. This is a reimbursable cost to USBR by the Cachuma Member Units.

EDC has filed a lawsuit against USBR related to the Hilton Creek Watering System interruptions and violation of the ESA and the 2000 BO terms and conditions.

The Annual Fish Monitoring Report for 2012 has not yet prepared nor released. COMB staff compiles the information for finalization by USBR.

An internal draft of the 2012 Annual Fish Monitoring Report was circulated to the consultant biologists of ID No.1 and CCRB as well as to the SYRWCD for comment. CCRB and ID No.1 will receive the draft prior to submittal to USBR. COMB biology staff prepared this document on behalf of ID No.1 and CCRB for Reclamation's compliance requirements in the 2000 BO. The document has not been sent to ID No.1 as of this date.

With the Water Rights releases beginning on August 3, 2015, COMB staff set up temperature and fish traps to capture predator fish and monitor rainbow trout. ID No.1 and SYRWCD staff is monitoring COMB activities as these procedures were not reviewed by the JDCA or 2001 MOU parties.

ID1 staff has prepared comments draft of the 2012 Annual Fish Monitoring Report ("AMR") which are due by September 15, 2015. COMB sent a PDF of the 2012 AMR to USBR on October 2, 2015. District management forwarded to USBR on October 5, 2015 a redline Word version to assure comments by District management, staff, and its consultants were incorporated in the AMR.

COMB staff has prepared a 2013 draft AMR for USBR which was reviewed by Chuck Hanson, ID1's fisheries expert. ID1 is a member of the AMC and is supposed to approve or consent to the AMR's being forwarded to Reclamation for submittal to NMFS. COMB has not abided by that process. It is unknown if COMB has forwarded the document.

As of March 2018, ID1 has not received notification from COMB that the AMR's from years 2014 to present have been prepared or submitted to USBR (this is the responsibility of ID1 and CCRB under the 2001 MOU to conduct and prepare these studies).

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USBR, ID No.1 and CCRB legal counsel and management have scheduled a meeting at the SCCAO in Fresno to open begin applicant status discussion for the Section 7 Re-Consultation process. This meeting

on June 2, 2011 is the first of a regular series of anticipated monthly meetings with USBR over the next year.

On June 23, 2011, USBR submitted to NMFS a revised Draft Outline for the Biological Assessment (“BA”) as part of the Cachuma Project Section 7 Re-Consultation. The first set of comments on Reclamation’s BA outline (that was to be presented to NMFS on June 23, 2011), was discussed and submitted to Reclamation based on a joint action by the ID No.1, Parent District and CCRB (JDCA agencies) managers, attorneys (two attorneys for CCRB) and consultants. Keeping in mind that Reclamation provided the outline on June 22nd at 3:41 pm, it was requested that the JDCA agencies provide their comments back to Reclamation prior to a 3:00 pm deadline on June 23, 2011. Reclamation revised its outline only incorporating some of the comments provided by ID No.1, CCRB and the Parent District which was sent to NMFS.

This was the first formal interaction with between the three JDCA agencies and USBR in the re-consultation process and it was the consensus of the JDCA agencies that USBR could have been more engaging and cooperative in this first round of re-consultation. It was the hope that Reclamation will be more amenable to our involvement. It is expected that the JDCA agencies will continue to implement and follow through with the cooperative process through the Reclamation/NMFS re-consultation and BO development.

A conference call took place on July 7 between representatives of USBR, ID No.1, Parent District and CCRB to receive an update from USBR regarding the draft outline for the Biological Assessment (“BA”). USBR considers the outline a skeleton as a starting point in the preparation of the BA and has now confirmed that the ID No.1, Parent District and CCRB will be significantly involved in working with USBR in the preparation of that document. The next meeting is scheduled for August 15th with NMFS to continue to formulate the draft BA outline and to review the BO Compliance Binder materials.

A re-consultation meeting between the NMFS, USBR and the Cachuma Advocacy group (ID No.1, CCRB and the Parent District) took place on August 22, 2011 to discuss the expanded outline and the 2000 BO Compliance Binder. NMFS staff expects a “new” Biological Assessment to include a revised baseline with the creek passage barrier projects. They acknowledged the Quiota Creek enhancements and other tributary projects that are not in the 2000 BO as voluntary. USBR, ID No.1, Parent District and CCRB will work together to develop the BA. Because of time constraints, the Compliance Binder review will take place during another meeting; which has not yet been scheduled.

A re-consultation coordination model was developed to organize the local participants (Parent District, ID No.1 and CCRB) in the Section 7 process with Reclamation and provide a procedure to effectively communicate and make decisions among the parties. The model also provides a communication tree among the agencies including Reclamation and the consultants.

Regular conference calls between the Parent District, ID No.1 and CCRB with consultants have occurred over the past month and during the preparation of the BA draft project description annotated outline. The core group will be attending a meeting with Reclamation on October 18th in Fresno to refine the annotated outline.

The meeting on October 18th included Reclamation staff, CCRB and SYRWCD representatives, and ID No.1’s special legal counsel. There was a review of the expanded and annotated Project Description outline for the Biological Assessment (BA). Reclamation will be providing technical and general comments to the document. Reclamation will also work with the three parties to establish a schedule for the preparation of the BA.

A conference call is schedule with Reclamation, ID No.1, Parent District and CCRB on January 13 to discuss “take” information and report recently released and submitted by COMB directly to NMFS.

A meeting was held on November 17 with the NMFS to discuss the Southern Steelhead Recovery Plan. NMFS representatives Penny Ruvelas, Mark Cappelli and staff presented to ID No.1, SYRWCD, and CCRB the plan elements that are non-regulatory but used as guidelines for recovery of the Southern Steelhead in the Santa Ynez River. Although not formally released, a point by point explanation of the elements, including flow regimes, habitat improvements, ground water monitoring, Bradbury Dam upstream tributaries and passage barrier mitigations, and target populations.

The Recovery Plan was released at the beginning of January 2012 with recovery costs for 8 creek and river systems, primarily the Santa Ynez River of \$389 million.

A schedule for the development of the Biological Assessment was jointly prepared ID1, CCRB and USBR to submit to the NMFS.

In June, the NMFS requested RFP's soliciting consultants to conduct flow, habitat and hydrologic studies in lower reach of the SY River below Bradbury Dam. The way in which that is being done is not compatible with the obligation NMFS has to "cooperate" with State and Local agencies to resolve water resource issues "in concert with" the conservation of endangered species. (ESA Section 2(c)(2)). This issue is being raised before the United States District Court in Santa Ana in the case of *Bear Valley Mutual Water Company et.al. v. Fish and Wildlife Service*. A ruling may occur before the Cachuma re-consultation is well advanced.

IDNo.1, the Parent District and CCRB are coordinating with USBR in the continuing development of the BA process and revising the schedule based on the recent actions of NMFS. USBR forwarded to NMFS on July 20, 2012 the revised annotated outline and schedule for the preparation of the Biological Assessment.

The NMFS is pursuing recovery as part of the future BO and through the Tri-County Fish Team (meeting on July 31) NMFS is soliciting input on priority projects from participants using the Threats-By-Watershed table which came out of the Southern Steelhead Recovery Plan. NMFS is formulating a Strategic Approach for implementing recovery in the Santa Ynez River. Caltrout has replaced Nikka Knight with Kurt Zimmerman, an attorney as its lead representative for the Santa Ynez and Ventura Watersheds. Caltrout is establishing an office in Ventura.

In a letter from the NMFS to Reclamation on October 22, 2012, Reclamation received a response to the July 20th submittal that only addressed the Draft BA schedule; rejecting the June 30, 2012 submittal date. The revised NMFS date of delivery for a Draft BA as determined by NMFS is January 1, 2013, along with NMFS's denial to provide the new scientific data and reports it conducted. USBR and the collaborating agencies decided that the NMFS delivery date was impractical and proposed the submittal of the Draft BA by May 30, 2013.

A significant work effort is being made by ID No.1, CCRB and the Parent District consultants and staff to develop and prepare sections of the BA for review by Reclamation. Many studies are being conducted which will be incorporated in the BA. A cost sharing agreement for legal resources between CCRB (88.42%) and ID No.1 (11.58%) was executed in mid-December. This agreement was ratified by the CCRB parties following the CCRB meeting. Since early December, Greg Wilkinson is looked to and directed in preparing certain tasks, reviewing all elements for the record, and to marshal this BA effort.

USBR has confirmed its need to have the Draft BA even though its review and comment time frame has not met the deadlines. The Draft BA is to be submitted on June 28 to USBR staff.

A limited number of the Draft BA chapters are being revised and re-written based on discussions with advocacy parties. USBR is aware of the revisions with a deadline for submittal of all chapters on August 23, 2013.

The USBR Area Manager has determined that USBR will complete the Draft BA for submittal to NMFS by Mid-October 2013. The USBR decision was based on a demand letter from CCRB indicating it will not deliver the remaining chapters to USBR until December 20, 2013.

On October 2, CCRB Board gave its approval to the Entrix to release chapters 4, 5, 6, 11 and the executive summary to USBR. The District provided comments on all chapters of the Draft BA and submitted additional information to USBR on October 8, 2013.

USBR is planning to submit the Draft BA to NMFS by mid-November 2013. USBR is no longer participating on the monthly calls due to conflicts.

Kate Rees, CCRB manager announced her retirement on January 31, 2014.

On November 21, 2013 USBR submitted the draft BA to NMFS. In a meeting between USBR and the downstream interests, including the SYRWCD and ID No.1 representatives only on November 25, 2013, USBR confirmed incorporating the most recent comments submitted by the downstream interests and other comments submitted by the south coast. USBR did make modifications. A copy of the draft BA will be forwarded by USBR to the District.

NMFS responded USBR on April 8, 2014 indicating the sufficiency of the draft BA with several additional data requirements as part of “consultation” including a discrepancy in the South Coast Member Units operational yield versus apparent over-diversion of water deliveries to the south coast with the issue of the absence of reductions in deliveries at 100,000 AF. Other data needs include south coast stream crossings and the inter-related south coast water conveyance systems. USBR responded on May 27, 2014 acknowledging the data requests and to work with NMFS and providing a Consultation schedule with at Final BO on April 15, 2015.

At a meeting held in August with Reclamation management, it was made clear that the Section 7 consultation will be between the two Federal agencies – USBR and MNFS. The Applicant Status requested jointly by CCRB, ID No.1 was denied by USBR but collaboration will be considered.

A meeting with USBR and ID1, SYRWCD and CCRB was held on October 27 at the SCCAO in Fresno to discuss the outlet works and the temporary and permanent plans, the Drought Operations Draft BA and the relationships between the agencies in the Cachuma Project. There was indication that NMFS will likely release a Draft Biological Opinion in January 2015. This is well ahead of the planned timing in mid-spring.

USBR met with NMFS on November 20, 2014 as part of the formal re-consultation. A follow up meeting between USBR, ID No.1, SYRWCD, and CCRB is scheduled for December 9, 2014.

On December 18, 2014, USBR formally requested an extension of 120 days for the consultation as a result of the December 9, 2014 meeting with NMFS. The purpose is to allow time provide NMFS with additional information as requested in their April 8, August 4, and September 30, 2014 letters. The NMFS Draft Biological Opinion is expected to be issued to USBR around May 30, 2015.

NMFS has requested USBR provide additional analysis and evaluation of the flow and habitat conditions downstream of Bradbury Dam among other informational requests related to migrant trapping data.

CCRB and Cal Strategies met with USBR on Tuesday May 5, 2015 unilaterally requested inserting the passage barrier removal projects on the tributaries (Quiota Creek) along the Santa Ynez River below Bradbury Dam into the Draft 2015 BO. Statements of “Assurances” were made by CCRB working with COMB to implement passage barrier removal in the SY River watershed and on the South Coast tributaries.

Neither ID No.1 nor the Parent District was aware of the meeting or the discussion and decision by CCRB. ID No.1 will be contacting USBR. This issue has not been resolved.

Following a response letter to CCRB related to the above meeting with USBR and memorandum related to tributary commitments in the future, several calls and meetings have occurred between the JDCA parties to resolve issues.

There is information that a draft Biological Opinion may be released by NMFS in October 2015.

The Trush report prepared by Humboldt State University River Institute for Steelhead migration in the Santa Ynez River that may be included in the draft BO by NMFS is being peer reviewed by ID1 and now CCRB expert consultants.

According to a COMB report at the meeting on March 7, the 2012 monitoring report was submitted to USBR and the 2013 draft report is being prepared by COMB biology staff. The reports have not been distributed to CCRB or ID No.1 responsible for these activities under the 2001 MOU.

On April 5, 2016, ID1 received a link to the Draft Annual Monitoring Plan from Entrix rather than from COMB. ID1 staff requested that COMB send all correspondence related to fisheries documentation directly to ID1 management. COMB staff requested comments by April 20, 2014.

ID No.1 and the SYRWCD in conjunction with CCRB submitted comments on the HSU Trush report on July 21, 2016 to Reclamation and the NMFS for incorporation into the administrative record.

According to the NMFS comment letter dated December 8, 2016 to the State Water Resources Control Board regarding its release of the 2016 Draft Water Right Order, "NMFS is in the process of reviewing and discussing the draft 2016 biological opinion with BOR". It is likely that a draft BO, which is expected to be a "Jeopardy" opinion, will contain greater flows, have passage requirements as indicated by NMFS in the past, and recovery plan elements and terms imbedded including significantly higher flows for fish releases, fish passage around Bradbury Dam and return, and other protections for recovery of the listed steelhead. NMFS indicated in its comment letter to the SWRCB to incorporate the 2016 BO, thus the issuance is expected in the very near term.

ID No.1 management and Special Legal Counsel continue to monitor and are prepared to comment once the Public Draft is issued. ID No.1 was denied "applicant status" by USBR as a contracting party to Cachuma Project that had federal recognition. Therefore, comments on the Public Draft BO will be submitted to NMFS. The County was also recently denied "applicant status".

No further information has been available on the timing of a Public Draft BO issuance.

Pursuant to a letter from NMFS to USBR on June 15, 2018, the Section 7 Re-consultation was terminated for the November 28, 2016 draft Biological Opinion and existing proposed action. The new proposed action will be the basis of a new formal consultation under the ESA. On August 1, 2018, USBR submitted its revised draft proposed action to NMFS for review. A meeting is scheduled between USBR, NMFS and the JDCA group.

A meeting between USBR, NMFS, CCRB, ID No.1 and the SYRWCD is scheduled for October 16, 2018 at the NOAA offices in Long Beach.

USBR has set the date for submittal of a new Biological Assessment to NMFS of March 1, 2019. CCRB, ID1 and SYRWCD with USBR staff will be preparing various document elements. The BA will be based on the USBR's revised Proposed Action.

A revised date has been provided for submittal of the new BA; mid-June 2019. USBR agreed to a further extension of time to prepare additional and supportive information for a new BA; the first week of August in the new milestone.

USBR extended the time for submittal of a draft BA to August 29, 2019. **USBR expects to submit a Draft BA to NMFS by mid-September 2019.**

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CA-6. Cachuma Project - Water Supply and Water Service Contract

The water delivery order for WY 2014-15 has been submitted to USBR with a 55% reduction in entitlement deliveries beginning October 1, 2014. With the DWR Table "A" allocation at 20%, plus SWP water purchased through the SWPP by south coast member along with prior year carryover, the amounts should suffice to meet all exchange requirements in WY 2015. However, Goleta Water District has taken delivery of its SWP allocation and therefore the South Coast parties cannot effectuate the terms of the Exchange Agreement. This is being reviewed by the District's Special Legal Counsel BB&K for a recommendation of appropriate action.

A meeting is being called by CCWA to reconcile how to allocate the Santa Ynez Exchange water among the South Coast remaining agencies pursuant to the Exchange Agreement. The allocation methodology in the Exchange Agreement does not address a south coast party opting out with actual procedures. A call with all the parties to the Exchange Agreement is expected in June to outline the issues and then develop an allocation methodology, if possible within the terms and conditions of the Exchange Agreement.

The Exchange Agreement terms have not yet been reconciled between the parties and a meeting is scheduled on July 15th to discuss the South Coast Exchange water deficiencies.

The Exchange Agreement is being effectuated by the City of Santa Barbara, Montecito Water District and to certain level, Carpinteria Valley Water District with each of their SWP allocations, carryover and purchased water. ID No.1 remains whole at this time even with Goleta Water District not in the exchange due to its decision to move its entire SWP allocation to Cachuma without exchanging with IDNo.1 in accordance with the Agreement.

As of September 4, 2015, ID No.1 transferred its 2013-2014 Cachuma Project Carryover water to Montecito Water District that was to be exchanged in 2014-2015 and 2015-2016 with the participating parties. ID No.1's 750 AF of Carryover water was subject to evaporation losses of up to 65 AF per month and 25 AF per month for fish releases to Hilton Creek. In return, the District received \$1,015 per acre foot of water transferred. There is approximately 50 AF of Carryover water remaining for direct delivery to the SB County Park that is served by ID No.1.

USBR announced that will be zero (0) allocation of Project water to the Cachuma Member Units as of October 1, 2015 for the next water year.

USBR is considering the status and definition of use for the 12,000 AF water in the minimum pool. USBR staff also provided a minimum level of 604.50' which is the lowest point in the lake above the inlet sill to the penstock at elevation 600.00'.

USBR continues to allocate zero water for 2016. In addition, water accruing from the Tecolote Tunnel Yield is not being allocated but used to offset a portion of the lake evaporation rather than deducted from Project Carry Over water per the Master Contract. However, Reclamation defined in its CEC released in

April 2016 that the minimum pool water shall not be available to divert through the south coast's Barge relocation nor will the WR 89-18 water and fish account water.

COMB relocated the barge that delivers water to the South Coast agencies prior to the downstream water rights releases began on July 12. The new location is adjacent to the County Park.

The inequities of the 2015/2016 "unallocated water" and "unaccounted for" water delivered to the South Coast CMU's remains an issue and have been contested by ID No.1. A response from USBR is pending. Following a meeting with USBR on September 6, 2016 when presented the inequities due to tunnel infiltration credits and unaccounted for water delivered to the south coast, those inequities continue to increase with this new water year. No formal resolution between ID1, USBR and the County Water Agency has been accomplished.

The Santa Barbara County Water Agency submitted to USBR the annual request for allocation from the Cachuma Project. This was historically done by COMB, however, SBCWA has taken back this role in accordance with the Master Contract. There was zero allocation issued by USBR starting on October 1, 2016.

USBR will institute an evaporation scenario, proposed by SB County, that both Project carryover water and SWP will evaporate proportional to the total lake volume. The theory being the Minimum Pool will evaporate at a given level anyway, and with some incremental storage in the lake will incrementally increase evaporate so should be accounted for as such. The member Units have stated that except for Goleta (~ 500 AF) and to a minimal extent City of SB, and furthermore to a much lesser extent ID1 (for the Park), will exhaust all the CCO by December 1, 2016. This is effective on January 1, 2017.

On March 17, 2017 the CMU managers and technical staff met with the County Water Agency staff to compare the independent water supply analysis prepared by each CMU and the County based on the "Available Project Water" and for supporting a mid-year allocation from USBR. Carpinteria Valley WD conducted extensive modeling based on a two year allocation outlook and differing percentages of a mid-year allocation and remaining balances, while considering most factors affecting the water supply in the lake. ID No.1, in conjunction with Stetson Engineers verified Carpinteria's model and also prepared ID No.1's modeling effort confirming all other sources of stored and produced water being considered. After deliberation with the County and between the CMU's, it was determined that a mid-year allocation be requested of USBR in the amount of 40% or 10,285.6 AF of the annual 25,714 AF operational yield. Each CMU would receive its prorated share of the mid-year allocation in accordance with the Master Contract.

USBR approved a 40% mid-year allocation adjustment on April 7, 2017 based on available Project water in storage with concurrence by the Cachuma Member Units. ID1 took its first delivery of its share 1,060 AF of Cachuma Project water. A formal letter will authorize deliveries for the remainder of this year and next year's allocation of 40%.

SB County Water Agency has requested the Cachuma Member Units provide an allocation for WY 2017/18 in order to submit to USBR in accordance with the Master Contract. The Water Agency reacquired its responsibility from COMB and is now acting on behalf of the Member Units. The allocation requests are tied to the capital component of the Project, which was paid off in 2015; however USBR is still requesting the allocations for accounting purposes. As previously agreed, USBR anticipates a 40% delivery next water year but there will be a statement in the request for a mid-year allocation modification should the rainfall season produce inflow. ID No.1's allocation request is due June 23, 2017.

ID No.1 submitted its 2017-2018 40% allocation request and reserving its right for an increased allocation with an increase in water in storage.

A formal resolution to the inequities is expected with the accounting for new water in Cachuma and as part of the allocation process. ID1 has a second letter to Reclamation prepared in part by Stetson Engineers to be sent late in the week of April 10, 2017.

On May 30, 2017, a formal letter to USBR from the District requested a reconciliation of water supply inequities that occurred from 2011 to 2017 associated with carryover evaporation charges, tunnel accretions, and un-accounted for water. ID1 requested that water be credited to its account. Neither USBR nor the County has responded.

A meeting was held with USBR and Santa Barbara County Water Agency on October 12, 2017 with no resolution.

ID#1 met with USBR Mid-Pacific Region and Area Office Directors and management on January 18, 2018 to discuss contract options. A follow up meeting with the Area Office staff is schedule for the end of February.

Management was recently informed by the SCCAO Manager that USBR staff met with SB County representatives on Monday, March 12, 2018 to discuss the 2020 contract. This meeting did not include any Cachuma Member Unit representatives. The latest conversation with the SB County Water Agency Manager Fray Crease, on Thursday March 8, she indicated that the County would not accept or consider any other contracting arrangement; only the current USBR and SB County Master Contract. ID No.1 has had several meetings with USBR in order to seek contract options. No final determination has been made by USBR.

Management is meeting with USBR Regional Director on May 9, 2018 to continue discussions of contracting options.

ID No.1 management met with the USBR Regional Director, two Deputy Directors and staff to continue to promote contracting option for the upcoming Water Service Contract in 2020. USBR will explore a contract assignment as well as a multi-party contract.

No response from USBR regarding contract options.

On September 10, 2018, the Cachuma Member Units were informed that a Basis of Negotiations with the inclusion of Section 4011 of the WIIN Act was forwarded by USBR SCCAO to the USBR Denver Service Center in June 2018. SB County Water Agency confirmed the inclusion but no notification was provided to the Cachuma Member Units. ID No.1 is still awaiting contracting options.

Santa Barbara County continues to cancel meetings with the Cachuma Member Units regarding the new contract terms and conditions updates and interactions with USBR.

No additional information has been made available from USBR or the Water Agency to the Member Units regarding the 2020 Water Service Contract. A Grand Jury inquiry is underway requesting information from ID1 regarding contract renewal.

The Grand Jury finalized its report on the Cachuma Project Contract which was circulated at the end of June to ID1 and Cachuma Member Units. **Response to the Report is due by September 25, 2019.**

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The Exchange Agreement between ID1 and the south coast Cachuma Member Units is dependent on two factors: 1) Cachuma Project water availability and allocation to ID1; and, 2) Sufficient and equal amount of South Coast SWP water to exchange with ID1. Because there is zero allocation of Cachuma Project water, the Exchange Agreement remains inactive. Once USBR determines a mid-year allocation, all ID No.1's Cachuma allocation will be exchanged for an equal amount of the south coast participants SWP water.

With the mid-year allocation in water year 2016-17, ID1 will have 1,060 AF of its Cachuma Project available supply to exchange from April 7, 2017 to September 30, 2017. The Exchange water will be balance with the first priority Article 21 water and the MetWD exchange.

Currently, the Cachuma Exchange water is occurring with this year's 40% allocation and beginning on October 1st, the new water year, there will be 1,042 AF of water exchanged.

USBR issued its allocation on November 4, 2017 of a 40% delivery to the Member Units retroactive to October 1, 2017. A mid-year adjustment would be considered based on precipitation and runoff in the lake.

With a 20% delivery allocation from the SWP and the reduced allocation from USBR, the South Coast will have enough SWP to effectuate the Exchange Agreement this year. Should the SWP allocation be reduced as was anticipated to 10%, this would cause an exchange shortage.

With 35% SWP allocation the south coast will have enough SWP water to exchange 532 AF of ID No.1's Cachuma project allocation this water year.

The SWP/Cachuma exchange is expected to begin in April 2019 with the 70% SWP allocation and 100% delivery of Cachuma Project Water.

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Contract Number I75r-1802R (Master Contract) expires in 2020 for water service to the Cachuma Member Units (CMU's). The County Water initiated discussions with USBR on November 18, 2016 regarding the process and protocols for negotiations of a new water service contract. The Water Agency has been coordinating with the CMU's over the past month and prepared a "charter" or guideline paper for the formation of Steering Committee that will work on activities related to the negotiation process along with the terms and conditions of such water service contract. The Water Agency requested input from the CMU's. Upcoming meetings are scheduled over the next few months.

The Water Agency will bring its charter to begin the contracting process and provide a report to the Board of Directors of the SBWFC&WCD on May 2, 2017. At this time, none of the CMU's concur with the contracting arrangement.

At the May 2 County Board of Directors meeting to approve and authorize the Chair to sign a letter to the United States Bureau of Reclamation to request renewal of the Water Service Contract for the Cachuma Project and initiate negotiations with the United States Bureau of Reclamation, there were comments provided by ID1, the City of Santa Barbara and Carpinteria Valley WD opposing this action until such time to allow to explore contract options and engage all the Cachuma Member Units in this process. As stated by the County, this is a process between County and the USBR but the County will allow one representative of the CMU's to attend meetings between USBR and the County only. Director Hartmann indicted that the County's purpose in renegotiating this contract is to protect the downstream interests, the environment, and public trust resources. Other discussion related to the County's role in water supply. The north County Directors did not care about this action. The letter and action was approved 5-0.

The County is now scheduling “private” meetings with USBR beginning in May and June and to initiate negotiations. The CMU’s are not included until the public meetings are scheduled.

Meetings are now being organized by the Member Unit managers regarding the County’s action and its process.

No technical sessions or negotiation meetings with Reclamation or the County are schedule as of this date.

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USBR will be conducting its 5-year inspection of water records and compliance with the Master and Member Unit Contracts. USBR representatives from the Regional office, South Central California Area Office and Denver Services will be at ID No.1 on September 19, 2012. USBR has transferred water conservation division to the Mid-Pacific region. District staff will be meeting with MP region staff to discuss conservation plans and exemptions applicable to the District. USBR provided a draft CCR checklist on November 8, 2012 indicating that ID No.1 complies with all elements of the Master Contract.

USBR solicitor has determined that in accordance with Master Contract and specifically under CVPIA criteria (although ID No.1 is not in the CVP), ID No.1 is required to prepare and submit to USBR a water conservation plan for its Project Water; 863 AF annually of M&I water and separately for 1,788 AF of Irrigation water. The District has other sources of local water supply (Uplands groundwater and licenses in the SY River) that are not under the jurisdiction of USBR and not within the Master Contract or CVPIA which are not reportable in a USBR water conservation plan.

The District is completing its updated and required draft water conservation plan and best management practices (BMP’s) for submittal to USBR. This will require revisions to incorporate the City of Solvang because the District’s boundaries for water service include the City’s residents.

The conservation plan update was submitted to Reclamation in March 2015.

USBR through the CUWCC is requesting further water conservation and BMP information within ID No.1’s service area.

USBR will be conducting its 5-year inspection of water records and compliance with the Master and Member Unit Contracts. USBR representatives from the Regional office, South Central California Area Office and Denver Services will be at ID No.1 on August 23 and 24, 2016. ID No.1 submitted comments and provided further information to USBR by September 6, 2016.

ID No.1 will be preparing and submitting the USBR required crop report update by the May 1, 2018 deadline.

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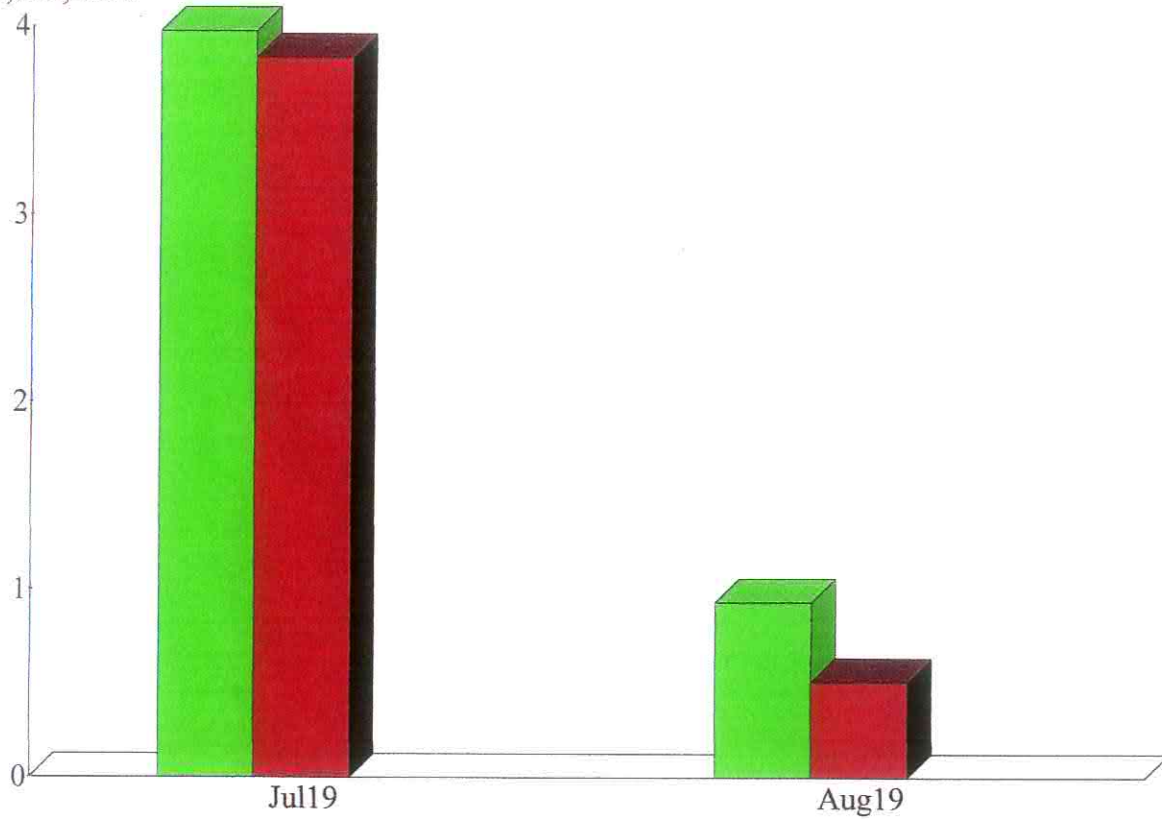
CA-7. Actions taken during emergency situation in New York/Washington DC on September 11, 2001

DHS has distributed the Terrorist Threat Reporting Guide for Critical Infrastructure. This is a joint guidance document distributed by Federal Homeland Security and FBI for Owners and Operators of critical infrastructure. **No advisories are in effect.**

Income and Expense by Month
July through August 2019

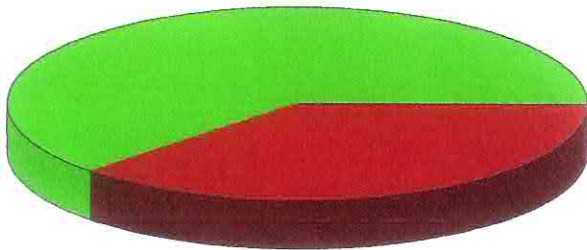
Income
Expense

\$ in 1,000,000's



Income Summary
July through August 2019

625000 · ASSESSMENTS, FEES & OTH	62.52%
600000 · SERVICE & SALES REVENUE	37.48
Total	\$4,911,735.32

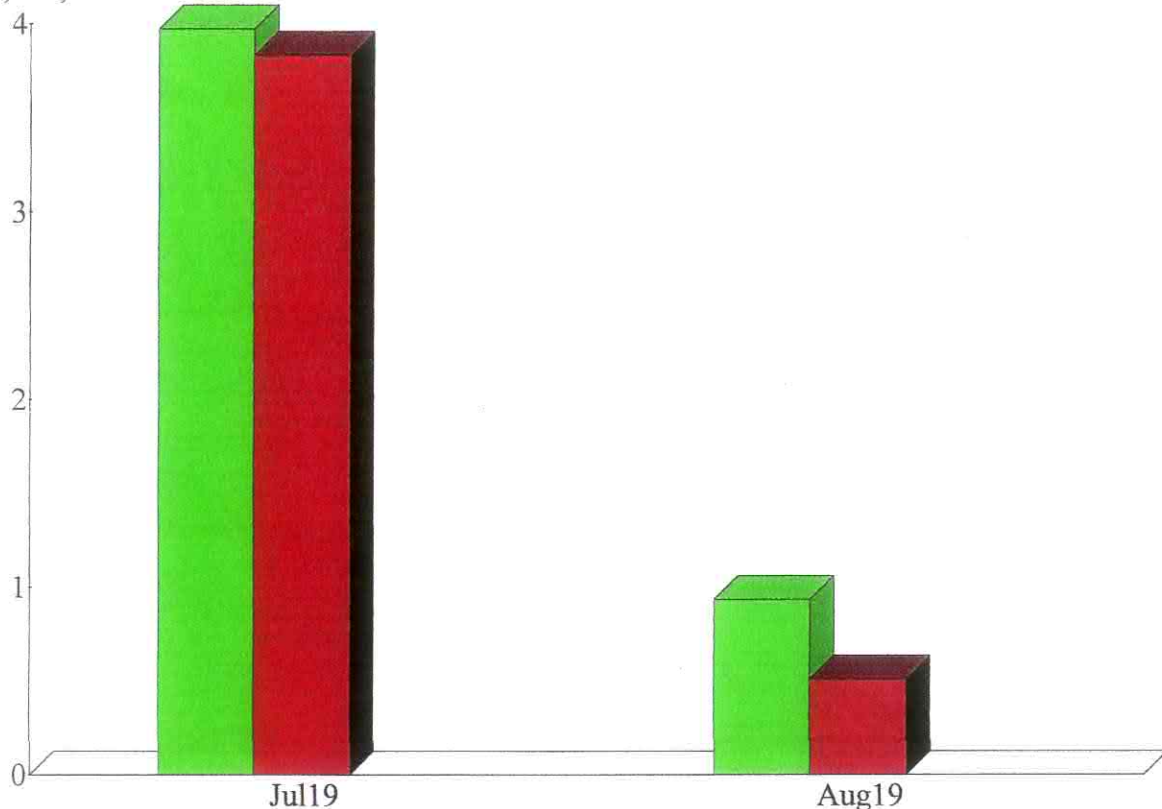


By Account

Income and Expense by Month
July through August 2019

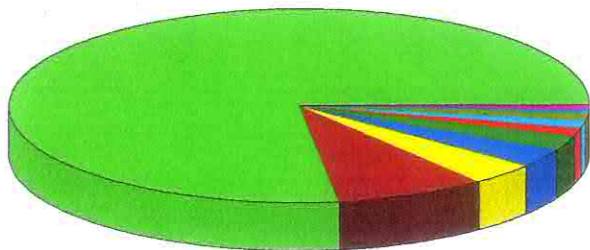
Income
Expense

\$ in 1,000,000's



Expense Summary
July through August 2019

702000	SOURCE OF SUPPLY EXPENSES	77.26%
770000	GENERAL & ADMIN EXPENSES	8.49
750000	TRANSMISSION & DIST. EXPENSES	3.80
725000	PUMPING EXPENSES	3.06
825000	STUDIES	2.65
800000	LEGAL/ENGINEERING	1.32
900370	Capital Expense - CY	1.30
710000	INFRASTRUCTURE EXPENSES	1.19
900100	Constr in Progress CY	0.78
740000	WATER TREATMENT EXPENSES	0.15
Total		\$4,346,846.82



By Account

Santa Ynez River Water Conservation District ID #1
Statement of Revenues & Expenses
August 2019

	Aug 19	Jul 19	% Change	Jul - Aug 19
Ordinary Income/Expense				
Income				
600000 · SERVICE & SALES REVENUE				
WATER SALES INCOME				
601000 · Water Sales - Agri.	148,493.63	135,254.46	9.79%	283,748.09
602000 · Water Sales - Domestic	482,930.16	473,474.54	2.0%	956,404.70
602100 · Water Sales - RRLmtd Ag.	279,031.54	273,841.08	1.9%	552,872.62
602200 · Water Sales - Cach Pk	2,153.23	2,122.26	1.46%	4,275.49
604000 · Water Sales - Temp.	742.50	787.05	-5.66%	1,529.55
606000 · Water Sales - Solvang	4,305.70	4,305.70	0.0%	8,611.40
608000 · Water Sales - On-Demand	1,152.39	1,756.29	-34.39%	2,908.68
611500 · Fire Service Fees	11,121.11	9,428.20	17.96%	20,549.31
Total WATER SALES INCOME	929,930.26	900,969.58	3.21%	1,830,899.84
SERVICE INCOME				
611200 · Reconnection Fees	1,875.00	2,700.00	-30.56%	4,575.00
612400 · Penalties	2,632.74	2,846.06	-7.5%	5,478.80
Total SERVICE INCOME	4,507.74	5,546.06	-18.72%	10,053.80
Total 600000 · SERVICE & SALES REVENUE	934,438.00	906,515.64	3.08%	1,840,953.64
625000 · ASSESSMENTS, FEES & OTHER				
611600 · Capital Facilities Chrg.	0.00	3,502.21	-100.0%	3,502.21
620000 · OTHER REVENUES				
624300 · Gain/Loss-Asset Disposal	1,000.00	0.00	100.0%	1,000.00
Total 620000 · OTHER REVENUES	1,000.00	0.00	100.0%	1,000.00
620006 · Reimbursed Field Labor	0.00	121.69	-100.0%	121.69
620008 · Reimbursed Admin Labor	0.00	53.97	-100.0%	53.97
624000 · Miscellaneous Revenue	663.50	519.50	27.72%	1,183.00
625200 · Administrative Fees	0.00	500.00	-100.0%	500.00
628000 · INTEREST INCOME				
629100 · Interest Income -PIMMA	430.27	408.41	5.35%	838.68
630000 · Interest Income - Cking	2.37	2.41	-1.66%	4.78
630100 · Interest Income - SY Ind	0.00	1.37	-100.0%	1.37
Total 628000 · INTEREST INCOME	432.64	412.19	4.96%	844.83
634100 · Insurance Claims	0.00	1,781.59	-100.0%	1,781.59
890100 · SWP Pmt. from Solvang	0.00	3,061,794.39	-100.0%	3,061,794.39
Total 625000 · ASSESSMENTS, FEES & OTHER	2,096.14	3,068,685.54	-99.93%	3,070,781.68
Total Income	936,534.14	3,975,201.18	-76.44%	4,911,735.32
Cost of Goods Sold				
702000 · SOURCE OF SUPPLY EXPENSES				
703000 · Cach. Water Entitlement	36,935.19	36,935.19	0.0%	73,870.38
704000 · State Water	111,416.39	111,416.39	0.0%	222,832.78
860000 · Solvang-SWPmt	0.00	3,061,794.39	-100.0%	3,061,794.39
Total 702000 · SOURCE OF SUPPLY EXPENSES	148,351.58	3,210,145.97	-95.38%	3,358,497.55

Santa Ynez River Water Conservation District ID #1
Statement of Revenues & Expenses
August 2019

	Aug 19	Jul 19	% Change	Jul - Aug 19
710000 · INFRASTRUCTURE EXPENSES				
711000 · Maintenance - Wells	0.00	38,335.60	-100.0%	38,335.60
712000 · Maintenance - Mains	2,241.22	8,218.83	-72.73%	10,460.05
713000 · Maintenance - Reservoirs	0.00	2,964.22	-100.0%	2,964.22
Total 710000 · INFRASTRUCTURE EXPENSES	2,241.22	49,518.65	-95.47%	51,759.87
725000 · PUMPING EXPENSES				
726000 · Pumping Expense (Power)	61,913.52	68,068.67	-9.04%	129,982.19
730000 · Maintenance - Structures	167.46	2,649.14	-93.68%	2,816.60
732000 · Maintenance - Equipmt.	0.00	392.00	-100.0%	392.00
Total 725000 · PUMPING EXPENSES	62,080.98	71,109.81	-12.7%	133,190.79
740000 · WATER TREATMENT EXPENSES				
744000 · Chemicals	4,153.49	0.00	100.0%	4,153.49
747000 · Maintenance - Structures	117.36	0.00	100.0%	117.36
748100 · Water Treatment - Equipm	18.43	1,233.90	-98.51%	1,252.33
748200 · Water Sampling/Monitor	0.00	19.34	-100.0%	19.34
749000 · Water Analysis	0.00	900.00	-100.0%	900.00
Total 740000 · WATER TREATMENT EXPENSES	4,289.28	2,153.24	99.2%	6,442.52
750000 · TRANSMISSION & DIST. EXPENSES				
799501 · Uniforms T&D	813.64	1,068.44	-23.85%	1,882.08
775401 · ACWA - Health Ins. (T&D)	18,130.25	17,635.02	2.81%	35,765.27
775201 · ACWA - Delta Dental (T&D)	791.40	683.16	15.84%	1,474.56
775301 · ACWA - Vision (T&D)	154.89	137.34	12.78%	292.23
751000 · Labor	46,528.79	42,418.50	9.69%	88,947.29
751100 · Labor / Vacation	2,376.98	5,444.94	-56.35%	7,821.92
751200 · Labor / Sick Leave	1,872.85	1,890.45	-0.93%	3,763.30
752000 · Materials/Supplies				
752100 · Safety Equipment	440.78	78.92	458.52%	519.70
752000 · Materials/Supplies - Other	470.11	346.72	35.59%	816.83
Total 752000 · Materials/Supplies	910.89	425.64	114.01%	1,336.53
754000 · Small Tools	403.29	1,005.86	-59.91%	1,409.15
754100 · Small Tools - Repairs	0.00	117.77	-100.0%	117.77
755000 · Transportation	7,455.05	7,241.52	2.95%	14,696.57
756000 · Meter Services	0.00	4,709.02	-100.0%	4,709.02
756100 · Meter Services - Repair	475.82	464.10	2.53%	939.92
758100 · Meter Reading (Sensus)	1,203.46	0.00	100.0%	1,203.46
759000 · Maintenance - Structures	0.00	9.14	-100.0%	9.14
760000 · Fire Hydrants	331.04	321.99	2.81%	653.03
Total 750000 · TRANSMISSION & DIST. EXPENSES	81,448.35	83,572.89	-2.54%	165,021.24
Total COGS	298,411.41	3,416,500.56	-91.27%	3,714,911.97
Gross Profit	638,122.73	558,700.62	14.22%	1,196,823.35

Santa Ynez River Water Conservation District ID #1
Statement of Revenues & Expenses
August 2019

Expense	Aug 19	Jul 19	% Change	Jul - Aug 19
4000 · Reconciliation Discrepancies	0.00	0.00	0.0%	0.00
770000 · GENERAL & ADMIN EXPENSES				
6560 · Payroll Expenses	34.00	34.00	0.0%	68.00
775000 · PERS - Retirement	24,798.16	24,426.64	1.52%	49,224.80
775200 · ACWA - Dental (Admin)	588.60	800.84	-26.5%	1,389.44
775300 · ACWA - Vision (Admin)	120.47	154.89	-22.22%	275.36
775400 · ACWA - Medical Insurance(Admin)	14,436.21	18,647.47	-22.58%	33,083.68
777000 · Salaries - Administrative Staff	79,709.86	85,389.09	-6.65%	159,332.35
777100 · Salaries / Vacation	2,520.37	6,985.44	-63.92%	9,505.81
777200 · Salaries / Sick Leave	150.41	950.37	-84.17%	1,100.78
777300 · Admin - Sick Hr.Rate	18.65	186.45	-90.0%	205.10
777400 · Admin.- Vac. Hr.Rate	186.45	1,559.71	-88.05%	1,746.16
778000 · Training, Travel & Confernces	1,135.49	448.99	152.9%	1,584.48
779000 · Dues,Subscrip,Certif.	165.16	60.00	175.27%	225.16
780000 · Building Maintenance	245.98	200.00	22.99%	445.98
781000 · Office Supplies	215.25	649.70	-66.87%	864.95
782000 · Postage & Printing	3,874.66	3,541.10	9.42%	7,415.76
783000 · Utilities	903.28	1,012.70	-10.81%	1,915.98
784000 · Telephone	2,131.34	1,204.05	77.01%	3,335.39
785000 · Special Services	739.76	592.03	24.95%	1,331.79
785100 · Government Fees	50.00	5,978.00	-99.16%	6,028.00
786000 · Insurance & Bonds	4,490.61	4,490.61	0.0%	8,981.22
787000 · Payroll Taxes	8,196.98	10,619.00	-22.81%	18,815.98
789000 · Legal - Expenses Gen.	1,329.50	5,893.71	-77.44%	7,223.21
790000 · Gen/Prfsnl Consultant Expenses	6,590.80	5,071.10	29.97%	11,661.90
793000 · Office Equip. Service Contracts	2,202.51	2,455.65	-10.31%	4,658.16
794000 · Interest Expenses	0.00	21,293.75	-100.0%	21,293.75
794100 · Annual Fee - Bond Fund	1,375.00	0.00	100.0%	1,375.00
797000 · Trustee Fees	2,400.00	2,400.00	0.0%	4,800.00
799000 · Miscellaneous Expenses/Vendors	2,463.96	2,118.98	16.28%	4,582.94
799525 · Gardening Service	240.00	407.02	-41.04%	647.02
799600 · Customer Refunds	0.00	0.00	0.0%	0.00
Total 770000 · GENERAL & ADMIN EXPENSES	161,313.46	207,571.29	-22.29%	363,118.15
Total Expense	161,313.46	207,571.29	-22.29%	363,118.15
Net Ordinary Income	476,809.27	351,129.33	35.79%	833,705.20

Santa Ynez River Water Conservation District ID #1
Statement of Revenues & Expenses
August 2019

	Aug 19	Jul 19	% Change	Jul - Aug 19
Other Income/Expense				
Other Expense				
800000 · LEGAL/ENGINEERING				
800100 · Legal - BHFS				
800102 · Sustainable Grndwtr Mgmt Act	0.00	370.50	-100.0%	370.50
Total 800100 · Legal - BHFS	0.00	370.50	-100.0%	370.50
800200 · Legal -BB&K/Consultants				
800201 · NMFS Biop Recon/Stlhd Rcvry Pln	9,249.85	10,309.00	-10.27%	19,558.85
Total 800200 · Legal -BB&K/Consultants	9,249.85	10,309.00	-10.27%	19,558.85
800300 · Engineering	277.50	460.20	-39.7%	737.70
800500 · Unanticipated Spc Legal Expense	16,417.36	20,284.22	-19.06%	36,701.58
Total 800000 · LEGAL/ENGINEERING	25,944.71	31,423.92	-17.44%	57,368.63
825000 · STUDIES				
825400 · CCRB (Shared Consultants)				
825401 · Joint Bio Op Recon.-Consultants	9,341.62	804.00	1,061.89%	10,145.62
Total 825400 · CCRB (Shared Consultants)	9,341.62	804.00	1,061.89%	10,145.62
825500 · Hydrology SYR;RiverWare-Stetson	0.00	89.50	-100.0%	89.50
825600 · SB Co Water Agency				
825601 · Integrated Regional Water Man.	399.83	0.00	100.0%	399.83
825600 · SB Co Water Agency - Other	0.00	4,737.15	-100.0%	4,737.15
Total 825600 · SB Co Water Agency	399.83	4,737.15	-91.56%	5,136.98
825800 · BiOp Implementation	0.00	99,789.03	-100.0%	99,789.03
Total 825000 · STUDIES	9,741.45	105,419.68	-90.76%	115,161.13
900100 · Constr in Progress CY				
900311 · Chlorine Blg @ Wells	7,465.45	0.00	100.0%	7,465.45
900332 · Water Treatment Plant/Fac	2,766.71	0.00	100.0%	2,766.71
900106 · Rehab/Rplc - Trans. Mains/Lats	370.00	462.50	-20.0%	832.50
900350 · Uplands Wells	0.00	22,985.07	-100.0%	22,985.07
Total 900100 · Constr in Progress CY	10,602.16	23,447.57	-54.78%	34,049.73
900370 · Capital Expense - CY				
900318 · Meter Replace/Utility Billing	0.00	1,000.00	-100.0%	1,000.00
900373 · Fleet Vehicle Addition/Replace	0.00	0.00	0.0%	0.00
900378 · Mjr. Tools, Shop & Garage Equip	6,336.61	49,134.00	-87.1%	55,470.61
Total 900370 · Capital Expense - CY	6,336.61	50,134.00	-87.36%	56,470.61
Total Other Expense	52,624.93	210,425.17	-74.99%	263,050.10
Net Other Income	-52,624.93	-210,425.17	74.99%	-263,050.10
Net Income	424,184.34	140,704.16	201.47%	570,655.10

Santa Ynez River Water Conservation District ID #1
Warrant List for Board Approval
August 21 through September 17, 2019

Date	Num	Name	Amount
Aug 21 - Sep 17, 19			
08/30/2019	EFT	Employment Dev. Dept. - Aug. Payroll Taxes	\$ 7,837.55
08/30/2019	EFT	CalPERS - August	\$ 28,033.66
08/30/2019	EFT	Payroll - August	\$ 95,372.21
08/30/2019	EFT	Rabobank - Aug. Payroll Taxes	\$ 32,389.96
08/30/2019	EFT	Lincoln - August	\$ 1,400.00
08/30/2019	EFT	CA State Disbursement Unit	\$ 1,013.00
08/30/2019	22516	ACWA/JPIA - Health	\$ 35,270.19
09/13/2019	22517	COMB-SYRWCD, ID No.1	\$ 25,212.40
09/17/2019	22518	All Around Landscape Supply	\$ 352.02
09/17/2019	22519	Ameravant Inc.	\$ 89.00
09/17/2019	22520	Annika Dahlstrom	\$ 506.00
09/17/2019	22521	Aqua-Metric Sales Company	\$ 876.84
09/17/2019	22522	Aquapulse Chemicals, LLC	\$ 4,153.49
09/17/2019	22523	Aramark Uniform Serv Inc.	\$ 810.61
09/17/2019	22524	B of A Business Card Services-CD	\$ 1,789.43
09/17/2019	22525	Bank of New York Mellon Trust Co	\$ 1,375.00
09/17/2019	22526	BasicData Business Printing	\$ 371.39
09/17/2019	22527	Bell, McAndrews & Hiltachk, LLP	\$ 13,743.28
09/17/2019	22528	Bertin Pulido	\$ 240.00
09/17/2019	22529	Best Best & Krieger LLP	\$ 19,219.97
09/17/2019	22530	Brownstein,Hyatt,Farber, Schreck	\$ 12,362.30
09/17/2019	22531	Cachuma O & M Board	\$ 84,547.26
09/17/2019	22532	Central Coast Water-Authority/Solvang	\$ 6,712.89
09/17/2019	22533	Central Coast Water Authority	\$ 6,353.78
09/17/2019	22534	Chris Dahlstrom/Expenses	\$ 30.12
09/17/2019	22535	CIO Solutions, LP	\$ 2,044.93
09/17/2019	22536	Clinical Lab of San Bernardino Inc.	\$ 900.00
09/17/2019	22537	Coastal Copy	\$ 223.73
09/17/2019	22538	Comcast	\$ 290.25
09/17/2019	22539	Continental Utility Solutions, Inc.	\$ 105.22
09/17/2019	22540	County of Santa Barbara -Dept Public Work	\$ 252.59
09/17/2019	22541	D.L. Electric, Inc.	\$ 1,558.00
09/17/2019	22542	Dig Safe Board	\$ 25.47
09/17/2019	22543	Dudek & Associates, Inc.	\$ 22,985.07
09/17/2019	22544	Echo Communications	\$ 163.85
09/17/2019	22545	Filippin Engineering	\$ 647.50
09/17/2019	22546	Hach Company	\$ 962.33
09/17/2019	22547	Harrison Hardware Inc	\$ 521.48
09/17/2019	22548	ICONIX Waterworks (US) Inc.	\$ 4,519.75
09/17/2019	22549	Iron Mountain	\$ 65.37
09/17/2019	22550	IVR Technology Group, LLC	\$ 75.17
09/17/2019	22551	J. Winther Chevron, Inc.	\$ 134.86
09/17/2019	22552	Jan-Pro Cleaning Systems	\$ 200.00

Santa Ynez River Water Conservation District ID #1

Warrant List for Board Approval

August 21 through September 17, 2019

Date	Num	Name	Amount
09/17/2019	22553	JANO Printing & Mailworks	\$ 3,299.71
09/17/2019	22554	Jim Vreeland Ford	\$ 8.15
09/17/2019	22555	Joe Come'	\$ 105.00
09/17/2019	22556	MailFinance	\$ 392.61
09/17/2019	22557	McCormix Corp	\$ 3,333.88
09/17/2019	22558	Mid-Coast Fire Protection, Inc.	\$ 440.78
09/17/2019	22559	Mission Ready Mix	\$ 892.00
09/17/2019	22560	MRK INC - Santa Ynez Paint	\$ 59.59
09/17/2019	22561	Nextel/Sprint Communications	\$ 34.99
09/17/2019	22562	O'reilly Auto Parts	\$ 18.82
09/17/2019	22563	Oliveras Repair Inc	\$ 1,225.23
09/17/2019	22564	P G & E	\$ 79,910.41
09/17/2019	22565	Paeter Garcia	\$ 901.09
09/17/2019	22566	Praxair Distribution Inc	\$ 31.54
09/17/2019	22567	Quill	\$ 650.11
09/17/2019	22568	Santa Barbara News-Press	\$ 133.20
09/17/2019	22569	SM FAMCON PIPE SUPPLY	\$ 269.38
09/17/2019	22570	State Water Resources Control Board/Certs	\$ 90.00
09/17/2019	22571	Stradling Yocca Carlson & Rauth	\$ 750.50
09/17/2019	22572	SYCSD	\$ 78.01
09/17/2019	22573	The Gas Company	\$ 18.89
09/17/2019	22574	Todd Pipe & Supply	\$ 626.46
09/17/2019	22575	TotalFunds by Hasler	\$ 500.00
09/17/2019	22576	Trustee/ Brad Joos	\$ 200.00
09/17/2019	22577	Trustee/ Harlan Burchardi	\$ 400.00
09/17/2019	22578	Trustee/ Jeff Clay	\$ 800.00
09/17/2019	22579	Trustee/ Lori Parker	\$ 600.00
09/17/2019	22580	Trustee/ Michael Burchardi	\$ 400.00
09/17/2019	22581	Tuff Shed Inc.	\$ 4,370.61
09/17/2019	22582	TW Land Planning & Development, LLC	\$ 3,281.90
09/17/2019	22583	Underground Service Alert	\$ 85.90
09/17/2019	22584	United Rentals	\$ 669.56
09/17/2019	22585	USA Bluebook	\$ 350.66
09/17/2019	22586	Verizon Wireless	\$ 843.90
09/17/2019	22587	Waste Management of Santa Maria	\$ 294.82
09/17/2019	22588	William J Brennan	\$ 500.00
GRAND TOTAL			\$ 522,305.62

Aug 21 - Sep 17, 19

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT NO.1

BID NO: RESULTS

Two (2) Chevrolet Silverado 2500HD Regular Cab 4wd Trucks with Service Bodies and Lift-Gates

	Rio Vista Chevrolet - Buellton	Home Motors Chevrolet - Santa Maria	Sunset Auto Center - Lompoc	Arroyo Grande Chevrolet	Alfano Chevrolet - San Luis Obispo	Paso Robles Chevrolet
Total Bid Amount for Two Vehicles (includes taxes, license & delivery)	\$92,945.54	\$94,364.96	No Response to Bid Request	No Response to Bid Request	No Response to Bid Request	No Response to Bid Request

Note:

1. Fiscal Year 2019-20 Board-approved Budget included \$90,000 for purchase of two new fleet vehicles
2. Two new fleet vehicles will replace a 2004 Dodge Ram Truck and a 2006 Dodge Ram Diesel Truck

Monthly Briefing

A Summary of the Alliance's Recent and Upcoming Activities and Important Water News

New Trump ESA Regs Look Good for Western Ag

Against a backlash of negativity from some environmental organizations and their allies in the media, the Interior Department's U.S. Fish and Wildlife Service (USFWS) and the Commerce Department's National Marine Fisheries Service (NMFS) earlier this month jointly announced three final rules which revise regulations governing sections 4 and 7 of the Endangered Species Act (ESA).

"From the outset, our intent has been to be true to the law; maintaining the legal standards while creating a more transparent more reliable and more efficient and defensible regime," said Interior Secretary David Bernhardt. "This better serves the American people and better focuses our efforts on the ground."

According to the Department of the Interior, the changes are designed to increase transparency and effectiveness and modernize the administration of the ESA. The changes to ESA implementing regulations finalized by

FWS and NMFS will apply to ESA sections 4 and 7. Section 4, among other things, deals with adding species to or removing species from the Act's protections and designating critical habitat for the continued survival of listed species.

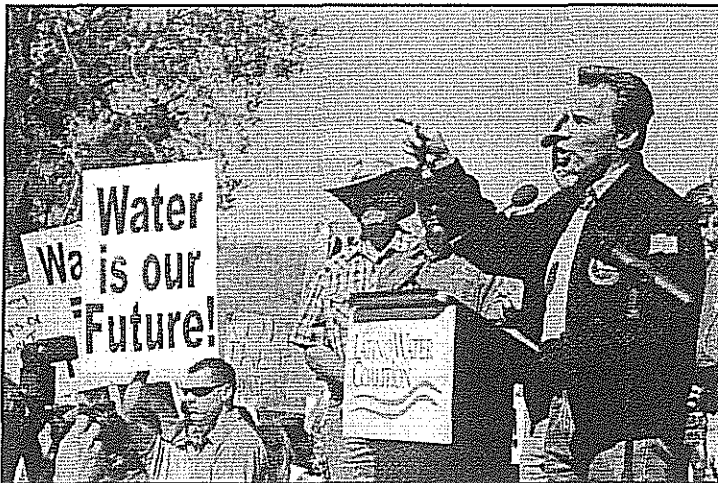
authority to automatically grant threatened species the same safeguards as endangered ones from harm or disturbance; also known as the "blanket 4(d) rule." FWS will now have to create individual regulations for each threatened species.

"The new rules will apply only to future listing decisions," said Mark Limbaugh with The Ferguson Group, the Alliance's representative in Washington, D.C. "Plants and animals with existing protections won't be affected unless their status changes under the ESA."

Section 7 covers consultations with other federal agencies over contemplated federal actions.

Interagency consultations are a cornerstone of the ESA to ensure federal actions are not likely to jeopardize the continued existence of at-risk wildlife. This final rule affirms the Services authority to use such streamlining methods that they have developed through experience since they last undertook a revision of their consultation regulations.

"The reality is that the majority of the habitat species need to survive is actually on privately owned lands, and we need great collaboration," said Secretary Bernhardt. "Clarifying what action should be considered during agency consultations will ensure that ESA implementation is more clear and consistent across agencies and even between our own field offices."



Former California Gov. Arnold Schwarzenegger addresses marchers during a rally by farmers, farm workers, and supporters to bring attention to the California water crisis –created in part by agency implementation of the ESA - in April 2009 at San Luis Reservoir near Los Banos, California. Source: David McNew/Getty Images North America

The changes will also end a long-running practice by the FWS in using its flexible

STORIES INSIDE.....

	Page #
Alliance, Other Groups Chime in on New Forest Health Rules	3
Media Climate Coverage Puts the Squeeze on Agriculture	4
Reclamation WaterSMART Grant Funding Opportunities	5
Donor Support	6

Continued on Page 2

New ESA Regulations (Continued from Pg. 1)

Support for the new regulations

The GOP and those in the regulated community generally approved of the changes as adding flexibility and balance in ESA implementation.

"These revisions to the Endangered Species Act are welcome news in Idaho and across the West," said U.S. Senator Jim Risch (R-IDAHO). "The Act should be consistent and science-based, and this work by the Fish and Wildlife Service and the National Marine Fisheries Service is an encouraging step to improve the Act's functionality for conservation, recovery, wildlife managers, and rural communities."

"The ESA affects cattle-producing families across the country," added Jennifer Houston, President of the National Cattlemen's Beef Association. "We are grateful to Secretary Bernhardt and the staff at FWS and NMFS for bringing this long-awaited regulatory relief to American cattle farmers and ranchers."

The Family Farm Alliance was one of a multitude of interests – including members of Congress, state, local and tribal governments and the public – who provided comments and input that were considered in the finalization of these regulations, beginning in 2018. The Alliance's detailed written recommendations were developed by a team of resources, law, and policy experts familiar with Western water resource management and how this important function is impacted by implementation of federal laws and regulations.

Reaction from environmentalist critics

Already, a flurry of misinformation and "sky is falling" rhetoric has engulfed this important development, driven by certain environmental groups and their allies in academia and urban media outlets. Critics of these rules – days before they were even released – predictably claimed that the Trump administration was systematically dismantling this landmark legislation through policies and this set of proposed regulations.

"If enacted, these rules will be an absolute disaster for efforts to save species from extinction," Stuart Pimm, a conservation ecology professor at Duke University told *E&E News* three days before the rules were publicly announced.

The Center for Biological Diversity (CBD) – one of the most litigious environmental groups in the West – has called the changes "the worst attack on the Endangered Species Act ever."

"We are anticipating being ready to litigate," said Jacob Malcom, director of the Defenders of Wildlife's Center for Conservation Innovation to *E&E News*.

Some of the same organizations hashing the new rules have an established track record for their consistent efforts to thwart the efforts of developers, farmers, ranchers and government agencies. They have done this through petitions to list more species to the ESA, create new ESA critical habitat for other plants and animals, and engage in a seemingly endless string of litigation aimed primarily at the agencies who regulate resource producers.

Economic Impacts of Listing Decisions

The strongest reaction to the announcement concerns the ESA's economic impacts. The new regulation allows the disclosure of negative economic impacts of listing decisions, without changing the rules that dictate whether and how these impacts are considered in the regulatory process. However, some of the most litigious environmental groups in the country and their allies in the media have spun this proposal to suggest that nothing less than the survival of numerous species is at stake. Consider this characterization by the *Sacramento News Review*:

"Conservation and environmental groups were reeling last week when U.S. Secretary of the Interior David Bernhardt oversaw a stark rewriting of the federal Endangered Species Act, allowing regulators to consider the profit goals of corporate stakeholders alongside the best scientific data when ruling on wildlife protections."

Actually, the ESA does not say whether or not wildlife agencies can decline to list a species as threatened or endangered in order to prevent economic or social harm. However, courts have ruled that those real-world impacts cannot factor into a listing decision: only the biology matters.

"That requirement has not changed, period," said Paul Simmons, executive director of the Klamath Water Users Association and a member of the Alliance committee that put together comments on the Trump Administration's draft regulation in 2018. "The amended rule affords increased transparency and allows the disclosure of negative economic impacts of listing decisions, without changing the rules that dictate whether and how these impacts are considered in the regulatory process. There is no reason, at least no good reason, to fear candid disclosure of facts about the ESA's negative impacts."

What lies ahead

Several well-funded environmental groups have already filed a lawsuit in federal court, charging that the administration's move conflicts with the 45-year-old law and threatens the survival of untold numbers of plants and animals. The lawsuit against the federal government was filed in Federal District Court of Northern California. The environmental firm Earthjustice submitted the case on behalf of seven organizations, including Center for Biological Diversity, Defenders of Wildlife, Natural Resources Defense Council, WildEarth Guardians and the Humane Society of the United States.

"We're going to court to set things right," Kristen Boyles, Earthjustice attorney, said in an email to the *San Francisco Chronicle*. "Nothing in these new rules helps wildlife, period."

California Attorney General Xavier Becerra has also threatened to sue the federal government over the changes, the *San Francisco Chronicle* reports, while Democratic California lawmakers are reaffirming support of legislation to

Continued on Page 6

Alliance, Other Groups Chime in on Forest Management Rules

The Family Farm Alliance joined three other Western water and agricultural organizations in a comment letter that supports proposed Forest Service changes to modernize how the agency complies with the National Environmental Policy Act (NEPA). The proposed updates are intended to give the Forest Service the tools and flexibility to manage the land and tackle critical challenges like wildfire, insects, and disease.

“The connection between forest health and watershed health is direct and of critical importance to our nation and its water users,” the letter stated. “Forests, particularly those in Western States, provide an abundant source of clean water in the arid West.”

In addition to the Alliance, other co-signers on the letter were the Association of California Water Agencies, the California Farm Bureau Federation, and the National Water Resources Association. The members of these organizations help provide water to more than 50 million Americans and irrigate millions of acres of farmland across the United States.

The proposed Forest Service rule would further modernize the agency’s NEPA policy by incorporating experience from the past 10 years. This experience includes input from comments on the Advance Notice of Proposed Rulemaking from January of 2018, as well as feedback from roundtables, workshops, and input from agency experts. The updates would create a new suite of “categorical exclusions” (CEs), a classification under the NEPA excluding certain routine activities from more extensive, time-consuming analysis under an environmental assessment or environmental impact statement.

The Alliance in February 2018 transmitted formal recommendations to the Forest Service, which focused on ways of improving NEPA processes associated with forest health and new water development projects.

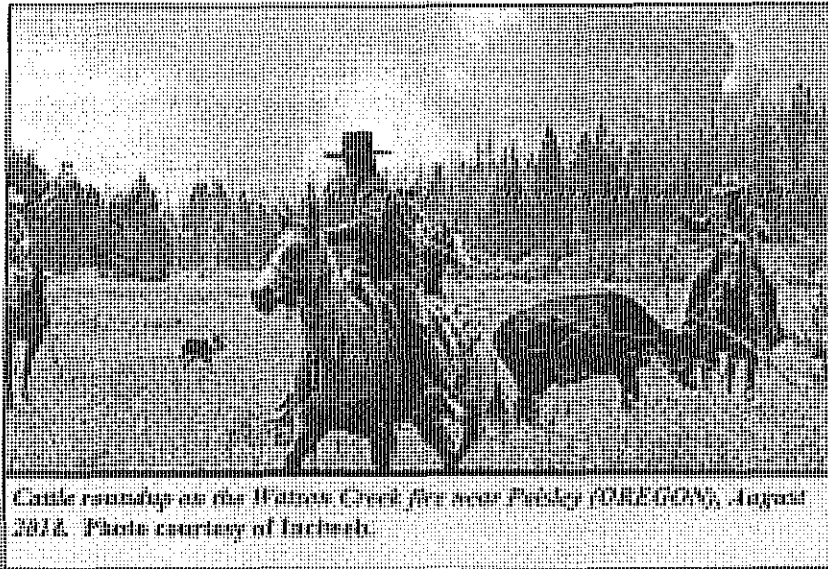
“In recent years – catalyzed by the ominous increase in Western wildfire activity – Alliance members have been seeking ways to discourage litigation against Forest Service relating to land management projects,” said Alliance Executive Director Dan Keppen. “We support efforts to develop CEs for covered vegetative management activities carried out to establish or improve habitat for important Western species like greater sage-grouse and mule deer. We encourage efforts like these, which should expedite and prioritize forest management activities that achieve ecosystem restoration objectives.”

Certain litigious environmental organizations have ripped the plan, calling it a giveaway for corporations and saying it has the potential to destroy the environment. Randi Spivak, a public lands policy advocate for the Center for Biological Diversity, told KQED in Northern California said that if the

rule passes as it is written, the public will have no voice on the majority of decisions the government makes about national forests.

“It’s the voice of the people,” said Randi Spivak, a public lands policy advocate for the Center for Biological Diversity. “Public comment is an opportunity for everyday citizens who love their national forests to get to comment and raise concerns over proposals by the Forest Service.”

The Alliance and its fellow co-signers disa-



Cattle roundup on the Watson Creek fire near Paradise, CALIFORNIA, August 2018. Photo courtesy of Facebook.

gree.

“We congratulate the Forest Service on a thoughtful and thorough analysis and proposal, which makes the case that improved NEPA efficiency in these areas will lead to many benefits, including sustainable watersheds,” the letter states. “The Forest Service last updated its NEPA regulations in 2008. Since then, many challenges have made the effort to protect people, communities, and resources from threats like catastrophic wildfires more difficult due to strain on available staff and resources across all mission areas. We believe the changes in the proposed rule will help the Forest Service better manage sustainable, healthy, and productive national forests and grasslands.”

Federal agencies implementing NEPA also have a direct bearing on the success or failure of critically needed water supply enhancement projects in the West. In recent years, Alliance irrigators and water managers throughout the West have identified several regulatory impediments they most frequently encounter as they seek to construct infrastructure projects that enhance water supplies.

“These NEPA horror stories are abundant,” said Alliance Executive Director Dan Keppen. “We have previously identified some of these impediments related to NEPA implementation and offered associated recommendations on how each can be addressed. Those concerns remain, but we look forward to engaging further with the Forest Service to tackle those challenges.”

The joint letter signed on to by the Alliance can be viewed at [Regulations.gov](https://www.regulations.gov), Document ID: FS-2019-00110-0001, Comment Tracking Number 1k3-9bsp-tt0a.

Media Climate Coverage Put the Squeeze on Agriculture

A barrage of media coverage in recent months has surrounded recent climate reports. In many cases, that coverage has cited the agriculture industry as a major contributor to rising greenhouse gases, purportedly caused by things like methane emissions from livestock and draining of wetlands. Most of the recent attention was sparked by the special report on climate change and land from the United Nations' Intergovernmental Panel on Climate Change (IPCC), where many media accounts once again portrayed agriculture as both a cause of climate change, and a victim of its impacts.

This release, like all IPCC reports, received major media attention as global negotiators set the established scientific consensus on climate change. The IPCC Lands report assessed and summarized the current scientific literature regarding the impacts of climate change on land and adaptation to these changes, as well as the role of land management in driving global warming and the opportunities to reduce and eliminate greenhouse gas emissions from deforestation and agriculture.

Much of the media attention focused on the report assigning blame for climate change on the growing consumption of red meat, which the U.N. scientists claim puts stress on lands for producing animal feed and contributing half of global methane emissions.

"There were plenty of voices across the agriculture industry, and particularly in the livestock sector, that took issue with how the report was cast in the international media frenzy," *Politico* reported. "The message was largely: Eat less meat."

Texas ranchers and cattle feeders are among many in the livestock industry who are pushing back on that assessment, saying that's not the whole story, according to a recent story in *The Dallas Observer*. There's too much focus on the beef industry, they say, and people who claim we should eat less meat are overlooking the benefits of meat protein and the positive ways cattle interact with the environment.

"It's incorrect, and frankly irresponsible, to compare U.S. beef production with global numbers, as the way beef is produced in the U.S. is not the same as the rest of the world," said Carmen Fenton, director of communications for the Texas Cattle Feeders Association.

Others in agriculture believe the new IPCC report shows that we should really be thinking about farms and ranches

as platforms for climate solutions.

"This IPCC report shows how agriculture is hurt by climate change impacts, but more importantly outlines the solutions for how the agricultural community can lead the way with climate-smart farming practices," said Ernie Shea, with Solutions from the Land (SfL), a not-for-profit corporation focused on land-based solutions to global challenges.

The report shows that the largest potential for reducing emissions from the land sector is from curbing deforestation and forest degradation.

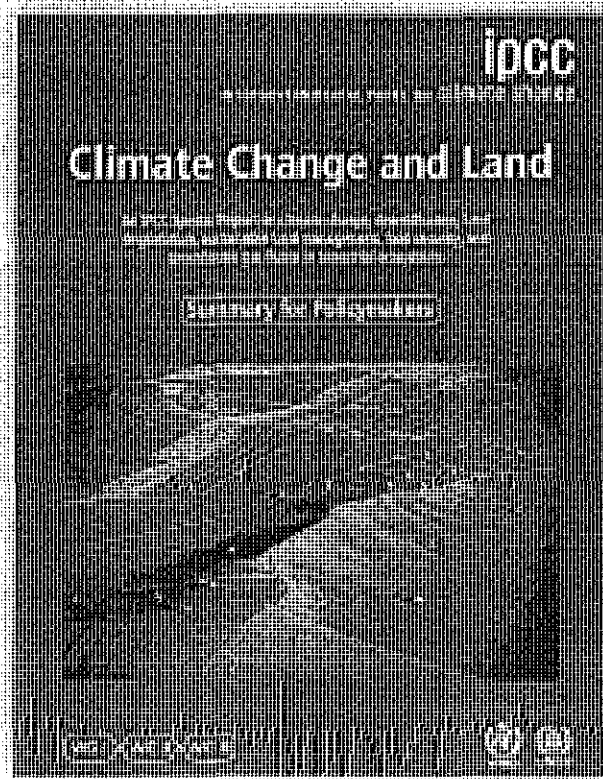
The report also shows that the world's working lands are still a carbon "sink", taking in more emissions than they discharge. From 2007 to 2016, working lands removed a net 6.7 tons of carbon dioxide annually, equivalent to the annual greenhouse gas emissions of the United States.

The report makes clear that there are no "silver bullet" resolutions to the challenges posed by a changing climate. While there may be some tradeoffs, if changes are made correctly, our nation's farm and forest lands could be a major solution platform for producing food, feed, fiber, energy and a host of ecosystem services.

Another important study was released by USDA in

July - "Climate Change and Agricultural Risk Management Into the 21st Century" - delivering the message that the federal government's cost exposure is expected to increase as weather averages and extremes change over the coming decades. The study uses statistical, geophysical and economic models to explore the mechanisms by which climate change could affect future costs of the government's farm safety net programs. All climate scenarios considered suggest that climate change would lower domestic production of corn, soybeans and wheat relative to a future scenario with a climate identical to that of the past three decades. The USDA report puts even more emphasis on the need for policies that can maximize agriculture's contribution to stemming climate change, particularly by financially incentivizing farmers, ranchers and forestland owners to adopt adaptive management systems and practices.

"Farmers need to be able to focus on their capacity to feed the world. Society needs to focus on the will to feed everyone," said SfL Co-Chair AG Kawamura. "Shifting from food



Continued on Page 5

Reclamation Grant Funding Opportunities

The Bureau of Reclamation earlier this month announced the availability of grant funds from two WaterSMART programs.

The FY20 and FY21 WaterSMART Water and Energy Efficiency Grants program has been released by the Bureau of Reclamation. The program provides funding for projects that will result in quantifiable water savings and support broader water reliability benefits. Eligible projects are water conservation, and hydropower projects. Eligible applicants are states, Indian tribes, irrigation districts, water districts, or other organizations with water or power delivery authority located in the Western United States.

Funding will be made through two groups:

- Funding Group I – awards of up to \$300,000 (smaller on-the-ground projects)
- Funding Group II – awards of up to \$1.5 million (larger, phased on-the-ground projects)

It is expected that significantly more awards will be made through Funding Group I. Applicants must provide a 50% match.

Applications are due by October 3, 2019 for FY20, and by September 21, 2020 for FY21. Go <https://www.usbr.gov/watersmart/weee/> for more information.

"We've seen drought severely impact local, western

Continued on Page 5

Climate Change Policy News (Continued from Page 4)

to feed to fuel will let us utilize what might otherwise be 'waste' when production efforts fall short. Our diversity is the toolkit that maintains the capacity needed to meet our production and sustainability goals."

The media and political attention paid to climate change in recent years has sometimes been overwhelming, and it's easy to get jaded and dismissive of the whole topic.

"It's important to keep an eye on this stuff, since climate change provides a key forum for all kinds of interests to advance agendas that might be harmful to Western irrigated agriculture," warns Alliance Executive Director Dan Keppen.

For example, in July, media outlets highlighted a recent study by Lisa Crozier of the National Oceanic and Atmospheric Administration (NOAA) and colleagues to better understand the vulnerability of Pacific salmon to climate change. Media coverage used climate change as a vehicle to advance arguments of other purported stressors to West Coast salmon.

"Pacific salmon that spawn in Western streams and rivers have been struggling for decades to survive water diversions, dams and logging. Now, a warming climate is pushing four populations in California, Oregon and Idaho toward extinction," was a typical lead in these stories.

Included in the group of four population groups were Chinook in California's Central Valley, where, coincidentally, re-consultation of Central Valley Project (CVP) biological opinions is underway by the Trump Administration. Even before the draft opinions have been released, the Administration is being criticized by newspapers in Sacramento and Los Angeles for purportedly developing a CVP water delivery plan that will lead to "dead fish and starving whales".

"The alleged added stress to salmon noted in the NOAA report will undoubtedly be used by CVP critics as ammo to shoot at the new operations plan, if it provides any kind of needed flexibility in water deliveries for CVP waters users," said Mr. Keppen.

The Alliance board of directors at its 2019 annual meeting supported its long-time policy of using climatic ex-

tremes and findings from its 2008 climate change report to advocate for "climate-smart" agriculture and needed changes in Western water policy.

"Through our involvement on the Steering Committee of the North America Climate Smart Agriculture Alliance, we have been monitoring United National global climate talks over the past two years and bringing the voice of North American producers and land managers to the discussion table," said Alliance President Patrick O'Toole.

NACSAA believes public policy should provide incentives for climate-friendly and common-sense farm improvements, like using soil sensors to pinpoint where and how much irrigation, fertilization or pesticides should be used.

The IPCC report acknowledges the growing adoption of agricultural practices, like rotating high-residue crops (corn, hay and small grains), conservation tillage (low- and no-till) and cover crops, that all improve soil health, helping prevent erosion and carbon loss. More efficient use of water and better-managed fertilizer applications are also improvements being employed by more to retain carbon in the soil.

"Fortunately, groups like the NACSAA have been sowing the seeds of climate solutions, making it so that farmers are ready to take the lead, if given the proper support," said Mr. O'Toole.

At a recent climate change forum in Gainesville, Florida, Rep. Kathy Castor, who chairs the House Special Committee on the Climate Crisis, indicated the possibility of a financial incentive being developed for agriculture and forestry operators who build carbon stores in their soils and woodlands. She said the significance of the threat posed by a changing climate will require a "paradigm shift" in how the government takes on the growing challenge.

"We encourage other lawmakers to follow the lead of Rep. Castor and others in Congress who recognize the need for bold action to meet the mounting crisis," said Mr. Shea. "At a time of multiple threats and challenges to the world's agricultural and forestry systems, farmers, ranchers and foresters are coming to the forefront and providing sustainable solutions that benefit all of who call this planet home. Those who work the land deserve the financial ability to ensure it happens."

New Endangered Species Act Regs (Cont'd from Pg. 2)

counter the move.

The three rules were published in the Federal Register this month and will take effect during the week of October 14, 2019. And – according to comments recently made in Lake Tahoe (CALIFORNIA), more proposed ESA regulations are on the horizon.

"Our next round of regulations is going to deal with, No. 1, what is the definition of habitat" under the ESA, said Karen Budd-Falen, the Interior Department's deputy solicitor for parks and wildlife. Ms. Budd-Falen told *E&E News* that she wasn't sure about the timeline of the next rollout.

The Family Farm Alliance thus far is pleased with the Administration's reception to the recommendations made

on draft rules nearly one year ago.

"We strongly support this Administration's efforts to modernize and improve the ESA and its implementing regulations to provide clearer direction to the agencies in applying and enforcing the law," said Mr. Keppen. "Given the nature of water storage and delivery, Western farmers and ranchers are often directly impacted by the implementation of this federal law, which is over four decades old. The Services are taking a measured approach to assessing and making recommendations to ESA implementation. We endorse this approach, which will better serve the environment and farming and ranching families in the West."

WaterSMART Grants (Continued from Page 5)

communities," said Reclamation Commissioner Brenda Burman. "Through Water and Energy Efficiency Grants, water districts are partnering with Reclamation on the construction of water conservation and hydropower projects, one of the priorities of this administration to modernize our infrastructure."

Reclamation is also making grant funding available to assist communities build long-term resilience for future droughts. Part of the WaterSMART Drought Response Program, this funding opportunity is for projects in 2020 and 2021.

"Drought across the West is more of a norm than an exception today that severely impacts everyone and everything," said Commissioner Burman. "These grants show Reclamation's commitment to supporting western communities as they build drought resiliency through innovation, investment and collaboration."

Eligible applicants for funding include states, tribes, irrigation districts, water districts or other organizations with water or power delivery authority located in the western

United States or U.S. territories. New this year, projects in Alaska and Hawaii are also eligible. Funding is available for projects that:

- Increase the reliability of water supplies through infrastructure improvements
- Improve water management through decision support tools, modeling and measurement
- Provide protection for fish, wildlife and the environment.

Up to \$300,000 per agreement is available for a project that can be completed within two years. Up to \$750,000 per agreement is available for a project that can be completed within three years. Recipients must match the funding with a minimum of 50% non-federal cost-share.

Applications are due on October 16, 2019, for projects in 2020. Applications are due on October 14, 2020, for projects in 2021. Visit Reclamation's WaterSMART program at www.usbr.gov/watersmart and the Drought Response Program at www.usbr.gov/drought.

DONOR SUPPORT

Make your tax-deductible gift to the Alliance today! Grassroots membership is vital to our organization. Thank you in advance for your loyal support. If you would like further info, please contact Dan Keppen at dan@familyfarmalliance.org, or visit our website: www.familyfarmalliance.org.



Contributions can also be mailed directly to:
 Family Farm Alliance
 22895 S. Dickenson Avenue
 Riverdale, CA 93656.

SANTA YNEZ
COMMUNITY SERVICES DISTRICT
STAFF REPORT

TO: BOARD OF DIRECTORS

PREPARED BY: Jeff Hodge, General Manager

FOR: REGULAR BOARD MEETING

DATE: August 30, 2019

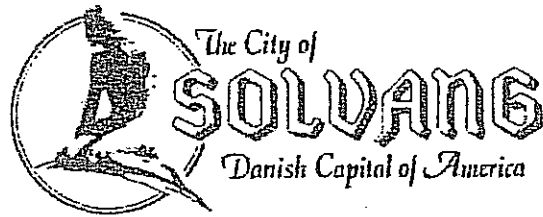
ITEM: Discussion and possible action of formal request for proposal from the City of Solvang for Solvang sewer system operations.

SUMMARY: The City of Solvang directed the City Manager to request a proposal from the Santa Ynez Community Services District to operate the City of Solvang's sewer system.

RECOMMENDATION: The Board should review, discuss and then provide direction to staff to prepare proposal to submit to the City of Solvang per their request.

ATTACHMENTS:
Request for proposal letter from the City of Solvang

FRANCIS D. JAMES
AUG 29 2019
RECEIVED



August 20, 2019

Mr. Jeff Hodge
General Manager
Santa Ynez Community Services District
1070 Faraday St.
P.O. Box 667
Santa Ynez, CA 93460
Via email to: jhodge@sycsd.com

Subject: Request for Proposal for Solvang Sewer System Operations

Dear Jeff:

In accordance with direction from the Solvang City Council, we formally request a proposal from the Santa Ynez Community Services District (SYCSD) to operate the City of Solvang's Sewer Collection System and Wastewater Treatment Plant (the "Sewer System") at or above the current level of service. The City's Sewer System includes the following:

1. Approximately 400 manholes and 169,000 linear feet of sewer line ranging in size from 6" to 14" diameter (laterals are the responsibility of the customer);
2. Alisal Sewer Lift Station;
3. Fjord Sewer Lift Station;
4. Solvang Wastewater Treatment Plant including all operations, equipment maintenance and grounds maintenance;
5. Implementation of the City's Fats, Oils & Grease (FOG) Source Control Program;
6. Implementation of the City's salt management plan with commercial and residential customers;
7. Sewer system development review and construction inspection services;
8. Management and implementation of the Sewer System Capital Improvement Program (CIP);
9. Maintain the City's Sewer Collection System Permit and required updates of the City's Sewer System Management Plan with the Regional Water Quality Control Board (RWQCB); and
10. Maintain the City's Waste Discharge Permit, and implement all monthly, quarterly, and annual reporting required by the RWQCB.

The City of Solvang is proud of our record of compliance with the State of California having never received any violation or fine. We look forward to working with you, if determined feasible, to maintain that record.

Please let us know in writing what information you need to respond to this request for a proposal. We are happy to provide any information needed.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Gassaway', with a long horizontal line extending to the right.

David Gassaway
City Manager

Copy: Solvang City Council
Matt van der Linden, Public Works Director
Xenia Bradford, Administrative Services Director
Nathan Giacinto, Wastewater Division Supervisor

CORRESPONDENCE LIST
SEPTEMBER 2019

1. Letter received August 13, 2019 from Santa Barbara County Central Board of Architectural Review re: Re-Notice of Public Hearing for the Inn at Mattei's Tavern – Historic Renovation Project
2. Copy of August 1, 2019 letter from Santa Ynez River Water Conservation District received August 19, 2019 to Santa Barbara County Auditor Controller re: SYRWCD, ID No.1's Pro-rata Share of LAFCO 2019-2020 Budget
3. Agenda received August 19, 2019 from Santa Ynez Community Services District Board of Directors Meeting August 21, 2019
4. Letter received August 19, 2019 from San Juan Water District re: Announcement of nomination of Board of Directors Pan Tobin to be elected Vice-President of ACWA
5. Memo received August 19, 2019 from US Bureau of Reclamation re: Cachuma Downstream Water Rights Operations – Users Accounting Report for the month of April 30, 2019 and May 31, 2019
6. Letter from District dated August 21, 2019 to Ms. S. Puchli re: water service account payment arrangement
7. Letter from District dated August 22, 2019 to 11 District customers re: Final notice on backflow prevention device testing
8. Public records act request received August 21, 2019 from Terracon Consultants – C. Manlapid
9. Memo received August 26, 2019 from City of Solvang Community Development Department re: Notice of Intent to Adopt a Mitigate Negative Declaration re: 261 Alisal General Plan Amendment Rezoning and Hotel Conversion
10. Letter from District dated August 26, 2019 to Terracon Consultants re: Response to Public Records Act request
11. Letter received August 26, 2019 from Santa Barbara County Public Works Department re: Request for updated Flood Emergency Response Manual Information
12. Letter received August 29, 2019 from Ms. S. Puchli re: Executed water service account payment arrangement
13. Letter received August 29, 2019 from Central Coast Water Authority re: October 1, 2019 DWR and CCWA Variable O&M Invoice
14. Copy of CCWA Letter received August 29, 2019 to Department of Water Resources re: Cost Allocation Specialist for the San Joaquin Field Division
15. Copy of SYCSD Staff report received August 29, 2019 re: The City of Solvang directed the City Manager to request a proposal from the Santa Ynez Community Services District to operate the City of Solvang's sewer system

16. Letter from District dated September 3, 2019 to the Wallace Group, Mr. S. Tanaka re: Fire Service Requirements for the Santa Ynez Band of Chumash Indians - Chumash Learning Center - 163 Solares Circle
17. Letter from District dated September 3, 2019 to Mr. D. Gassaway, City of Solvang, re: 3rd Quarter 2019-2020 DWR/CCWA Variable O&M Invoice
18. Letter received September 6, 2019 from District customer, D. Perlman re: Request to have meter tested.
19. Letter from District dated September 9, 2019 to D. Perlman re: Response to request to have meter tested
20. Letter from District dated September 9, 2019 to Mr. P. Rohrer re: Backflow prevention device for 2411 Santa Barbara Avenue
21. Letter received September 9, 2019 from Santa Ynez Community Services District re: Community Awareness Letter - announcing Newsletter and website updates