

NOTICE AND AGENDA OF REGULAR MEETING

GROUNDWATER SUSTAINABILITY AGENCY FOR THE EASTERN MANAGEMENT AREA IN THE SANTA YNEZ RIVER GROUNDWATER BASIN

HELD AT
SANTA YNEZ COMMUNITY SERVICES DISTRICT, BOARD ROOM
1070 FARADAY STREET, SANTA YNEZ, CALIFORNIA
6:30 P.M., THURSDAY, SEPTEMBER 28, 2023

Optional remote public participation is available via Telephone or ZOOM

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***** Please Note *****

The above teleconference option for public participation is being offered as a convenience only and may limit or otherwise prevent your access to and participation in the meeting due to disruption or unavailability of the teleconference line. If any such disruption of unavailability occurs for any reason the meeting will not be suspended, terminated, or continued.

Therefore in-person attendance of the meeting is strongly encouraged.

AGENDA OF REGULAR MEETING

1. Call to Order and Roll Call
2. Additions or Deletions to the Agenda
3. Public Comment (Any member of the public may address the Committee relating to any non-agenda matter within the Committee’s jurisdiction. The total time for all public comment shall not exceed fifteen minutes and the time allotted for each individual shall not exceed five minutes. No action will be taken by the Committee at this meeting on any public comment item.)
4. Review and consider approval of meeting minutes of August 24, 2023
5. Review and Consider Requests for EMA GSA Written Verifications under Executive Order N-7-22 revised under Executive Order N-5-23 in the EMA for the following parcels:
 - a. APN 141-050-007 - Kelly (Mattei Road)
 - b. APN 137-450-011 - Palma (Dove Meadow Road)
6. Receive update on SGMA governance
 - a. staff updates and committee comments
 - b. received correspondence
7. Receive update on SGMA Implementation grant award
8. Discuss EMA future cost-sharing agreement and funding of future EMA projects
9. Discuss EMA well registration and groundwater reporting program
10. Next EMA GSA Regular Meeting, Thursday, October 26, 2023, at 6:30 PM at the Santa Ynez CSD Board Room
11. EMA GSA Committee reports and requests for future agenda items
12. Adjournment

[This agenda was posted 72 hours prior to the scheduled regular meeting at 3669 Sagunto Street, Suite 101, Santa Ynez, California, and SantaYnezWater.org in accordance with Government Code Section 54954. 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 Santa Ynez River Water Conservation District at (805) 693-1156. Advanced notification as far as practicable prior to the meeting will enable the GSA to make reasonable arrangements to ensure accessibility to this meeting.]

MEETING MINUTES

Groundwater Sustainability Agency for the Eastern Management Area in the Santa Ynez River Groundwater Basin August 24, 2023

A regular meeting of the Groundwater Sustainability Agency (GSA) for the Eastern Management Area (EMA) in the Santa Ynez River Groundwater Basin was held on Thursday, August 24, 2023, at 6:30 p.m. at Santa Ynez Community Services District Community Room, 1070 Faraday Street, Santa Ynez, California.

EMA GSA Committee Members Present: Joan Hartmann, Brad Joos, Brett Marymee, and Elizabeth Orona

EMA GSA Alternate Committee Members Present: Steve Jordan

Member Agency Staff Present (in-person): Bill Buelow, Paeter Garcia, Randy Murphy, Amber Thompson, and Matt Young

Others Present (in-person): Doug Circle, Elizabeth Farnum, Mary Heyden, Kevin Merrill, Lisa Severy, Matt van der Linden (Cannon Corp.), and Al Wagner

Others Present (remote): Steve Anderson, Russel Chamberlin, Alex Dominguez, Gay Infanti, Matthew Scrudato, and an unannounced member of the public

1. Call to Order and Roll Call

EMA GSA Committee Chair Brett Marymee called the meeting to order at 6:32 p.m. and asked Mr. Buelow to call roll. Four EMA GSA Committee Members were present providing a quorum. One EMA GSA Alternate Committee Members was also present.

2. Additions or Deletions to the Agenda

No additions or deletions were made.

3. Public Comment

Mr. Doug Circle and Mr. Alex Dominguez, both on behalf of the Santa Ynez Water Group, made public comments. Ms. Thompson announced no public comments were received in advance of the meeting.

4. Review and Consider Approval of Meeting Minutes of June 22, and August 10, 2023

The minutes of the EMA GSA Committee meeting on June 22, and August 10, 2023, were presented for GSA Committee approval. There was no discussion or public comment.

EMA GSA Committee Member Brad Joos made a MOTION to approve the minutes of June 22, and August 10, 2023, as presented. GSA Committee Member Elizabeth Orona seconded the motion. There was no discussion and it passed unanimously by voice vote.

5. Review and Consider Approval of Financial Statements and Warrant List

The GSA Committee reviewed the financial reports of FY 2022-23 Periods 10 through 12 (through June 30, 2023) and the Warrant Lists for April, May, and June 2023. A lengthy discussion followed and public comment was received.

EMA GSA Committee Member Joan Hartmann made a MOTION to approve the April, May, and June 2023 Warrant Lists (Check Nos. 1006-1011) totaling \$14,132.03, as presented. GSA Committee Member Brad Joos seconded the motion. There was no further discussion and it passed unanimously by voice vote.

6. Update on SGMA Governance

Alternate Committee Member Steve Jordan presented his idea for future governance and accounting for Agriculture voting. A lengthy discussion and debate continued regarding efforts toward creating a Joint Powers Agreement (JPA) for the EMA, the “white area” of the EMA which lies only within the County of Santa Barbara jurisdiction and not within any other member agency boundaries, and agriculture representation options in future governance. Public comments were received.

Mr. Alex Dominguez, legal counsel for the Santa Ynez Water Group, offered to work with GSA member agency staff and legal counsels while they are creating language for agriculture representation in the JPA. Mr. Matt van der Linden, representing staff for the City of Solvang, requested that the Santa Ynez Water Group provide GSA staff with what they consider to be a fair way to nominate potential agricultural representatives for future governance. Mr. Circle agreed to provide.

7. Presentation by Matt van der Linden, PE, Cannon Corp., “Introduction to Stormwater Capture and Groundwater Banks”

At the request of GSA Committee Chair Brett Marymee, Mr. Matt van der Linden, Cannon Corp., provided a presentation introducing the topic of stormwater capture and groundwater banks. Discussion occurred and public comments were received during the presentation.

GSA Committee Member Joan Hartmann thanked GSA Chair Brett Marymee for requesting the presentation and advised of a possible bond likely to be on the November 2024 ballot to fund projects like this and recommended GSA be ready with a plan as stormwater capture is the best way to increase water supply. Discussion continued and public comments were received.

8. Next EMA GSA Regular Meeting, Thursday, September 28, 2023, at 6:30 PM, Location to be determined

EMA GSA Committee Chair Brett Marymee announced the next EMA GSA meeting is scheduled for Thursday, September 28, 2023, at 6:30 p.m. and asked for an update regarding other potential meeting locations. Mr. Buelow explained the difficulties in having a hybrid style meeting at the City of Solvang's City Council Chambers with the current technology available to the GSA member agencies. Discussion followed and the GSA Committee decided to continue meeting at the Santa Ynez Community Services District Community Room, 1070 Faraday Street, Santa Ynez, CA.

Mr. Buelow advised that if there are no well verification requests to review or other business, then the meeting will be cancelled with at least a week's notice.

9. EMA GSA Committee Reports and Requests for Future Agenda Items

EMA GSA Alternate Committee Member Steve Jordan requested agriculture representation ideas for future governance be pursued and that agriculture representative be included in the JPA discussions.

EMA GSA Chair Brett Marymee requested that the "Next Steps" from the presentation be added to a future agenda for review and consideration. Additionally, Director Marymee requested that member agency staff prioritize efforts for the GSP's meter/monitor program and develop a cost share or funds raising program for the EMA.

10. Adjournment

GSA Committee Chair Brett Marymee adjourned the meeting at 8:29 p.m.

Brett Marymee, Chairman

William J. Buelow, Secretary



Review of New Well Application in the Santa Ynez River Valley Groundwater Basin, Eastern Management Area (EMA) APN: 141-050-007, Mattei Road (WP EH-LUA-23-000024)

To: Santa Ynez River Valley EMA GSA Parties
From: Tim Nicely, PG, CHG; and Katie O'Malley, GSI Water Solutions, Inc.
Date: September 22, 2023

This memorandum presents our review of an application to install a new well within the Eastern Management Area (EMA). Our review was conducted on behalf of the Santa Ynez River Valley (SYRV) Groundwater Basin Eastern Management Area Groundwater Sustainability Agency (GSA). Under Paragraph 9 of Governor Newsom's Executive Order N-7-22 and the County Board of Supervisors Urgency Ordinance No. 5158 dated May 24, 2022, the County of Santa Barbara Department of Environmental Health Services shall not approve a permit for a new groundwater well or for alteration of an existing well in a medium or high-priority basin subject to the Sustainable Groundwater Management Act (SGMA) without first obtaining written verification from the GSA that groundwater extraction by the proposed well¹

1. would not be "inconsistent with any sustainable groundwater management program" established by the Groundwater Sustainability Plan (Plan) adopted by that GSA, and
2. would not decrease the likelihood of achieving a sustainability goal for the basin covered by the Plan.

Paragraph 9 of Executive Order N-7-22 does not apply to permits for wells that will provide less than two acre-feet per year of groundwater for individual domestic users, or that will exclusively provide groundwater to public water supply systems as defined in section 116275 of the Health and Safety Code.

The application being reviewed is for the installation of a new 6-inch diameter well completed to a proposed depth of 600 feet. The anticipated water production reported by the applicant is 16 acre feet per year (AFY). This is a domestic and irrigation well for individual use which produces more than 2 AFY thereby does not meet the definition of an exempt well.

Summary of Findings

The proposed new well has the following properties:

- Well location:
 - The proposed well is located on Assessor's Parcel Number 141-050-007, located at Mattei Road, Santa Ynez, California 93460 which is within the Santa Ynez River Valley Groundwater Basin within the Santa Ynez Uplands area of the EMA.

¹ New wells are those resulting in new or additional groundwater production from the Basin, or those resulting in new or additional production capacity. Replacement wells are those not resulting in new or additional groundwater production or production capacity in the Basin.

- The parcel is located outside of both the Santa Ynez River Water Conservation District and the Santa Ynez River Water Conservation District Improvement District No. 1.
- There are a total of six wells within 1,000 feet of the proposed new well location. The property zoning designation is residential. The applicant has included a report prepared by a hydrogeologist to determine that production from the well would not interfere with production from these adjacent wells.
- Proposed well construction information:
 - The proposed well will be 600 feet deep, with perforations planned to be installed between 240 and 600 feet below ground surface. The well will produce water from the Paso Robles Formation.
 - The well will be used for irrigation and domestic purposes on a 5-acre parcel. The planned pumping rate will be 30 gallons per minute, produced for 12 hours per day during 8 months per year. This pumping rate and duration would produce a volume of approximately 16 AFY.
- Assess groundwater conditions:
 - Based on the location and depth of the proposed well, the produced groundwater from the well will be derived from the Paso Robles Formation, which is a principal aquifer within the GSA.
 - Water quality recorded in the last five years (between 2018 and 2023) within a 1,000 feet radius of the proposed well site were compiled from the United States Environmental Protection Agency's Water Quality Portal, the results of which did not demonstrate any constituents that exceed maximum contaminant levels. There are no potential point sources of groundwater contamination, such as active leaking underground storage tank sites within 1,000 feet of the proposed well.
- Would the well increase production within the EMA?
 - This production of 16 AFY from this well for irrigation and domestic uses will increase the total groundwater production within the EMA, likely. The proposed increase in production would likely be categorized as rural domestic use.
 - A variety of factors must be considered to determine whether installation of a new well and corresponding increases in production would cause any potential undesirable results within the EMA. These factors include the total area of irrigated agriculture relative to the then-current and projected acres presented in the Plan (Table 3-33) as well as the groundwater production from these irrigated areas presented in the plan (Table 3-35) and subsequent annual reports through water year 2022. Furthermore, the presence, immanence, or absence of undesirable results within the EMA must also be considered in this assessment to determine whether the additional production would be likely to cause any undesirable results.
 - Compared to the projected production presented in the Plan, which were rough estimates based on the then-current agricultural land use trends, the planned production and usage of groundwater from the proposed new well would add a small amount of additional irrigated acreage beyond the total area estimated in the Plan. Notably, this estimate of irrigated acres was exceeded beyond the Plan's estimate for projected irrigated acreage soon after issuance of the Plan in January 2022.
 - However, there have been no reported undesirable results within the EMA as presented in the most recent annual report. This indicates that the proposed minor increase in production from

the proposed well would not be inconsistent with the sustainable groundwater management of the EMA.

- Projects and Management Actions:
 - This planned production and use of the well is not inconsistent with any implemented projects and management actions of the EMA's GSA. As a condition of issuance of a written verification, the well applicant must agree to register the well with and report production semi-annually to the EMA GSA.

Summary

The new proposed well is located within area managed by the EMA and the planned production from the proposed new well would NOT be "inconsistent with any sustainable groundwater management program" established by the GSA and would NOT decrease the likelihood of achieving a sustainability goal for the basin based upon conditions observed at the present time.

In our opinion, the GSA should provide a written verification to the County of Santa Barbara Department of Environmental Health for this application.

Indemnification and Limitations of Liability

GSI Water Solutions does not warrant or guarantee that the new or replacement well will produce the expected amount of water nor that the GSA will not require that the extraction from the well be reduced in the future in accordance with its authority to manage the EMA within the sustainability goal.

GSI Water Solutions is not responsible for or otherwise liable for any costs, investments, lost revenue, or payments related to any groundwater well permitted or not permitted by the County, including well drilling costs, pumping fees, extraction limits, costs related to well failure, well deepening, increased maintenance, replacement, or operational costs.

The GSA's issuance of a written verification and the County's issuance of a well permit to Applicant does not guarantee the extraction of any specific amount of water now or in the future or any defined water level or water quality.



Review of New Well Application in the Santa Ynez River Valley Groundwater Basin, Eastern Management Area (EMA) APN: 141-450-011, Dove Meadow Road (WP 0005484)

To: Santa Ynez River Valley EMA GSA Parties
From: Tim Nicely, PG, CHG; and Katie O'Malley, GSI Water Solutions, Inc.
Date: September 25, 2023

This memorandum presents our review of an application to install a new well within the Eastern Management Area (EMA). Our review was conducted on behalf of the Santa Ynez River Valley (SYRV) Groundwater Basin Eastern Management Area Groundwater Sustainability Agency (GSA). Under Paragraph 9 of Governor Newsom's Executive Order N-7-22 and the County Board of Supervisors Urgency Ordinance No. 5158 dated May 24, 2022, the County of Santa Barbara Department of Environmental Health Services shall not approve a permit for a new groundwater well or for alteration of an existing well in a medium or high-priority basin subject to the Sustainable Groundwater Management Act (SGMA) without first obtaining written verification from the GSA that groundwater extraction by the proposed well¹

1. would not be "inconsistent with any sustainable groundwater management program" established by the Groundwater Sustainability Plan (Plan) adopted by that GSA, and
2. would not decrease the likelihood of achieving a sustainability goal for the basin covered by the Plan.

Paragraph 9 of Executive Order N-7-22 does not apply to permits for wells that will provide less than two acre-feet per year of groundwater for individual domestic users, or that will exclusively provide groundwater to public water supply systems as defined in section 116275 of the Health and Safety Code.

The application being reviewed is for the installation of a new 8-inch diameter well completed to a proposed depth of 750 feet. The anticipated water production reported by the applicant is 2 to 4 acre feet per year (AFY) with a reported run time of 3 hours per day for 8 months per year. This is a domestic and irrigation well for individual use which produces more than 2 AFY thereby does not meet the definition of an exempt well.

¹ New wells are those resulting in new or additional groundwater production from the Basin, or those resulting in new or additional production capacity. Replacement wells are those not resulting in new or additional groundwater production or production capacity in the Basin.

Summary of Findings

The proposed new well has the following properties:

- Well location:
 - The proposed well is located on Assessor's Parcel Number 137-450-011, located at 1475 Dove Meadow Road, Solvang, California 93463 which is within the Santa Ynez River Valley Groundwater Basin. This parcel is in the Santa Ynez Uplands.
 - This parcel is located within the Santa Ynez River Water Conservation District.
 - This well will be located within the service area of a public water system, Santa Ynez Water Conservation ID. 1, and is connected to the Public Water System.
 - The new well location is within 1,000 feet of one well and possibly more wells off-property.
- Proposed well construction information:
 - The proposed well depth will be 750 feet deep, with perforations planned to be installed between 320 and 720 feet below ground surface. The well will produce water from the Paso Robles Formation.
 - The well will be used for irrigation and domestic purposes on a 3-acre parcel. The applicant anticipates a water production of 2 to 4 AFY. The planned pumping rate is 25 gallons per minute for 3 hours a day during 8 months of the year (March through November).
- Assess groundwater conditions:
 - Based on the depth of the proposed well, the produced groundwater from the well will be derived from the Paso Robles Formation, which is a principal aquifer within the GSA.
 - Water quality recorded in the last five years (between 2018 and 2023) within a 1,000 feet radius of the proposed well site were compiled from the United States Environmental Protection Agency's Water Quality Portal, the results of which did not demonstrate any constituents that exceed maximum contaminant levels. There are no potential point sources of groundwater contamination, such as active leaking underground storage tank sites within 1,000 feet of the proposed well.
- Would the well increase production within the EMA?
 - This additional minor volume of production from the subject property will increase the total area of irrigated acreage within the EMA. A variety of factors must be considered to determine whether installation of a new well and corresponding increases in production would cause any potential undesirable results within the EMA. These factors include the total area of irrigated agriculture relative to the then-current and projected acres presented in the Plan (Table 3-33) as well as the groundwater production from these irrigated areas presented in the plan (Table 3-35) and subsequent annual reports through water year 2022. Furthermore, the presence, immanence, or absence of undesirable results within the EMA must also be considered in this assessment to determine whether the additional production would be likely to cause any undesirable results.
 - Compared to the projected production presented in the Plan, which were rough estimates based on the then-current agricultural land use trends, the planned production and usage of

groundwater from the proposed new well would add a small amount of additional irrigated acreage beyond the total area estimated in the Plan. Notably, this estimate of irrigated acres was exceeded beyond the Plan's estimate for projected irrigated acreage soon after issuance of the Plan in January 2022.

- However, there have been no reported undesirable results within the EMA as presented in the most recent annual report. This indicates that the proposed minor increase in production from the proposed well would not be inconsistent with the sustainable groundwater management of the EMA.
- Projects and Management Actions:
 - This planned production and use of the well is not inconsistent with any implemented projects and management actions of the EMA's GSA. As a condition of issuance of a written verification, the well applicant must agree to register the well with and report production semi-annually to the EMA GSA.

Summary

The new proposed well is located within an aquifer managed by the EMA and the planned production from the proposed new well would NOT be "inconsistent with any sustainable groundwater management program" established by the GSA and would NOT decrease the likelihood of achieving a sustainability goal for the basin based upon conditions observed at the present time.

In our opinion, the GSA should provide a written verification to the County of Santa Barbara Department of Environmental Health for this application.

Indemnification and Limitations of Liability

GSI Water Solutions does not warrant or guarantee that the new or replacement well will produce the expected amount of water nor that the GSA will not require that the extraction from the well be reduced in the future in accordance with its authority to manage the EMA within the sustainability goal.

GSI Water Solutions is not responsible for or otherwise liable for any costs, investments, lost revenue, or payments related to any groundwater well permitted or not permitted by the County, including well drilling costs, pumping fees, extraction limits, costs related to well failure, well deepening, increased maintenance, replacement, or operational costs.

The GSA's issuance of a written verification and the County's issuance of a well permit to Applicant does not guarantee the extraction of any specific amount of water now or in the future or any defined water level or water quality.

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September 7, 2023

J. Brett Marymee, Chair
Eastern Management Area GSA
P.O. Box 719
Santa Ynez, CA 93460

Re: Governance of the Eastern Management Area GSA

Dear Mr. Marymee:

First and foremost, the Santa Ynez Water Group (Group) thanks you for your leadership during the August meeting of the Board of Directors (Board) of the Eastern Management Area Groundwater Sustainability Agency (EMA GSA) regarding the discussion on the future governance of the Santa Ynez River Valley Groundwater Basin (Basin). During that discussion, the Group offered to provide the Board with additional information regarding the Group's request for an agricultural landowner representative position on the EMA's ultimate governing body, specifically regarding how that agricultural representative would be selected. The purpose of this letter is to provide the Board with that information.

Allocation of Voting Power

Before we can discuss how the agricultural representative position should be selected, we must discuss the issue of voting power. As discussed during the August Board meeting, the primary outstanding issue prohibiting the EMA GSA member agencies from finalizing a new governance structure is the issue of voting power. Currently, the EMA GSA Board is made up of one voting member and one alternate member of each EMA GSA member agency. (MOU, § 3(a).) Voting, however, is weighted as follows: the County Water Agency has five votes, the SYRWCD has three votes, ID No. 1 has two votes, and the City of Solvang has one vote. (MOU, § 3(b).) The Group proposes a similar voting structure with a slight adjustment to account for the new agricultural landowner representative.

The Group proposes that the agricultural landowner representative receive three votes. Effectively, the County Water Agency would give up two votes and the SYRWCD would give up one vote to account for this new position. All other member agency votes would remain the same. Specifically, the Group proposes the following:

Formation of the Board of Directors. The GSA shall be governed by a Board of Directors ("Board"). The Board shall consist of five directors consisting of representatives from each of the Members identified in Article "X" ("Member Directors") and an Agricultural Stakeholder Director, representative of agricultural interests in the Basin ("Stakeholder Directors"), as follows:

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- (a) One director representing the City of Solvang;
- (b) One director representing the Santa Ynez River Water Conservation Improvement District No. 1;
- (c) One director representing the Santa Ynez River Water Conservation District;
- (d) One director representing the County of Santa Barbara; and
- (e) One Agricultural Stakeholder Director.

Director Votes. Voting by the Board shall be weighted as follows:

- (a) The City of Solvang: the Director shall have one vote.
- (b) The Santa Ynez River Water Conservation Improvement District No. 1: the Director shall have two votes.
- (c) The Santa Ynez River Water Conservation District: the Director shall have two votes.
- (d) The County of Santa Barbara: the Director shall have three votes.
- (e) The Agricultural Stakeholder Director: the Director shall have three votes.

PARTY	# OF DIRECTORS	# OF VOTES	TOTAL
County Water Agency	1	3 votes	24%
Ag Landowner	1	3 votes	24%
SYRWCD	1	2 votes	20%
ID No. 1	1	2 votes	20%
City of Solvang	1	1 vote	12%
TOTAL	5	11	100%

The Group tried to respect the existing voting structure as much as possible in proposing these revisions. Nonetheless, the Group believes the revisions made are justified. In the EMA GSA alone, the Group's members represent nearly 12,000 acres of irrigated lands and approximately 65% of the groundwater use. Accordingly, the Group's members will likely pay a majority of any future GSA fees and assessments, the proceeds of which will ultimately go to general EMA GSA administration and management actions and projects that will benefit all stakeholders in the Basin, urban and agricultural, alike.

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The Group is aware that certain members of the EMA GSA are interested in pursuing a “one member, one vote” voting structure. While the Group appreciates the considerations behind this structure, the Group is concerned that such a structure would not accurately represent stakeholders’ interest in the Basin. Further, the Group’s voting power would be greatly diminished, if not otherwise relegated to being merely advisory. Instead, the Group recommends that representation and voting power reflect a more proportionate voting structure.

Process to Select Agricultural Representative

During the August Board meeting, it was suggested that the agricultural landowner representative be selected by a vote of the agricultural landowners within the EMA GSA’s boundaries. While not immediately opposed to the suggestion, the Group has concerns regarding the logistics and legality of conducting such an election. The Group would like to discuss this matter further to better understand the current proposal. In the meantime, the Group recommends that it provide the ultimate governing body with an applicant for the agricultural representative position and, pursuant to its sole judgment, the ultimate governing body appoint that individual until an election can held and a duly elected agricultural representative can succeed this interim agricultural representative.

This recommendation and appointment process is not foreign to GSAs. For example, the Board of Directors of the Mound Basin Groundwater Sustainability Agency consists of five positions. One of those positions is dedicated to an “Agricultural Stakeholder Director.” (Mound Basin GSA Joint Powers Agreement, Section 6.1.2.) This director position is limited to an individual who:

“(a) Own[s]. . . land overlying the Basin (at least partially) that is utilized for a commercial agricultural business that produces groundwater from the Basin for its agricultural operation; or

(b) Operate[s] a commercial agricultural business that itself produces groundwater from the Basin for its agricultural operations on land overlying the Basin and be an approved stakeholder representative by that property’s owner.”

(Ibid.)

This “Agricultural Stakeholder Director” is selected unanimously by the other directors from a list of individuals submitted by the Mound Basin Agricultural Water Group (MBAWG), an entity like the Group, or the local county farm bureau if the MBAWG is unwilling or unable to nominate a potential director. (*Id.* at § 6.3.4.) And, if the other directors are unable to unanimously agree on any of the nominated candidates, then those directors can request that MBAWG bring back to the Board another list of candidates. (*Ibid.*) The Group recommends a similar selection process for the immediate placement of an interim agricultural representative on the ultimate governing body. The Group is happy to work with the EMA GSA and the ultimate governing body on the development of an equitable election process to elect the successor agricultural representative.

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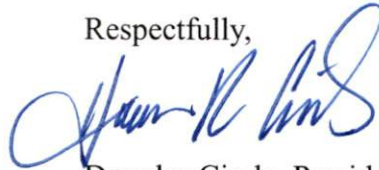
Next Steps

We are again enclosing *draft* language that the EMA GSA can use a foundation for its ultimate governing document. This draft language includes (i) the make-up of EMA GSA membership; (ii) the make-up of the board of directors, including qualifications; (iii) the appointment process for members of the board of directors, including the agricultural landowner representative; and (iv) allocation of voting power. The Group requests a meeting with EMA GSA

leadership to further discuss our proposal and the *draft* language, enclosed. Additionally, the Group requests a copy of the draft joint powers agreement mentioned during the August Board meeting.

If you have any questions, please do not hesitate to contact me by phone at 714-742-1444 or by e-mail at doug@circlevision.com.

Respectfully,



Douglas Circle, President

**ARTICLE “X”
MEMBERSHIP**

1.1 Members. The Members of the GSA shall be:

- (a) The City of Solvang;
- (b) The Santa Ynez River Water Conservation Improvement District No. 1;
- (c) The Santa Ynez River Water Conservation District; and
- (d) The County of Santa Barbara.

1.2 New Members. Any local agency, as defined by SGMA, that is not a Member as of the Effective Date of this Agreement may become a Member upon all the following:

- (a) Approval of the Board of Directors.
- (b) Amendment of this Agreement.
- (c) Payment of a pro rata share of all previously incurred costs that the Board of Directors determines have resulted in benefit to the local agency and are appropriate for assessment on the local agency.

**ARTICLE “Y”
BOARD OF DIRECTORS**

2.1 Formation of the Board of Directors. The GSA shall be governed by a Board of Directors ("Board"). The Board shall consist of five directors consisting of representatives from each of the Members identified in Article “X” (“Member Directors”) and one Agricultural Stakeholder Directors, representative of agricultural interests in the Basin (“Stakeholder Director”), as follows:

- (a) One director representing the City of Solvang;
- (b) One director representing the Santa Ynez River Water Conservation Improvement District No. 1;
- (c) One director representing the Santa Ynez River Water Conservation District;
- (d) One director representing the County of Santa Barbara; and
- (e) One Agricultural Stakeholder Director.

2.2 Qualifications.

- (a) **Member Directors.** The Member Directors shall be elected officials serving on the Member's governing body.
- (b) **Agricultural Stakeholder Director.** The Agricultural Stakeholder Director need not be a member of the Santa Ynez Water Group or any other group dedicated to agriculture within the GSA's boundaries. The Agricultural Stakeholder Director shall satisfy either or both of the following qualifications:
- (i) Own, as an individual, shareholder, trustee, limited liability company, or manager, or as a member of any other owner entity, land overlying that portion of the Basin underlying the GSA's boundaries (at least partially) that is utilized for a commercial agricultural business that produces groundwater from the Basin for its agricultural operation; or
 - (ii) Operate a commercial agricultural business that itself produces groundwater from the Basin for its agricultural operations on land overlying that portion of the Basin underlying the GSA's boundaries and be an approved stakeholder representative by that property's owner.

2.3 Appointment of Directors.

2.3.1 Appointment of Member Directors. The Member Directors shall be appointed to the Board by their respective governing body via resolution or minute order and shall serve at the pleasure of the governing body of the Member that appointed him/her. No individual Member Director may be removed except by the vote of the governing body of the Member that appointed him/her.

Members shall submit any changes in Member Director or Alternate Director positions to the Board by providing a copy of the executed resolution or minute order.

2.3.2 Appointment of Agricultural Stakeholder Director. The Board shall appoint the Agricultural Stakeholder Director as follows:

- (i) Upon written request of the Board, the Santa Ynez Water Group, or another group dedicated to agriculture within the GSA's boundaries if the Santa Ynez Water Group is unwilling or unable, will submit one or more qualified nominees for the Agricultural Stakeholder Director position.
- (ii) At the first scheduled meeting of the Board, the Member Directors will consider and unanimously select one of the nominees submitted by the Santa Ynez Water Group, or other group, as mentioned in subsection (i) immediately above. In the absence of a unanimous vote of approval and appointment by the Member Directors, the Member Directors may request different nominations of the submitting entity.

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The Agricultural Director shall serve for a term of two years but may be reappointed for multiple terms so long as that Agricultural Director is nominated by the Santa Ynez Water Group or other group dedicated to agriculture within the GSA's boundaries and unanimously approved and appointed by the Member Directors.

2.4 Alternate Directors. Each Director shall have one Alternate to act as a substitute Director for that Director. All Alternates shall be appointed in the same manner as set forth in Section 2.3. Alternate Directors shall not vote or participate in any deliberations of the Board unless appearing as a substitute for a Director due to absence or conflict of interest. If the Director is not present, or if the Director has a conflict of interest which precludes participation by the Director in any decision-making process of the Board, the Alternate Director appointed to act in his/her place shall assume all rights of the Director, and shall have the authority to act in his/her absence, including casting votes on matters before the Board. A Member's Alternate Director shall be an elected official or member of management of the Member.

2.5 Vacancies. Upon the vacancy of a Member Director, that Member's Alternate Director shall serve as Director until the Member appoints a new Member Director as set forth in Article 2.3.1. Upon the vacancy of the Agricultural Stakeholder Director, the Board shall follow the appointment process set forth in Section 2.3.2.

2.6 Duties of the Board of Directors. The business and affairs of the GSA, and all its powers, including without limitation all powers set forth in this Agreement, are reserved to and shall be exercised by and through the Board, except as may be expressly delegated to the Executive Director or others pursuant to this Agreement, Bylaws, GSP, or by specific action of the Board.

2.7 Director Compensation. No Director shall be compensated by the GSA for preparation for or attendance at meetings of the Board or meetings of any committee created by the Board. Nothing in this Article is intended to prohibit a Member from compensating its representatives on the Board or on a committee for attending such meetings.

ARTICLE "Z" VOTING

3.1 Quorum. A quorum of any meeting of the Board shall consist of a majority of the Directors. In the absence of a quorum, any meeting of the Directors may be adjourned by a vote of the simple majority of Directors present, but no other business may be transacted.

3.2 Director Votes. Voting by the Board shall be weighted as follows:

- (a) The City of Solvang: the Director shall have one vote.
- (b) The Santa Ynez River Water Conservation Improvement District No. 1: the Director shall have two votes.
- (c) The Santa Ynez River Water Conservation District: the Director shall have two votes.

(d) The County of Santa Barbara: the Director shall have three votes.

(e) The Agricultural Stakeholder Director: the Director shall have three votes.

3.3 Decisions of the Board.

(a) **Majority Approval.** Except as otherwise specified in this Agreement, all decisions of the Board shall require the affirmative vote of more than 50% of the weighted vote total in accordance with Article 3.2, provided that if a Director is disqualified from voting on a matter before the Board because of a conflict of interest and no Alternate Director is present in the Director's place or if the Alternate Director is also disqualified because of a conflict of interest, that Director shall be excluded from the calculation of the total number of Directors that constitute a majority.

(b) **Supermajority Approval.** Notwithstanding the foregoing, 75% of the weighted vote total in accordance with Article 3.2 shall be required to approve any of the following: (i) the annual budget; (ii) the GSP for the Basin and any substantive amendment thereto; (iii) any stipulation to resolve litigation; (iv) addition of new Members pursuant to Article 1.2; or (v) establishment and levying any fee, charge or assessment; (vi) adoption or amendment of Bylaws.

Attachment 1 – SGM Grant Program’s SGMA Implementation – Round 2 Award List

Disclaimer: The Recommended Award are conditional until final terms and conditions are agreed upon and an agreement has been executed. The awarded grant amount listed in the executed agreement can be less than the Recommended Award amount listed here based upon final negotiations between the Awardee and DWR. DWR staff may determine certain tasks are not eligible or do not meet the requirements outlined in the 2021 SGM Grant Program Guidelines and 2021 SGM Grant Program Implementation PSP, revised 2022, and are subject to change. DWR staff may also determine that certain components provided in the application would be better suited combined into one for ease of quarterly reporting and closeout reporting.

Application Number	Basin No./ Basin Name	Legislative Districts (Assembly, Senate, US Congressional)	Organization Name	Proposal Title	Component	Component Description	Requested Amount	Recommended Award
2022SIR20006	3-015 Santa Ynez River Valley	35th Assembly District, 19th Senate District, District 24 (CA)	Santa Ynez River Water Conservation District	SGMA Implementation in the Santa Ynez River Basin			\$5,534,000	\$5,534,000
					Well Extraction Measurement Demonstration Projects and Basin Reporting Program	This component consists of three extraction measurement methods (mechanical metering, power consumption and remote sensing, and estimated evapotranspiration). Additionally, component will identify and initiate DMS enhancements for transmitted data.	\$741,000	\$741,000
					Santa Ynez River Basin WMA, CMA, and EMA – SGMA Rate Study	This component consists of a SGMA Rate Study which includes the analysis of GSAs budgets; evaluating the need for pump charge rate/parcel fee rate for each management area; preparing rate schedules for each management area; and providing two recommended fee/rate alternatives for each GSA.	\$82,000	\$82,000
					Basin GSPs 5-Year Update	This component consists of continued GSP implementation/SGMA compliance, stakeholder and public outreach and engagement, prepare Annual reports, address DWR recommendations and comments, and complete 2027 Draft GSPs.	\$1,492,000	\$1,492,000
					Monitoring Improvement and Expansion	This component consists of the Monitoring Network improvement efforts, data collection, and technical studies. Additionally, this component will conduct analyses regarding the Basin’s beneficial users of groundwater.	\$1,845,000	\$1,845,000
					Stormwater Capture and Infiltration Project Designs	This component consists of the increase of groundwater recharge through stormwater capture. This project is expected to recharge approximately 300 to 700 AFY to the Basin.	\$335,000	\$335,000
					Water Use Efficiency Strategic Plan	This component consists of the reduction of demand on groundwater. Specifically, this component will implement a Water Use Efficiency Strategic Plan to reach and maintain MOs for the Basin.	\$600,000	\$600,000
					Recycled Water Feasibility Study	This component consists of a feasibility study for the use of recycled water, and to identify the best location(s) to use recycled water for irrigation.	\$285,000	\$285,000
					Grant Administration	Perform tasks necessary to perform reporting and invoicing for the grant agreement.	\$154,000	\$154,000
2022SIR20007	5-004 Big Valley	1st Assembly District, 1st Senate District, District 1 (CA)	Modoc County GSA	BVGB GSP Implementation Project			\$2,640,000	\$2,640,000
					BVGB GSP Implementation Project	The objectives include: 1) Conduct stakeholder engagement and coordinate the completion of the annual reports; 2) Modify the submitted GSP; 3) Complete the Water Availability Analysis and apply for a temporary permit for groundwater recharge within the Basin; 4) Conduct a feasibility study and planning for the potential of expanding existing reservoirs in the basin; 5) Preparation and submission of a basin boundary modification that accurately represents where aquifers are most likely to occur; 6) Conduct monitoring and research to improve the understanding of the BVGB and GSP through data collection and data management; 7) Conduct outreach to all beneficial users in the Basin for engagement in the GSP process and implementation	\$2,640,000	\$2,640,000
2022SIR20008	1-003 Butte Valley	1st Assembly District, 1st Senate District, District 1 (CA)	Siskiyou County Flood Control and Water Conservation District	Butte Valley Groundwater Sustainability Plan Implementation			\$5,282,200	\$3,335,200
					Grant Administration	Perform tasks necessary to perform reporting and invoicing for the grant agreement.	\$480,200	\$303,200
					SGMA Compliance and GSP Updates	This component consists of completing reporting and revisions required for updating the GSP through the updating/improving the existing hydrological model, augmenting monitoring networks, filling data gaps, increasing data management capabilities, and continuing education and outreach.	\$1,478,000	\$1,478,000
					Fee Study and Economic Analysis	This component consists of an evaluation of fee/rate options, the updating and further development of a parcel specific database of groundwater use and supply, furthering community engagement, and the development of fee/rate schedules.	\$280,000	\$280,000
					Well Inventory	This component consists of the development of a preliminary well inventory (through existing data), development of standardized well inventory forms and survey wells; creation and maintenance of a database where well inventories and data collected will be stored; public outreach and engagement to promote participation in the well inventory; update of the well outage risk analysis; and the development of a well mitigation program focused on domestic wells.	\$320,000	\$320,000
					Monitoring Network	This component will implement a new voluntary groundwater well metering program to gain well pumping data; establish a well metering fund for water use data; expand groundwater quality sampling; add stream gauges; perform isotropic trace studies; improve GSP GDE analysis; and identify sites for snow stations.	\$954,000	\$954,000