



Carpinteria Valley Water District

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September 17, 2019

Honorable Michael J. Carrozzo, Presiding Judge
Santa Barbara County Superior Court
1100 Anacapa Street
Santa Barbara CA 93101

GENERAL MANAGER

Robert McDonald, P.E. MPA

RE: 2019 Santa Barbara Civil Grand Jury report titled, "*The Cachuma Project Contract and Management; Whiskey is For Drinking- but MUST We Fight Over Water?*"

Judge Carrozzo:

Please find attached the Carpinteria Valley Water Districts responses to the referenced Civil Grand Jury Report. As directed by the Grand Jury, all responses are provided in accordance with Section 933.05 of the California Penal Code.

Warmest Regards,

Matthew Roberts, President
Carpinteria Valley Water District Board of Directors

C: Robert R. Downer, Foreperson, 2018-19 Santa Barbara Civil Grand Jury
Encl: "CVWD response to the Santa Barbara County Grand Jury 2018-2019 Report"

Response to the Santa Barbara County Grand Jury 2018-2019 Report “Cachuma Project Contract and Management”

Finding 1

The current Contract does not fully address future water management problems such as will arise from climate and other rapid environmental changes.

CVWD agrees with this finding. However, the purpose of the Contract is not to define or address all future operational scenarios such as a changing climate and environmental conditions. The Contract should be drafted with consideration given to the effect of these potential scenarios, however should not be used as the primary tool to establish operational approaches. Instead the Contract establishes contractual rights and obligation of the contacting parties and beneficiaries with respect to the Project. The Contract should be structure in such a way as to allow operational adjustments to adapt to a variety of environmental conditions.

Recommendation 1

That the Directors of the Member Units and the Santa Barbara County Board of Supervisors, acting as Directors of the SBCWA, pursue the upcoming 2020 contract negotiations as an opportunity to create a completely new contract.

This recommendation will not be implemented. The idea of a “new” Contract versus a “renewed” Contract is not an important distinction for CVWD. There will be changes that occur in the Contract that will make it different than the current Contract, however, it is a continuation of an agreement that defines the rights and obligations of the SBCWA, the MUs and the USA with respect to the Cachuma Project. Many of the existing constraints of the current Contract such as water rights orders, a Biologic opinion, the settlement agreement and Reclamation law remain in force and must be included in the fabric of the agreement.

Finding 2

Public understanding and effective operation of the Cachuma Project would be enhanced if key terms in the Contract were defined and used more precisely.

CVWD agrees with this finding. CVWD agrees that terms should be defined precisely and used consistently, to the extent possible, for purposes of effective operation of the Cachuma Project and public understanding. However, many of the articles of the Contract are the result of negotiations and cannot always be precisely articulated, sometimes resulting in ambiguous terminology.

Recommendation 2

That the Directors of the Member Units and the Santa Barbara County Board of Supervisors, acting as Directors of the SBCWA, require that key terms in the new Contract are defined clearly and used in a consistent manner.

This recommendation will be implemented at the time of Contract negotiations. The SBCWA and the MUs will have limited ability to “require” anything with the final version of the Contact, however as a negotiating position CVWD agrees that it is important to work toward clarity of terminology in the Contact.

Finding 3

The roles and responsibilities of SBCWA and the Member Units are not clearly defined in the current Contract.

CVWD partially disagrees with this finding. The current Contract defines the role of the SBCWA to be the contractor acting on behalf of the Member Units. The role of the Member Units is to repay project capital debt and operating costs and receive the available project water. That said, it appears that there is a difference in understanding between the MUs and SBCWA regarding roles and responsibilities under the existing Contract.

the next contract should clarify roles and responsibilities of the SBCWA and MUs.

Recommendation 3

That the Directors of the Member Units and the Santa Barbara County Board of Supervisors, acting as Directors of the SBCWA, ensure their roles and responsibilities are clearly defined in the new Contract.

This recommendation will be implemented at the time of Contract negotiations. The MUs and the SBCWA's ability to "ensure" that the roles and responsibilities are clearly defined in the Contract will be limited. However, as a negotiating position CVWD agrees that it is important to work toward clear roles and responsibility in the Contract.

Finding 4

The current Water Year, October 1 to September 30, makes diversion recommendations and decisions difficult because it comes just before the rainy season, when the quantity of water in Cachuma for the next few months is highly unpredictable.

CVWD disagrees with this finding. The current water year schedule works with the Cachuma modeling used by the MUs. Additionally, in very dry conditions the use of a mid-year adjustment to the Available Water for diversion should resolve the uncertainty.

Recommendation 4

That the Directors of the Member Units and the Santa Barbara County Board of Supervisors, acting as Directors of the SBCWA, strongly urge in negotiations for the new Cachuma Project Contract that the Water Year should run from May 1 to April 30, or similar period, to allow diversion requests to be made soon after the usual winter rain period.

This recommendation will not be implemented because it is not necessary and the benefits, if any, of this change would be limited and would potentially conflict with other existing agreements and planning documents.

Findings 5

Provisions in the 2020 Contract will need more frequent updating than those in previous Contracts due to rapid climate change altering the natural conditions affecting water supply.

CVWD disagrees with this finding. The purpose of the Contract is to establish contractual rights and obligation of the contacting parties and beneficiaries with respect to the Project. Each change in the contract would require environmental review and negotiations between the parties. Frequent revisions to the contract would be onerous and likely result in poor outcomes. The Contract should be flexible enough to allow for operational decisions to be used to address variability in hydrologic and environmental conditions.

Recommendation 5

That the Directors of the Member Units and the Santa Barbara County Board of Supervisors, acting as Directors of the SBCWA, propose to the Bureau of Reclamation that the new Cachuma Project Contract require a meeting between them and the Bureau every five years, with a public agenda, to consider changes to Contract provisions which have become outdated.

This recommendation will not be implemented.

Finding 6

Under the 1995 Contract, Article 9(g), the required five-year meetings cannot result in increased water diversions to Member Units.

CVWD disagrees with this finding. Subarticle 9 (g) refers to periodic meetings not to occur more than every 5 years, to confer on studies completed, efficiency, downstream groundwater quality, environment and conservation with respect to operational changes to the Project. Under this subarticle changes to the operations cannot result in a reduction of Available Water in any Water Year.

Recommendation 6

That the Directors of the Member Units and the Santa Barbara County Board of Supervisors, acting as Directors of the SBCWA, propose to the Bureau of Reclamation that the required five-year meetings allow changes to the operations of the new Contract, including increased diversions, provided they are consistent with Federal law, State law, and Project Water Rights, and do not negatively affect the environment or the groundwater quality downstream of Bradbury Dam.

This recommendation will be implemented at the time of Contract negotiations. CVWD does not support mandatory meetings every five years particularly if there are no operational changes to be considered. However, CVWD agrees that the Contract should allow for periodic meeting at which operational strategies can be discussed and potentially implemented. CVWD agrees that increased diversions in a given year should be considered under operational changes provided that those increases are consistent with Federal law, State law, and Project Water Rights, and do not negatively affect the environment or the groundwater quality downstream of Bradbury Dam.

Finding 7

Member Units and SBCWA have expressed support for formal, quantitative methods of decision-making under uncertainty which can identify sources of disagreement, and thus facilitate compromise solutions.

CVWD agrees with this finding. CVWD supports data driver collaborative decision making which may require compromise from time to time. CVWD supports the use of quantitative methods to inform decision making in uncertain conditions. CVWD does not support purely quantitative or mechanical decision making as it can lead to unintended outcomes.

Recommendation 7

That the Directors of the Member Units and the Santa Barbara County Board of Supervisors, acting as Directors of the SBCWA, establish a format for quantitative decision-making under uncertainty; and seek to narrow their differences on such components as probabilities of future rainfall patterns and criteria for desirable outcomes.

This recommendation will be implemented at the time of Contract negotiations. See response under Finding 7.

Finding 8

SBCWA and the Member Units agree that meetings of their technical staffs are valuable but disagree over the organizational concerns of past meetings, such as claims of infrequency, non-attendance, non-response and cancellation without notice.

CVWD agrees with this finding. CVWD believes there is value in regularly meeting at a staff level between the MUs and SBCWA to discuss technical issues and coordination with respect to the operation of the Project.

Recommendation 8

That each year the Directors of the Member Units and the Santa Barbara County Board of Supervisors, acting as Directors of the SBCWA, determine a schedule of multiple meetings of key technical staffs to discuss Cachuma Project operations, including upcoming diversions, and to report major points of potential agreement or disagreement to their Boards.

This recommendation will not be implemented because MU/ SBCWA meeting scheduling already occurs at the staff level. CVWD agrees that the two groups could improve the consistency of the meetings, however believes

this can be achieved at staff level.

Finding 9

The websites of the Member Units and SBCWA lack clarity and detail on the Cachuma Project.

CVWD agrees with this finding.

Recommendation 9

That the Directors of the Member Units and the Santa Barbara County Board of Supervisors, acting as Directors of the SBCWA, set up and maintain a specific website for detailed information on the Cachuma Project's history, structure, governance, and operations, with links to additional historical documents and records.

The recommendation will be implemented immediately. CVWD will provide links on its website to available information regarding the Cachuma Project to its website such as the State Board's Cachuma Water Rights website and the USBR and Cachuma Operations Maintenance Board websites.