Response to Santa Barbara County Grand Jury Report:

“The Cachuma Project & Management ”

Report Summary

- Published June 26, 2019

- The Board of Supervisors and the SBCWA are named as responders to Findings 1 through 9 as well as Recommendations 1-9.

Finding 1

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

- The Board of Supervisors and the Board of Directors of the Santa Barbara County Water Agency agree with the finding.

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.

- Recommendation 1 has been implemented. On May 2, 2017, the Board of Directors of the Santa Barbara County Water Agency (SBCWA), after an open noticed public hearing, issued a letter to the United States Bureau of Reclamation (USBR) requesting to renew the Cachuma Contract, as required by Article 2(a) of the current 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.

- The Board of Supervisors and the Board of Directors of the Santa Barbara County Water Agency agree with the finding.

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.

- Recommendation 2 requires further analysis and will be raised by SBCWA during formal contract negotiations with USBR which are anticipated to begin within the next six months.

Finding 3

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

- The Board of Supervisors and the Board of Directors of the Santa Barbara County Water Agency disagrees partially with the finding. While the current contract is silent to some of the issues of responsibility, it must be pointed out that the current contract is between the SBCWA and USBR and there are separate agreements between each of the Member Units (MUs) and SBCWA.

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.

- Recommendation 3 has not yet been implemented, but will be implemented during the upcoming contract negotiations anticipated to start this year.

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.

- The Board of Supervisors and the Board of Directors of the Santa Barbara County Water Agency agree with the finding.

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 a similar period, to allow diversion requests to be made soon after the usual winter rain period.

- Recommendation 4 requires further analysis. Establishing the Water Year will be analyzed and defined during contract negotiations which are anticipated to begin within the next six months.

Finding 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.

- The Board of Supervisors and the Board of Directors of the Santa Barbara County Water Agency agree with the finding.

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.

- Recommendation 5 requires further analysis. SBCWA plans to raise this matter at the formal contract negotiations with USBR which are anticipated to begin within the next six months.

Finding 6

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

- The Board of Supervisors and the Board of Directors of the Santa Barbara County Water Agency agree with the finding.

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.

Response to Recommendation 6

- Recommendation 6 requires further analysis.

- The five year cycle of re-evaluation of reservoir conditions should allow the change of the allocation schedule both up or down depending on the change in conditions so that the reservoir remains a stable water supply source for the public. If conditions such as downstream releases for fish or environmental purposes are reduced, then a new yield analysis can be done to support increased allocations that still provide a reliable supply. SBCWA plans to raise this matter at the formal contract negotiations with USBR which are anticipated to begin within the next six months.

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.

- The Board of Supervisors and the Board of Directors of the Santa Barbara County Water Agency agree with the finding.

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.

- Recommendation 7 has not yet been implemented, but will be implemented during the upcoming contract negotiations anticipated to start this year.

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, nonresponse and cancellation without notice.

- The Board of Supervisors and the Board of Directors of the Santa Barbara County Water Agency agree with the finding.

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 staff to discuss Cachuma Project operations, including upcoming diversions, and to report major points of potential agreement or disagreement to their Boards.

- Recommendation 8 will not be implemented because it is not warranted. Scheduling should remain at the discretion of staff as having the Directors do so would be overly cumbersome. Staff has the authority to convene or adjust the time and frequency of these meetings. Staff reports updates to the Directors as appropriate and any policy direction given by the Directors is carried to the meetings.

Finding 9

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

- The Board of Supervisors and the Board of Directors of the Santa Barbara County Water Agency agree with the 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.

- Recommendation 9 has not yet been implemented, but will be implemented when upcoming contract negotiations are scheduled which is anticipated to start this year.

Recommended Actions:

a) Consider and adopt the responses in Attachment A as the Board of Supervisors' and the Santa Barbara County Water Agency's combined response to the 2018-2019 Grand Jury report entitled "The Cachuma Project Contract and Management. Whiskey Is For Drinking - But MUST We Fight Over Water?", Attachment B; and

b) Authorize the Chair to sign the letter included in Attachment A and forward the letter and responses to the Presiding Judge of Santa Barbara County Superior Court; and

c) Determine pursuant to CEQA Guidelines 15378(b)(5) that the above actions are not a project subject to CEQA review, because they are government administrative activities that does not result in direct or indirect physical changes to the environment.