



County of Monterey

Item No.3

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: WRAFIN 23-002

February 03, 2023

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Matter Type: WRA Finance Item

Support recommending that the Board of Directors of the Monterey County Water Resources Agency recommend that the Board of Supervisors of the Monterey County Water Resources Agency approve Ordinance No. ____ amending Ordinance No. 03790 concerning the destruction of groundwater wells in MCWRA's Zone 2B.

RECOMMENDATION:

It is recommended that the Water Resources Agency Finance Committee:

Support recommending that the Board of Directors of the Monterey County Water Resources Agency recommend that the Board of Supervisors of the Monterey County Water Resources Agency approve Ordinance No. ____ amending Ordinance No. 03790 concerning the destruction of groundwater wells in MCWRA's Zone 2B.

SUMMARY/DISCUSSION:

Monterey County Water Resources Agency ("MCWRA") Ordinance No. 03790 was adopted by the MCWRA Board of Supervisors on November 8, 1994. Ordinance No. 03790 provides for the management of all groundwater wells within the Castroville Seawater Intrusion Project ("CSIP") area, known as Zone 2B, following completion and start-up of CSIP. Ordinance No. 03790 prohibits and otherwise restricts pumping from groundwater wells in Zone 2B, and it provides for the classification of various wells, for the maintenance and limited operation of standby wells, and for the destruction of abandoned wells, contaminated wells, wells that allow cross-contamination of aquifers, and other wells.

Ordinance No. 03790 establishes a procedure for the destruction of wells and, with regard to destruction of certain wells, Sections 1.03.04 and 1.03.05 state that MCWRA shall bear the costs of destroying certain wells within Zone 2B. Per Ordinance No. 03790, the schedule for destruction of wells may be extended by the MCWRA General Manager based on availability of funds in MCWRA's budget.

In October 2017, MCWRA issued the report "Recommendations to Address the Expansion of Seawater Intrusion in the Salinas Valley Groundwater Basin" ("Recommendations Report") which, among other things, suggested initiating and diligently proceeding with destruction of wells in Zone 2B to eliminate anthropogenic conduits facilitating the movement of impaired groundwater between aquifers. MCWRA did not have available funding to begin well destruction work at the time the Recommendations Report was released.

In June 2020, MCWRA entered into grant agreement D1912532 (“Grant”) with the State Water Resources Control Board to partially fund the Protection of Domestic Drinking Water Supplies for the Lower Salinas Valley project (“Project”), the purpose of which is to destroy a minimum of 100 wells to prevent conduits that allow vertical migration of seawater- and nitrate-contaminated groundwater into aquifers of the Salinas Valley Groundwater Basin.

The Grant provides 54% of the funding for well destructions in the Project area, which includes the entirety of Zone 2B, thereby offsetting direct costs to MCWRA for the destruction of certain wells required pursuant to Ordinance No. 03790 during the Grant term. The remaining 46% of the Project costs totaling \$4,197,795 will be satisfied through MCWRA in-kind services and contributions from the Cannabis Assignment Fund, Castroville Community Services District, and Monterey One Water. All work under the Grant must be completed by February 28, 2023.

After the Project’s Work Completion Date on February 28, 2023, some wells will remain in Zone 2B for reasons including, but not limited to: ineligibility for destruction as part of the Project; well owner appeal of MCWRA’s decision to destroy the well; owner was non-responsive during MCWRA’s fifteen (15) months of outreach efforts; well owner has declined to sign the well permit application form that is necessary for MCWRA to initiate destruction of a well; or the well is exempt from destruction pursuant to Section 1.03.02 of Ordinance No. 03790.

MCWRA does not have a budgeted funding source for destruction of wells once the Project concludes and, pursuant to a 2003 Settlement Agreement between MCWRA and a group of Salinas Valley landowners, MCWRA is unable to increase assessments in Zones 2Y and 2Z to finance implementation of Ordinance No. 03790, which includes well destruction efforts.

This amendment divests MCWRA of the responsibility for implementing and bearing the costs of destruction of wells in Zone 2B following the Work Completion Date of the Grant (Attachment 1). Property owners and growers in Zone 2B who are electing to maintain and operate wells in conformance with Ordinance No. 03790, or who have chosen not to have their well destroyed as part of the Project through a direct statement or non-responsiveness, will assume full responsibility for destruction of their wells including bearing the cost of destruction.

OTHER AGENCY INVOLVEMENT:

The County Counsel’s office has reviewed the proposed ordinance.

FINANCING:

Once the term of the Grant is over, MCWRA does not have funding budgeted for well destruction. Based on the status of wells in the Project area and an estimate using current Project costs, MCWRA could incur a minimum of \$5,600,000 in future well destruction costs if Ordinance No. 03790 is not amended.

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Approved by: Lew Bauman, Interim General Manager, (831) 755-4860

Attachments:

1. Proposed Ordinance No. _____ (tracked changes)