



WATER RESOURCES AGENCY

MEMORANDUM

Monterey County

DATE: January 26, 2026

TO: Joint Boards Leadership Committee

FROM: Ara Azhderian

SUBJECT: Groundwater Monitoring Program Regulatory Fees

In August 2025, the Agency's Board of Supervisors adopted the 2025-26 fiscal-year budget for the Salinas Valley Basin Groundwater Monitoring Program (GMP). The regulatory fees identified in the Agency's 2025 nexus report, which are necessary to support the regulatory program costs, were to be offset by a grant from the California Department of Water Resources awarded to the Salinas Valley Basin Groundwater Sustainability Agency. Following approval of the FYE26 budget, the Agency has entered into a master service agreement with the SVBGSA to fund the GMP and has collaborated closely on implementation of the program.

During the budget discussion, the Supervisors also directed staff to explore options for future cost offsets for de minimis well owners. De minimis well owners are those that pump less than 2 acre-feet of groundwater per year for domestic purposes. The precise number of de minimis well owners in the GMP service area is not known but estimates range in between 1,500 to 2,500, which could be between one-third and one-half of all wells. The number of de minimis wells in each subbasin varies, with the most likely in the Langley subbasin and the least in the Upper Valley.

Since approval of the FYE26 budget, staff have participated in many meetings to discuss alternatives to directly billing de minimis well owners their proportionate costs of the regulatory program, which have been estimated to be up-to \$400,000 annually. The alternatives include:

- State legislation to categorically exclude de minimis well owners from SGMA compliance;
- State legislation to provide funding for de minimis well owners to comply with SGMA's unfunded mandates;
- Requesting funding from the County of Monterey General Fund;
- Requesting funding from the SVBGSA;
- Exercising the Agency's independent taxing authority to establish a new revenue source for this purpose.

As staff begins preparation of the 2026-27 fiscal-year budget, we seek additional direction from the JBL to help focus and efficiently manage limited resources.