



Today's Action

It is recommended that the Board of Supervisors:

- a. Receive a presentation on AB 2728 (Soria) Groundwater: De Minims Extractors Fees: Exemption; and,
- b. Approve sponsoring AB 2728 and provide other direction to staff as necessary.

New Regulatory Paradigm – Sustainable Groundwater Management Act

- SGMA is comprised of 3 state laws enacted in 2014.
- SGMA mandates include:
 - Establishment of local Groundwater Sustainability Agency's in lieu of state control;
 - Monitoring groundwater level, quality, and usage.
- The Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) was formed in 2017 to achieve the mandates of SGMA

Groundwater Monitoring Program

- New Groundwater Monitoring Program:
 - Agreement to leverage MCWRA’s groundwater monitoring expertise and historical, long-term trend data instead of a duplicative program.
 - Establish a reliable funding mechanism to recover the reasonable costs necessary to implement the GMP.
 - development of regulatory fees under Prop. 26
 - separated the legal context under which cost recovery fees would be established
 - Ordinance No. 5426 approved on October 1, 2024, to establish a well fee and expand the Agency’s existing program to comply with SGMA.

GMP Cost Allocation & Recovery

- The GMP cost equates to the number of wells, not the number of acres or amount of extraction.
- The GMP per-well cost allocation was adopted.
 - Not all landowners are well owners
 - The level of effort necessary to implement the GMP is dependent upon the number of wells being monitored
- The unintended consequence is regressive: a household drawing two acre-feet per year for domestic use pays essentially the same as an extractor pumping a thousand acre-feet
 - The financial disparity can be significant, especially for lower-income rural households

Summary of FY 26-27 GMP Reg. Fees

- The GMP fees developed through a nexus study and adopted annually.
 - FY26-27 fees adopted on May 19, 2026.
 - Annual fees subject to change reflective of actual program costs.

SV Subbasin Total Annual Fee per Well	FY 26-27
Upper Valley/Forebay De Minimis Wells (R + WL)	\$ 139.53
Upper Valley/Forebay (R + WL + WR)	\$ 204.35
180/400/Eastside/Langley/Monterey De Minimis wells (R + WL + WQ)	\$ 213.43
180/400/Eastside/Langley/Monterey (R + WL + WR + WQ)	\$ 278.25
R = Annual Registration Renewal WL = Groundwater level monitoring WQ = Groundwater quality monitoring WR = Groundwater extraction reporting	



Consequences of Prop 26 Limitations De Minimis Wells

- Prop 26 does not allow the MCWRA as a non-GSA to charge one group of well-owners more in order to offset the cost of others.
- De minimis groundwater extractors are defined as: “a person who extracts, for domestic purposes, two acre-feet or less (of groundwater) per year.” (CCR § 10721).
- Non-de minimis well extractors are why SGMA was put in place.
 - If the GMP had been implemented under the SVBGSA, de minimis extractors would have been shielded from a monitoring fee.
- AB 2728 (Soria) was introduced to address the unintended, regressive impact of allocating groundwater monitoring costs on a per well basis to de minimis extractors.

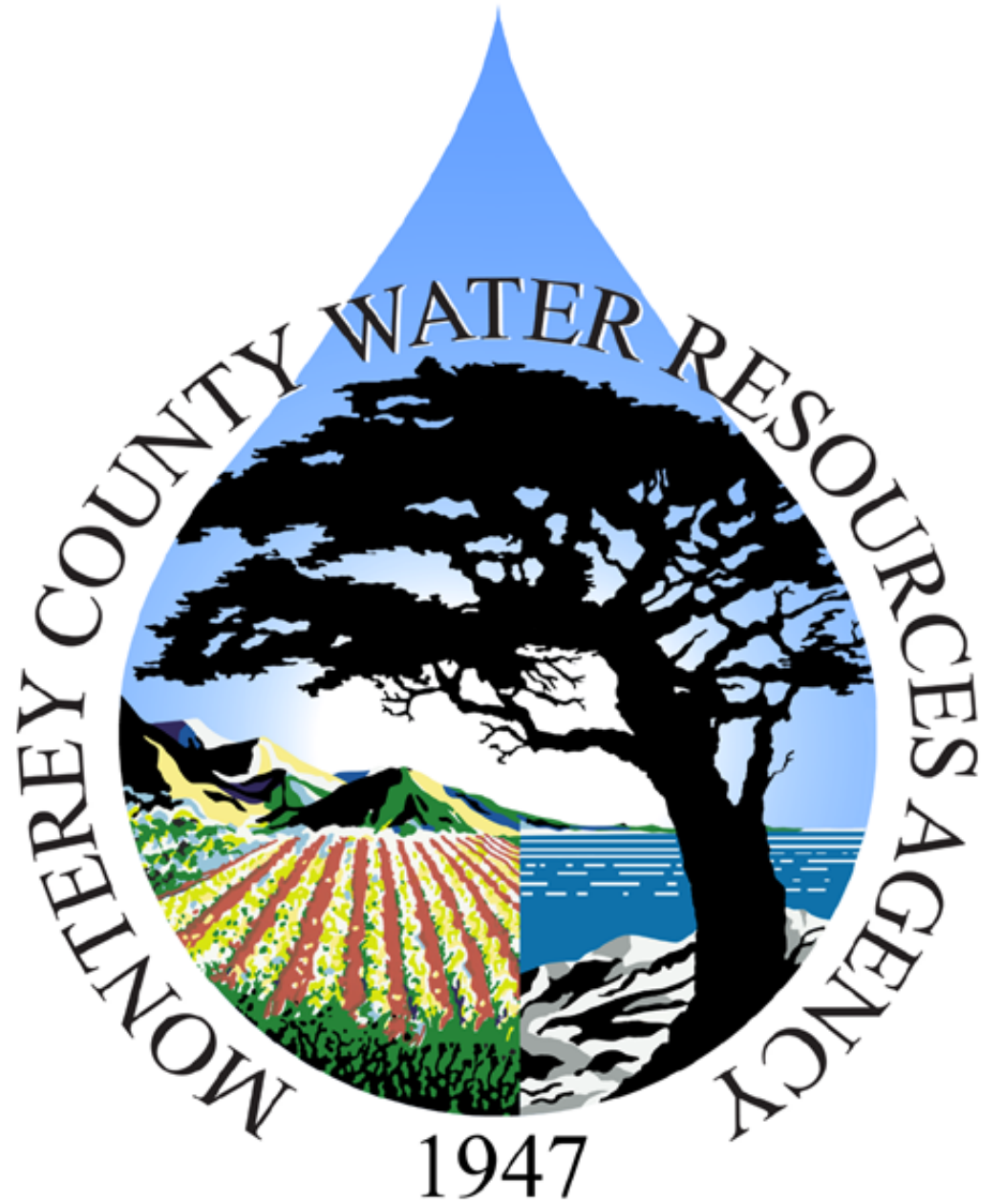
Sponsoring AB 2728 (Soria)

- By sponsoring this bill, the County of Monterey is supporting constituents facing increased water fees due to legislation and a ballot proposition that had unintended consequences for de minimis well water users.
- The County of Monterey continues to struggle with water usage as a whole and this legislation would positively impact constituents of the Salinas Valley groundwater basin who could be grappling with this issue for years.

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