



County of Monterey

Item No.2

Board Report

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

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Matter Type: WRA Planning Item

Review and consider receiving a scope of work for Fernando DePaolis, Ph.D. to perform a study of the Economic Value of Groundwater Recharge, Salinas Valley.

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Planning Committee:

Review and consider receiving a scope of work for Fernando DePaolis, Ph.D. to perform a study of the Economic Value of Groundwater Recharge, Salinas Valley.

SUMMARY/DISCUSSION:

The Agency's Historical Benefits Analysis has been the traditional approach to calculate the economic value of groundwater recharge in the Salinas Valley Groundwater Basin. The analytical focus has been upon the avoided costs associated with the effect of the reservoirs on reducing the number of wells needing replacement due to depleted aquifer conditions. To calculate the benefits, data examined included groundwater head elevations and pumping volumes under the "historical", with the reservoirs, and "no project scenarios", without the reservoirs, in addition to well characteristics (e.g., elevation of the top and bottom of the well intake screen) for the 2,356 agricultural and municipal wells in the hydrologic model.

This proposed analysis will examine the specific value of groundwater recharge from the Agency's reservoir operations. Groundwater recharge is vital to the region's economy, but no prior analysis quantifies its value as an independent benefit. The proposed study is organized into three nested analytical levels, each building on the previous one. This structure will allow the Agency to review findings at each stage to consider the potential benefit of a fully integrated, final study. The analysis uses an avoided-cost approach that examines how each acre-foot of water recharged to the Salinas Valley aquifer offsets an equivalent shortage cost. To minimize study costs, the analysis will use the shortage costs from ERA Economics' locally calibrated model of the Salinas Valley agricultural economy and then apply them to measured recharge volumes from the Agency's operations, as documented in the annual Salinas River Series.

OTHER AGENCY INVOLVEMENT:

Salinas Valley Basin Groundwater Sustainability Agency

FINANCING:

This analysis will be funded from Agency Fund 111 with partial funding identified in the approved FY26 budget. The remaining funding is identified in the upcoming FY27 budget.

Prepared and Approved by: Ara Azhderian, General Manager, (831) 755-4860