Introduced: 3/28/2025
Version: 1

Current Status: Agenda Ready
Matter Type: WRA FInance Item

Consider recommending that the Monterey County Water Resources Agency Board of Directors consider recommending that the Monterey County Water Resources Agency Board of Supervisors approve and adopt the Fiscal Year (FY) 2025-26 Groundwater Monitoring Program Regulatory Fees of $160.19 per well for Initial Well Registration, $21.90 per well for Annual Well Registration Renewal, $64.82 per well for Groundwater Extraction Monitoring, $117.63 per well for Groundwater Level Monitoring, and $73.90 per well for Groundwater Quality Monitoring.

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

Recommend that the Monterey County Water Resources Agency Board of Directors consider recommending that the Monterey County Water Resources Agency Board of Supervisors approve and adopt the Fiscal Year (FY) 2025-2026 Groundwater Monitoring Program Regulatory Fees of $160.19 per well for Initial Well Registration, $21.90 per well for Annual Well Registration Renewal, $64.82 per well for Groundwater Extraction Monitoring, $117.63 per well for Groundwater Level Monitoring, and $73.90 per well for Groundwater Quality Monitoring.

SUMMARY/DISCUSSION:
The Monterey County Water Resources Agency's ("Agency") Groundwater Monitoring Program ("GMP") is used to produce the data necessary to understand the hydrologic budget of the monitored area, facilitate implementation of the Agency Act, inform operations of Agency projects, and support resource management that allows for continued well owner operations throughout the community.

Historically, the Agency implemented the GMP across Zones 2, 2A, and 2B in a discretionary manner as funding allowed. However, with passage of the Sustainable Groundwater Management Act ("SGMA") in 2014 came the establishment of local Groundwater Sustainability Agencies ("GSAs") and a need for consistent, reliable collection of groundwater and well data, like that collected by the GMP. In the interest of improving operational efficiency and reducing costs, some local GSAs have chosen to leverage the data collection, analysis, management, and reporting expertise captured by the Agency's GMP rather than creating a separate, parallel, monitoring program. As such, the geographic extent of the GMP is expanding to cover most of the Salinas Valley Groundwater Basin and collection of the GMP data is now required to support GSAs and their need to meet SGMA regulatory obligations. Compliance with SGMA is enforced by the State Water Resources Control Board ("SWRCB") and failure to comply will result in intervention by the SWRCB, which "…may include holding probationary hearings, imposing reporting requirements, issuing fees, assuming basin management responsibilities (including developing and implementing usage plans), and conducting

enforcement actions." (CA Legislative Analyst's Office, 2024)

The Agency Act (California Water Code, Appendix §52) and Ordinance No. 5426 authorize the Agency to "…recover costs associated with the development, implementation, enforcement, and perpetuation of a regulatory groundwater monitoring program on a per-well basis, not based on extraction data, within Monterey County." In March 2025, the Finance Committee received a presentation of the draft GMP Regulatory Fee Study ("Study") that was developed for the Agency by Lechowicz & Tseng Municipal Consultants to establish a schedule of cost-based fees for the GMP (Attachment 1). The Study described the regulatory functions covered by the GMP and associated costs for staff time, materials, and equipment needed to provide the services.

The GMP Regulatory Fees will be charged on per-well basis, regardless of how much water a well extracts from the groundwater basin. For FY 2025-2026, the fees will apply to water production wells in the six subbasins managed in whole or in part by the Salinas Valley Basin Groundwater Sustainability Agency ("SVBGSA"), namely the 180/400-Foot Aquifer, Eastside, Forebay, Langley, Monterey, and Upper Valley Subbasins (Attachments 2 and 3). Data collected and reported under programs funded by the GMP Regulatory Fees will be provided to the SVBGSA for use in implementing the Groundwater Sustainability Plans for the aforementioned subbasins.

The recommended GMP Regulatory Fees cover Agency staff time to implement the monitoring programs, including data collection, analysis, and reporting; equipment, vehicles, and supplies; technological support for data collection and management applications; and indirect costs. The indirect cost rate is 22.49% which consists of Agency overhead (approximately 13.55%) and County of Monterey overhead (approximately 8.95%). The indirect cost rate covers salary and benefits of Agency Administrative staff, insurance, office furnishings and supplies, computer hardware and software, internet service, communications devices, rental costs of Agency buildings, and County services such as Facilities, Auditor Controller, Human Resources, Records Retention, and County Counsel.

For FY 2025-2026, the recommended GMP Regulatory Fees, by category, are as follows: Initial Well Registration Fee of $160.19 per well; Annual Well Registration Renewal Fee of $21.90 per well; Groundwater Extraction Monitoring Fee of $64.82 per well, when applicable; Groundwater Level Monitoring Fee of $117.63 per well; and Groundwater Quality Monitoring Fee of $73.90 per well, where applicable. Additional information about each fee is available in the Study (Attachment 1) and on the summary table (Attachment 3).

Looking ahead, the FY 2025-2026 GMP Regulatory Fee will be considered by the Agency's Board of Directors on April 21, 2025 and by the Agency's Board of Supervisors on May 28, 2025.

OTHER AGENCY INVOLVEMENT:
The Salinas Valley Basin Groundwater Sustainability Agency coordinated with Agency staff to identify the scope of data under the GMP that is required to satisfy their regulatory obligations for monitoring and reporting under SGMA.

FINANCING:

Financial impacts of the requested GMP Fees were reviewed during the Agency's FY 2025-26 Budget Workshop, held on March 17, 2025. Total FY 2025-26 cost recovery for GMP is estimated at $800,000.

Prepared by: Amy Woodrow, Senior Water Resources Hydrologist, (831) 755-4860
Approved by: Ara Azhderian, General Manager, (831) 755-4860

Attachments:

1. Draft GMP Fee Study
2. Map of FY 2025-2026 GMP Regulatory Fee Area
3. Summary Table of FY 2025-2026 GMP Regulatory Fees