



# County of Monterey

**Item No.**

## Board Report

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

**Legistar File Number: WRAG 25-106**

**July 08, 2025**

**Introduced:** 6/23/2025

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** WR General Agenda

Consider adopting a resolution to:

- a. Approve and adopt the Fiscal Year 2025-26 (FY26) Groundwater Monitoring Program Regulatory Fees of \$160.16 per well for Initial Well Registration, \$21.86 per well for Annual Well Registration Renewal, \$64.82 per well for Groundwater Extraction Reporting, \$117.68 per well for Groundwater Level Monitoring, and \$73.92 per well for Groundwater Quality Monitoring, contingent upon execution of a sub-grant agreement between MCWRA and the Salinas Valley Basin Groundwater Sustainability Agency to provide grant funding as an offset credit for all well owners within the Basin for FY26;
- b. Authorize the Auditor-Controller to amend the FY26 Adopted Budget for MCWRA Fund 111 (111-9300-WRA001-8267), to increase its appropriations by \$280,000 and to increase revenue by \$800,000, financed by the Groundwater Monitoring Program fees; (4/5th vote required); and
- c. Authorize the Auditor-Controller's Office to incorporate approved budget modifications to the FY26 Budget.

### RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Board of Supervisors adopt a resolution to:

- a. Approve and adopt the Fiscal Year 2025-26 (FY26) Groundwater Monitoring Program Regulatory Fees of \$160.16 per well for Initial Well Registration, \$21.86 per well for Annual Well Registration Renewal, \$64.82 per well for Groundwater Extraction Reporting, \$117.68 per well for Groundwater Level Monitoring, and \$73.92 per well for Groundwater Quality Monitoring contingent upon execution of a sub-grant agreement between MCWRA and the Salinas Valley Basin Groundwater Sustainability Agency to provide grant funding as an offset credit for all well owners within the Basin for FY26;
- b. Authorize the Auditor-Controller to amend the FY26 Adopted Budget for MCWRA Fund 111 (111-9300-WRA001-8267), to increase its appropriations by \$280,000 and to increase revenue by \$800,000, financed by the Groundwater Monitoring Program fees; (4/5th vote required); and
- c. Authorize the Auditor-Controller's Office to incorporate approved budget modifications to the FY26 Budget.

### SUMMARY/DISCUSSION:

Historically, the Monterey County Water Resources Agency ("Agency") conducted groundwater monitoring across portions of the Salinas Valley 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 to develop, implement, and monitor progress of Groundwater Sustainability Plans (“GSPs”). 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 of the Agency rather than creating a separate, parallel, monitoring program. This approach was solidified through approval and adoption of Agency Ordinance No. 5426 and the Groundwater Monitoring Program Manual by the Board of Supervisors in October 2024. The Agency’s Groundwater Monitoring Program (“GMP”) comprises four data collection and monitoring programs that, collectively, produce the data necessary to meet the rigorous reporting requirements mandated by SGMA to maintain local governance and oversight of groundwater resources. Additional detail on the background, purpose, and implementation of the GMP is provided in Attachment 1.

The geographic extent of the reconceived GMP is expanding to cover areas within the Salinas Valley Groundwater Basin that are within the jurisdiction of the Salinas Valley Basin Groundwater Sustainability Agency (“SVBGSA”) (Attachment 2). Well registration and groundwater extraction reporting requirements for most well owners within the historically monitored area will remain largely the same. New well registration and reporting requirements will apply to small system well owners in the historically monitored area and all well owners in the new geographic areas (Attachment 3). The most widespread difference for all well owners will be the proposed new annual GMP Regulatory Fee to ensure program reliability, which will be billed directly by the Agency on an annual basis. Unlike other unrelated Agency assessments, this new fee will not be included on property tax bills.

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.” The Agency worked with Lechowicz & Tseng Municipal Consultants to establish a schedule of cost-based fees for the GMP (Attachment 4).

The Groundwater Monitoring Program Fee Study (“Study”) describes the regulatory functions covered by the GMP and associated costs for 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 21% which consists of Agency overhead (approximately 12%) and County of Monterey overhead (approximately 9%). 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, and County services such as Facilities, Auditor Controller, Human Resources, Records Retention, and County Counsel.

The proposed GMP Regulatory Fees are Proposition 26 regulatory fees and are imposed for regulatory costs that do not exceed the reasonable cost of providing the monitoring service. Proposition 26 fees can be adopted at any time through the approval of the respective legislative body.

The proposed GMP Regulatory Fees will be charged on per-well basis, regardless of how much water a well extracts from the groundwater basin, because the cost of the program is dependent upon

the number of wells in a basin, not how much water is extracted. For FY 2025-2026, the fees will apply to water production wells in the six subbasins within the jurisdiction of the SVBGSA, namely the 180/400-Foot Aquifer, Eastside, Forebay, Langley, Monterey, and Upper Valley Subbasins (Attachment 5). Data collected and reported under programs funded by the GMP Regulatory Fees will be provided to the SVBGSA for use in implementing the GSPs for the aforementioned subbasins.

For FY 2025-2026, the recommended GMP Regulatory Fees are: a one-time Initial Well Registration Fee of \$160.16 per well that is not already registered with the Agency; an Annual Well Registration Renewal Fee of \$21.86 per well; Groundwater Extraction Reporting Fee of \$64.82 per well; Groundwater Level Monitoring Fee of \$117.68 per well; and Groundwater Quality Monitoring Fee of \$73.92 per well. Additional information about each fee is available in the Study (Attachment 4) and on the summary table (Attachment 5).

A presentation on the FY 2025-2026 GMP Regulatory Fee was made to the Agency's Board of Supervisors on April 22, 2025. Following this presentation, staff coordinated with the County Communications Director and SVBGSA to prepare and disseminate additional public outreach materials including an informational flyer describing the proposed GMP Regulatory Fees and social media graphic promoting the Board of Supervisor's June 3, 2025 consideration of the GMP Regulatory Fees, both of which were distributed through traditional media, social media, on multiple websites, and in newspapers with circulation throughout the County.

The Agency's Finance Committee received presentations on the Study in March and April 2025, and the Agency hosted a stakeholder workshop about the GMP Regulatory Fee on April 3, 2025. The Agency's Board of Directors considered recommendation of this item to the Agency Board of Supervisors on April 21, 2025, at which time the Board of Directors approved staff's recommendation by a 7-2 vote (Attachment 6). The Agency's Board of Supervisors considered this item on June 3, 2025, at which time it was continued to July 8, 2025.

#### OTHER AGENCY INVOLVEMENT:

The County Public Information Office assisted with development of public outreach materials. 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 proposed 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.

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DocuSigned by:

Approved by:

*Ara Azhderian*

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Attachments:

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1. Supplemental Memorandum on the GMP
2. Map of FY 2025-2026 GMP Regulatory Fee Area
3. Groundwater Monitoring Program Manual
4. Draft GMP Fee Study
5. Summary Table of FY 2025-2026 GMP Regulatory Fees
6. Board Order 25-28
7. Draft Resolution