





**Receive an update on the
Groundwater Monitoring Program
Regulatory Fee Study and provide
direction to staff as appropriate.**



Prior Relevant Activities

- **June 2024** – Agency engaged Lechowicz & Tseng Municipal Consultants to complete a fee study for the Groundwater Monitoring Program (“GMP”) regulatory activities.
- **August 2024** – Overview of the GMP fee study provided to Finance Committee.
- **October 2024** – Adoption of Agency Ordinance No. 5426 and the Groundwater Monitoring Program Manual.
- **November 2024** – Update on the GMP fee study provided to Finance Committee.
- **March 2024** – Updates on the GMP fee study provided to Finance Committee and at BOD Budget Workshop.

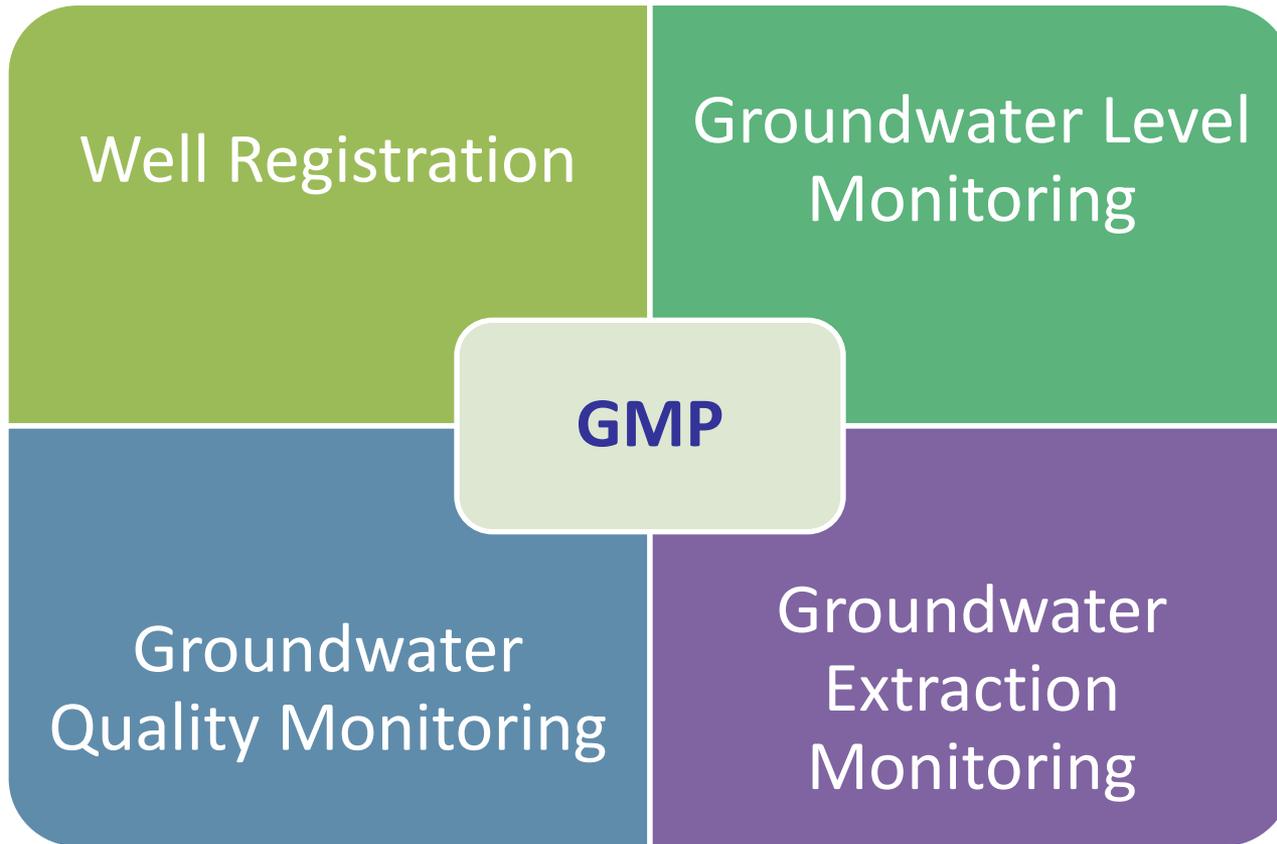


Strategic Plan Compatibility

Conducting a fee study for the GMP regulatory activities is consistent with the Agency's current Strategic Plan.



The Groundwater Monitoring Program



Changing Needs for the GMP

- Agency historically conducted groundwater monitoring across portions of the Salinas Valley Groundwater Basin.
- Groundwater monitoring was discretionary, and implementation changed with funding availability.

Changing Needs for the GMP

- After passage of the Sustainable Groundwater Management Act (“SGMA”) came the need for consistent, reliable data on wells and groundwater conditions.
- Local Groundwater Sustainability Agencies (“GSAs”) have chosen to leverage the Agency’s GMP rather than creating separate, parallel, monitoring programs.
- Geographic extent and scope of the GMP are changing to meet SGMA regulatory obligations.



Background

- MCWRA has authority to monitor groundwater and set fees under the Agency Act and Section 10 of Ordinance No. 5426:

“the Agency may allocate and recover costs associated with ... a regulatory groundwater monitoring program on a per-Well basis, not based on extraction data, within Monterey County. Such regulatory fees shall be established by a resolution of the Board.”

- This fee study recommends five new fees to cover the Agency’s
 - 1) initial well registration
 - 2) annual registration renewal
 - 3) groundwater extraction monitoring
 - 4) groundwater level monitoring
 - 5) groundwater quality monitoring





Proposition 26

- The proposed fees are NOT taxes under Proposition 26's regulatory fee exemption
- The proposed fees are imposed for reasonable regulatory costs that do not exceed the reasonable cost of service including:
 - Staff time
 - Materials, supplies, equipment, lab fees, and vehicles
 - MCWRA's indirect cost adder
- The programs funded by the fees only benefit well owners and do not provide a general benefit to the community at large
- Proposition 26 fees can be adopted at any time through a vote of elected officials. If adopted by the Board of Supervisors, the fees included in this study are proposed to go into effect July 1, 2025





Initial Registration Fee

- Purpose: initial registration of the well following construction or request by MCWRA
 - Would only apply to newly constructed wells, not those already registered with the Agency.
- Registration requires providing general information about the well's location, owner, operator, status, and construction specifications.
- Proposed fee is \$163.19/well (one-time only) and recovers the costs of
 - Staff verification and data entry
 - County IT support
 - Printing landowner notifications
- Estimated to be billed to 50 new wells per year
 - Applies to water production wells in all Salinas Valley Groundwater Basin ("SVGB") subbasins managed by the Salinas Valley Basin Groundwater Sustainability Agency ("SVBGS")





Annual Renewal Fee

- Purpose: all registered wells are required to annually renew their registration and verify their data on file
- Proposed fee is \$31.06/well (annually) and recovers the costs of
 - Staff verification and data entry
 - County IT support
 - Software
 - Printing landowner notifications
- Estimated to be billed to 2,500 wells per year
 - Applies to water production wells in all SVGB subbasins managed by the SVBGSA
 - Excludes oil and gas wells, geothermal wells, dewatering wells, cathodic protection wells, test wells, and dry wells.



Groundwater Extraction Monitoring

- Purpose: all wells extracting more than 2 acre-feet/year must maintain an Agency-approved monitoring device and report monthly extraction data
- Proposed fee is \$68.94/well (annually) and recovers the costs of
 - Staff verification and auditing of data
 - County IT support and online reporting application
 - Printing landowner notifications
- Estimated to be billed to 2,000 wells per year
 - Applies to wells extracting more than 2 acre-feet per year in all SVGB subbasins managed by the SVBGSA



Groundwater Level Monitoring

- Purpose: Agency staff measure water levels to quantify impacts to the groundwater basin from well extraction and climatological events
- Agency staff use either graduated steel tape, electric water level meters, sonic water level meters, or pressure transducers to measure water levels at each site.
- Proposed fee is \$166.89/well (annually) and recovers the costs of
 - Staff time for field visits, data collection, and analysis
 - Off-road vehicles
 - Monitoring well maintenance
 - Measurement equipment and supplies
- Estimated to be billed to 2,500 wells per year
 - Applies to water production wells in all SVGB subbasins managed by the SVBGSA





Groundwater Quality Monitoring

- Purpose: Groundwater quality is monitored in the northern, coastal portion of the SVGB via samples taken from wells.
- Groundwater samples are analyzed at the Monterey County Consolidated Chemistry Laboratory. Data are utilized for developing data products, such as seawater intrusion contour maps, and understanding regional changes in groundwater quality.
- Proposed fee is \$143.37/well (annually) and recovers the costs of
 - Staff time for field visits, data collection and analysis
 - Off-road vehicles
 - Laboratory costs
 - Pump operation and supplies
- Estimated to be billed to 1,200 wells per year
 - Applies to water production wells in the 180/400-Foot Aquifer, Eastside Aquifer, Langley Area, and Monterey subbasins





Fee Summary

Fee Category	Proposed FY26 Annual Fee per participating well
Initial well registration	\$163.19
Annual well registration renewal	\$31.06
Groundwater extraction monitoring	\$68.94
Groundwater level monitoring	\$166.89
Groundwater quality monitoring	\$143.37





Cost Recovery

Fee Category	Proposed FY26 Annual Fee per participating well	Estimated Number of Annual Services	Total Annual Cost Recovery
Initial wellhead registration	\$163.19	50	\$8,160
Annual wellhead registration renewal	\$31.06	2,500	\$77,650
Groundwater extraction monitoring	\$68.94	2,000	\$137,880
Groundwater level monitoring	\$166.89	2,500	\$417,225
Groundwater quality monitoring	\$143.37	1,200	<u>\$172,044</u>
Total			\$812,959



Next Steps

April 3 – Public Workshop

April 4 – Finance Committee
recommendation to BOD

April 21 – BOD recommendation
to BOS

May 28-29 – BOS consideration of
final FY26 fee

BOD = Board of Directors of the Agency
BOS = Board of Supervisors of the Agency

