

To: Salinas Valley Basin GSA

From: Catherine Hansford

Date: June 21, 2021

Subject: Deep Aquifers Study Fee for Irrigated Acres

Background

The Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) is responsible for implementation of the Sustainable Groundwater Management Act (SGMA) in the management area depicted in **Map 1** (Attachment A). The SVBGSA has made considerable progress in its actions to comply with the requirements of SGMA, including submittal of the Groundwater Sustainability Plan (GSP) for the 180/400 Foot Aquifer Subbasin, the only subbasin in the management area designated as critical by the Department of Water Resources (DWR). Early June 2021, DWR determined that the 180/400 Foot Aquifer Subbasin GSP satisfies the objectives of SGMA and substantially complies with the GSP regulations. The SVBGSA is currently working on the GSPs for the medium priority subbasins: Langley, Forebay, Upper Valley, East Side, and Monterey (the latter of which in conjunction with the Marina Coast Water District).

Work on the GSPs for all of the subbasins in SVBGSA's management areas has brought to light the data and knowledge gaps that need to be filled to enact measures and programs targeting long-term groundwater sustainability. The Seawater Intrusion Group (SWIG) is one of the many working groups tackling an undesired outcome of the State (seawater intrusion to groundwater). An area of focus for SWIG is filling in the data gap on the Deep Aquifers of the Salinas Valley Groundwater Basin, where Deep Aquifers refers to the water-bearing sediments beneath the 400-foot aquifer in the northern portion of the SVBGSA management area.

A study on the Deep Aquifers was identified in the 180/400 Foot GSP as a priority management action; however, this study is not intended to only benefit the 180/400 Foot Aquifer Subbasin. The extent of the Deep Aquifers is unknown; as such, the intention of the study is to determine their function geologically and hydro-geologically, and to apply the knowledge gained through the study to Deep Aquifers management throughout the SVBGSA management area.

SVBGSA has estimated the cost of such study at \$1,000,000 and has spent the last year determining the best way to fund the study. In 2019 the SVBGSA implemented a Groundwater Sustainability Fee, a regulatory fee that can fund any of the following activities:

- Groundwater Sustainability Plans (GSP) development and updates
- Investigations and inspections
- Data networks and monitoring

- Compliance assistance and enforcement
- Program administration (includes agency staffing, legal counsel, consultants, and associated costs)
- Prudent operating reserves

While the Deep Aquifers Study falls under the umbrella of allowable uses of the Groundwater Sustainability Fee, it has not been budgeted for, and it would require a significant increase in the fee to fund the study. An alternative approach of securing funding commitments from stakeholders was pursued. The commitments, which does include a portion from SVBGSA’s budget, are summarized in **Table 1** below.

Table 1
Deep Aquifers Study Funding Commitments

Funding Source	FY 2022 Year 1	FY 2023 Year 2	Total Study
Agriculture - Deep Aquifers Study Fee	\$155,000	\$0	\$155,000
Monterey County Water Resources Agency	\$200,000	\$200,000	\$400,000
Monterey County	\$100,000	\$100,000	\$200,000
SVBGSA	\$105,000	\$0	\$105,000
City of Salinas	\$50,000	\$0	\$50,000
Marina Coast Water District	\$50,000	\$0	\$50,000
Cal American Water	\$15,000	\$0	\$15,000
Castroville CSD	\$15,000	\$0	\$15,000
Alco Water	\$10,000	\$0	\$10,000
Total Estimated Cost	\$700,000	\$300,000	\$1,000,000

The agricultural community has expressed a preference for their contribution to be raised by way of a new fee that is charged and collected in the same manner as the Groundwater Sustainability Fee. The new fee, “Deep Aquifers Study Fee” would be a one-time regulatory fee imposed on Irrigated Acres as defined in the Groundwater Sustainability Fee resolution. The area of the SVBGSA Management Area to be charged is to be determined by the Board of Directors.

Definition

Irrigated Acres - “All real property classified as Monterey County Assessor land use codes 4C, 4D, 4F, 4G, 4K, and 4N, whether the acre belonging to the Assessor Parcel Number upon which the regulatory fee is imposed is or is not currently irrigated.”

County GIS data is used to determine the number of Irrigated Acres per APN, not County Assessor records.

Irrigated Acre One-Time Deep Aquifer Study Fee Calculation

The proposed fee per irrigated acre is calculated by dividing agriculture’s funding commitment by the number of irrigated acres in the fiscal year 2021 Groundwater Sustainability Fee database after deducting for the cost of County administration of the fee (0.25%), and allowance for delinquencies, parcel land use code changes, and successful fee appeals. The data from the last two years shows agriculture “bad debt” at 2.40%; at a fee of \$0.66 per irrigated acre there would an allowance of 3.49% for potential parcel land use code changes and fee appeals. **Table 2** below shows the calculation of the one-time regulatory fee utilizing the entirety of SVBGSA Management Area. A smaller geographical area or a greater or lesser fee within the SVBGSA Management Area could be determined by the Board of Directors.

Table 2
Fiscal Year 2022 Deep Aquifers Study Fee Calculation

Subbasin	Irrigated Acres (FY 20/21 Database)	Proposed Fee per Acre	Fee Generation
Upper Valley (original)	65,055	\$0.66	\$42,936
Upper Valley (old Paso Robles)	9,958	\$0.66	\$6,573
Forebay	73,959	\$0.66	\$48,813
East Side	37,285	\$0.66	\$24,608
180/400	58,685	\$0.66	\$38,732
Langley	3,231	\$0.66	\$2,132
Monterey	2,031	\$0.66	\$1,340
Total	250,205		\$165,135
Cost of County Administration		0.25%	\$413
Allowance - Delinquencies		2.40%	\$3,963
Allowance - Parcel Land Use Changes & Appeals		3.49%	\$5,759
Estimated Net Fee Revenue			\$155,000

Following the requirements of the California Constitution to impose the proposed Deep Aquifer Study Fee on agricultural properties for the 2021/22 fiscal year, the SVBGSA would have to notice a public hearing on the fee and pass a resolution authorizing the fee at its July 8, 2021 regular meeting.

ATTACHMENT A

SVBGSA MANAGEMENT AREA MAP

