



## EXECUTIVE COMMITTEE STAFF REPORT

**MEETING DATE:** June 24, 2021

**AGENDA ITEM:** 4.b

**SUBJECT:** Deep Aquifers Study Update and Proposed Cooperative Funding Partnership

**RECOMMENDATION:**

Receive update on effort to identify and secure funding to commence with the Deep Aquifers Study in early 2022. Refer to the Board of Directors a recommendation on adopting a resolution to charge a regulatory fee in the Salinas Valley Basin Groundwater Sustainability Agency Management Area or some smaller area as determined by the Board of Directors.

**BACKGROUND:**

The initiation of a study on the Deep Aquifers was identified in the 180/400-Foot Groundwater Sustainability Plan (GSP) as a priority management action. The scoping of such a study has been conducted by the SVBGSA Seawater Intrusion Working Group (SWIG) Technical Advisory Committee (TAC) over the past year since the SWIG was convened. The SWIG TAC comprises leading scientists that have studied the 180/400-Foot Aquifer and the Deep Aquifers over the past thirty years.

The primary tasks associated with the study will include:

- Describing the geology, hydrogeology, and extents of the deep aquifer
- Estimating a complete water budget for the deep aquifers
- Addressing the economic and administrative constraints on extracting from the deep aquifers
- Providing guidance on the practical aspects of managing the deep aquifers within the Salinas Valley
- Proposing and initiating a Deep Aquifers Monitoring Program

**DISCUSSION:**

Staff has worked over the past year to scope and complete a cost estimate to initiate the Deep Aquifers Study in 2022. The importance of the study is recognized in multiple studies conducted by the Monterey County Water Resources Agency (MCWRA), the County of Monterey, Marina Coast Water District and other domestic water providers and irrigated agriculture.

Studies of the Deep Aquifers have also been identified as critical information for addressing seawater intrusion and effectively managing groundwater sustainability.

Funding for the study has been difficult to identify utilizing available state or federal grant resources. In order to secure necessary funding staff has developed a funding mechanism that includes a cooperative funding approach with partner agencies, domestic water suppliers, and irrigated agriculture. Funding requests were made of the partner agencies during May and June and meetings have been held with the Salinas Basin Agricultural Water Association to discuss use of a regulatory fee for agriculture contribution to the study.

The study of the deep aquifers is part of the regulatory program that is SGMA and implemented by the SVBGSA, but the fee levied for this purpose is a discrete component of that program and distinct from the regulatory fee that funds the operations of the SVBGSA. Discussions at the June 17, 2021 Advisory Committee focused on a contribution from the Upper Valley and Forebay Subbasins not through a regulatory fee but as a funding partner contribution. There was concern over the precedent set by the benefit area of the study not reaching into these subbasins yet the subbasin being subject to the regulatory fee for the study. Agriculture members of the 180/400 -Aquifer Subbasin expressed commitment to participating in the regulator fee to assist with funding the study. Domestic water providers and disadvantaged communities expressed commitment to fund the study as well through direct contributions.

Staff has published a Notice of Public Hearing that a hearing will be held on July 8, 2021 to consider adoption a resolution to charge a regulatory fee in the Salinas Valley Basin Groundwater Sustainability Agency Management Area or some smaller area as determined by the Board of Directors. Under the current proposal, agricultural beneficiaries will be charged a one-time fee of \$0.66 per irrigated acre; however, the Board of Directors may establish a greater or lesser fee within an area described. The proposed Deep Aquifers Study Fee would be collected in the same manner as ad valorem property taxes pursuant to Water Code section 10730 (d). As proposed, the fee is estimated to generate \$155,000 and would be collected for one year. Discussions are currently ongoing with owners of irrigated acres.

The current proposed funding structure for the Deep Aquifers Study is set forth below. The contributions identified are over the two-year study period.

### Cooperative Funding Partnership for the Deep Aquifers Study

<b>Agency</b>	<b>Contribution/Status</b>
MCWRA	\$400,000 confirmed
Monterey County	\$100,000 confirmed FY 21/22; 2-year commitment
SVBGSA	\$105,000 mid-year budget adjustment
City of Salinas*	\$50,000
Marina Coast Water District*	\$50,000
Cal Water Service	\$15,000 confirmed
Castroville CSD	\$15,000 confirmed
Alco Water	\$10,000 confirmed
Irrigated Agriculture	\$155,000
<b>TOTAL</b>	<b>\$1,000,000</b>

\* Commitment confirmed – awaiting official budget approval

**FISCAL IMPACT:**

This work is a priority management action in the 180/400-Foot GSP and will be managed by SVBGSA staff for two years.

**ATTACHMENT(S):**

Montgomery & Associates Technical Memorandum: SWIG TAC Recommendations for Deep Aquifer, November 10, 2020

Hansford Economic Consulting Memorandum, Deep Aquifers Study Fee for Irrigated Acres, dated June 21, 2021

**PREPARED BY:**

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