

6 GSA ADMINISTRATION, FUNDING, AND AUTHORITIES

The following section provides an overview of SVBGSA's administration and funding for GSP implementation. It describes 2 coordination agreements with other GSAs in the 180/400 Subbasin, as well as other agencies with authority over groundwater management and formal actions taken by them. It discusses how SVBGSA has coordinated with these agencies and activities. It includes one legal case related to the 180/400 Subbasin that occurred during the evaluation period.

6.1 SVBGSA Administration

SVBGSA is a Groundwater Sustainability Agency (GSA) in the Salinas Valley responsible for sustainably managing groundwater resources. SVBGSA has the authority to charge fees, conduct investigations, register wells, require reporting, and take other actions to sustainably manage 6 of the 9 groundwater subbasins of the Salinas Valley Groundwater Basin: (1) Monterey, (2) 180/400, (3) Eastside, (4) Forebay, (5) Langley, and (6) Upper Valley.

The above listed activities all constitute the Sustainable Groundwater Management Program of the SVBGSA. By actively planning for and implementing sustainable groundwater management plans in the subbasins, SVBGSA contributes to the cohesive and long-term management of groundwater in the Salinas Valley.

On August 1, 2017, SVBGSA entered into an agreement with Regional Government Services (RGS) to provide management and administrative services for SVBGSA. RGS provides staffing services for SVBGSA with the appropriate service levels determined and agreed upon annually based on SVBGSA's work plan.

6.2 Groundwater Sustainability Fee and Tiered Fee Policy

SVBGSA's Groundwater Sustainability Fee (Fee) was first adopted by the Board of Directors (Board) in March 2019 based on a fee study developed by Hansford Economic Consulting (HEC). The Board commissioned a study in 2023 to explore a tiered Fee structure. The process comprised a broad interested parties engagement, concluded with a final report, and tiered Fee schedule that was adopted on June 29, 2023.

The Fee is paid by groundwater users within SVBGSA jurisdictional boundaries. For imposing the Fee purpose, a groundwater user is defined as an owner of agricultural land or a water user served by a publicly or privately owned water system. *De minimis* extractors, tribal lands, and federally owned properties are exempt from the Fee.

SVBGSA is currently conducting a 5-year Fee Evaluation and in-depth analyses on fee-related issues that stemmed from input by interested parties.

6.2.1 Annual Fee Review

Each year the Board reviews the Fee to determine if the revenue collected from the Fee is sufficient to cover expenses, consistent with the California Constitution and state law. The Board may increase or decrease the Fee as necessary or appropriate. The cost basis of the Fee is determined during the budget setting process considering the following factors:

- Cash reserves
- Timing and amount of grant disbursements
- Revenue requirements for the upcoming 1- to 3-year period determined by the work plan

The methodology for establishing the Groundwater Sustainability Fee is conducted in 3 steps that occur between February and June each year and are overseen by the Board. The Board must approve SVBGSA budget by April each year. The budget defines the expenditures of the agency for administration and operations and includes that year's Sustainable Groundwater Management Program costs for all the subbasins and for individual subbasins.

Step 1: Determine the amount of revenue needed to be raised in the next fiscal year through the regulatory fee – the “cost basis.” Allocate the cost between Agricultural and All Other beneficiaries of sustainable groundwater management. Agricultural beneficiaries are allocated 90% of the cost basis. All Other beneficiaries are allocated 10% of the cost basis.

Step 2: Determine the number of Irrigated Acres and Service Connections in the SVBGSA subbasins to be charged the fee in the next fiscal year.

Step 3: Divide the Agricultural beneficiaries' cost basis by the number of Irrigated Acres to calculate the annual fee per acre. Divide the All Other beneficiaries' cost basis by the number of Service Connections to calculate the annual fee per connection.

Once the budget is completed the costs for the upcoming year's activities are further broken down into Tier 1 and Tier 2 costs.

Tier 1 costs include the day-to-day operations of the SVBGSA and other activities that are “reasonable costs” for the regulatory activities of the agency.

Examples of regulatory activities that may be funded include:

- 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

These activities are important for local management of the groundwater basin and for compliance with SGMA.

Tier 2 costs are those associated with specific studies, management actions, and projects that need to be initiated or completed in a fiscal year. These activities are attributed to only 1 or more, but not all, subbasins managed by SVBGSA. The costs are taken and apportioned to each of the subbasins that will receive benefit for the work completed that fiscal year. An example may be a recharge basin that can provide recharge to 2 subbasin areas.

6.2.2 Annual Work Plan

The primary mechanism currently in place for tracking and administering SVBGSA’s Sustainable Groundwater Management Program is the annual work plan (Work Plan). The Work Plan is developed to prepare the fiscal year budget and establish the Fee. It includes all tasks, regardless of the revenue source, and is structured with activities/tasks under the following management objectives:

- Data Expansion and SGMA Compliance
- Stakeholder Coordination and Outreach
- Projects and Management Actions
- General Administrative

While the Work Plan’s main focus is on the current fiscal year (FY), it includes tasks in the subsequent years (through FY 2027) to highlight multi-year efforts and recurring tasks, as well as to assure continuity and consistency over the next 3 years. It identifies the SVBGSA subbasins involved, as well as a funding source. Staff prepare and present quarterly status reports to track progress and ensure accountability.

As noted to the Board in March 2024, the current year’s work plan is very aggressive with a total of 99 tasks expected to be undertaken in FY 2025. This includes 37 tasks related to PMAs, with 33 of these tasks funded from grants and third-party sources. Many activities in FY 2025 and FY 2026 are carried out in support of the scope of services in Round 2 SGMA Implementation Grants.

By January 2027, SVBGSA will prepare GSP 5-Year Evaluations for the other 5 subbasins. SVBGSA plans to prepare a 2-year Evaluation for the 180/400 Subbasin GSP, and potentially Amendment 2, concurrent with the GSP 5-Year Evaluations of the other subbasins by

January 2027. This will align the 180/400 Subbasin GSP timeline with all SVBGSA subbasins from 2027 moving forward, as originally intended in 2022 with the preparation of Amendment 1.

6.2.3 180/400 Subbasin Tier 2 Fee Funded Activities

Tier 2 Fee funding for 180/400 Subbasin PMA activities in FY 2024 included SVBGSA collaboration on the Seawater Intrusion Model to address GTAC comments, contributions to P1 – Multi-benefit Stream Channel Improvements, MA1 – Demand Planning, and the agency’s share and agricultural groundwater user funding share for MA5 – Undertake Deep Aquifers Study. In FY 2025, 180/400 Tier 2 Fee funded preparation of this GSP 5-Year Evaluation and updates to the Hydrogeologic Conceptual Model.

6.3 DWR SGMA Implementation and Other Grant Funding

During the 5-year period, SVBGSA has relied on grants as the primary funding source for GSP preparation and implementation. Without grant funds, SVBGSA would have been challenged to make the progress reported in this 5-year evaluation, including preparing GSP Amendment 1, filling data gaps, and working on PMAs.

Following the 2020 submittal of the original GSP for the 180/400 Subbasin, SVBGSA created a 2-year work plan with funding from DWR Proposition 1 and Proposition 68 Grants to prepare the 5 remaining GSPs in the Salinas Valley by January 2022. The grant funding included preparing Amendment 1 to the 180/400 Subbasin GSP in 2022, and updating PMAs as described in this GSP 2025 Evaluation. DWR contributed over \$4.5 million in these grants to prepare the Salinas Valley GSPs.

In 2022, DWR awarded SVBGSA with a \$7.6 million SGMA Implementation Grant to assist in financing the 180/400 Subbasin GSP Phase 1 Implementation (2022-2024). Significant GSP Implementation and PMA work has advanced or been completed with this DWR grant funding for the following activities:

- Outreach and Engagement
- Filling Data Gaps
 - New monitoring wells
 - Aquifer property tests
 - Groundwater Dependent Ecosystems identification and assessments
 - Modeling updates
 - Well registration program development (now under Groundwater Monitoring Program)
- P2 CSIP Optimization
- P3 Modify M1W Recycled Water Plan

- P5 Seawater Intrusion Extraction Barrier/P6 Regional Municipal Supply Project (Brackish Groundwater Restoration Project)
- P7 Seasonal Release with ASR Feasibility Study
- MA1 Demand Planning
- MA 5 Undertake and Operationalize Deep Aquifer Study

Findings and deliverables from this work will be summarized in a grant project update report. The report will evaluate and compare the findings of the feasibility studies for the Brackish Groundwater Restoration Project, Seasonal Release with ASR, and Demand Management to help guide decision making on the next phase of GSP PMA implementation. This work will be done in the beginning of 2025 following the submittal of the GSP 5-Year Evaluation and completion of the feasibility studies.

Additional grant funds support SVBGSA’s work plan. In 2024, SVBGSA began activities under Round 2 SGMA Implementation Grants for the other 5 Salinas Valley Subbasin GSPs, including a \$10.3 million grant awarded to SVBGSA and a \$3.86 million subgrant from the MCWDGSA. The scope of services for these grants includes PMA funding for feasibility studies on Permit 11043 Diversions, Demand Planning, Reservoir Reoperations, and CSIP Expansion, with continued work on Deep Aquifers management and the Brackish Groundwater Restoration Project. The terms of these agreements are through April 30, 2026.

In partnership with other organizations and with funding from the California Department of Conservation, SVBGSA is implementing MLRP grant funded activities.

In the next evaluation period, SVBGSA will pursue additional grant opportunities to further develop and implement PMAs.

6.4 Coordination Agreements with other GSAs and Water Agencies

The MCWDGSA and the County of Monterey GSA also have authority within the 180/400 Subbasin. The following are brief summaries of agreements and coordination activities with them. In addition, this section describes coordination with other water agencies with groundwater management authorities, including SVBGSA’s Memorandum of Understanding with MCWRA.

6.4.1 Coordination Agreement with Marina Coast Water District GSA

In November 2017, SVBGSA entered into a Coordination Agreement with MCWDGSA to submit grant applications to prepare the Monterey and the 180/400 Subbasin GSPs, and these grants were awarded by DWR. In January 2019, SVBGSA and MCWDGSA entered into a Framework Agreement and agreed to work collaboratively to develop a single GSP for the entire Monterey Subbasin and a single GSP for the entire 180/400 Subbasin. SVBGSA and

MCWDGSA agreed SVBGSA would prepare a GSP for the entire 180/400 Subbasin, which incorporated comments from the MCWDGSA.

SVBGSA and MCWDGSA are currently reviewing the Coordination and Framework Agreements to determine if any amendments are needed to better reflect completion and approval of the GSPs for these 2 subbasins and coordination of activities for GSP Implementation. The current Framework Agreement shall not be terminated unless and until the Parties have entered into intra-basin coordination agreements in accordance with Water Code §10727.6 and 23 CCR §357.4 for each Party's respective GSP for their respective portions of the 180/400 Subbasin and the Monterey Subbasin.

6.4.2 Coordination Agreement with County of Monterey GSA

In January 2020, SVBGSA entered into a Coordination Agreement with the County of Monterey GSA (MCGSA). The agreement lays out how the 2 agencies will collaborate on the 180/400 Subbasin, including with the adoption of the single GSP for the Subbasin. The County Board of Supervisors approved the agreement on January 28, 2020, and the SVBGSA Board of Directors approved it on January 30, 2020. The agreement establishes a GSA Workgroup that meets at the request of any member. No meetings were held during the evaluation period while litigation occurred related to this GSA (see Section 6.6.1).

6.4.3 Memorandum of Understanding with MCWRA

In 2018, SVBGSA and MCWRA entered a Memorandum of Understanding (MOU) regarding technical and professional assistance for the development of GSPs. SVBGSA relies on MCWRA for data acquisition, processing and management, as well as for professional advice and technical support, and compensates MCWRA for their critical assistance through this agreement.

In the first 3 years of the evaluation period, SVBGSA and MCWRA increased coordination and collaboration through frequent, sometimes weekly, meetings between agency staff and consultants. In 2022, MCWRA and SVBGSA executed Amendment 1 to the Memorandum of Understanding with minor updates to the compensation terms. In June 2023, MCWRA and SVBGSA executed Amendment 2 to the Memorandum of Understanding with an update to the SVBGSA representative contact information, a revised outline of anticipated services, and a revised length of term. The revised services in FY 2024 included the following:

- Data monitoring and collection for Annual Reports
 - Existing wells
 - Potential new wells
- Fulfilling data requests for Annual Reports or other SVBGSA project needs
- Contributing updates to, and reviewing, draft Annual Reports as requested
- CSIP Fact Finding (DWR Facilitation Support Services funded)

- Planning work and work on implementation projects proposed by the SVBGSA

As noted previously, MCWRA has developed projects for the Salinas Valley since the 1940s. Several projects in the GSP rely on existing infrastructure owned by MCWRA. In 2022, SVBGSA entered into a Subgrant Agreement for the Round 1 SGM Implementation Grant for the 180/400 Subbasin and is planning a Subgrant Agreement for Round 2 SGM Grant activities. Activities in the Round 1 Subgrant Agreement include:

- CSIP Distribution System Upgrades (see Section 3.3.2)
- M1W Recycled Water Plant Dry Chlorine Scrubber Upgrade (see Section 3.3.3)
- Aquifer Storage and Recovery Feasibility Study (see Section 3.3.6)
- Water quality sampling for Brackish Groundwater Restoration Project Feasibility Study (see Section 3.3.5)
- Well Registration (see Section 1.2.3 below)

MCWRA and SVBGSA also collaborate via a joint-funding agreement with the USGS on the “Salinas Valley Cooperative Model and Decision Tool Development to Support Resource Evaluation, Decision Making, and Sustainable Water Management in Monterey County, California” (per USGS agreement #22ZGJFA11000803).

6.4.4 Pajaro Valley Water Management Agency

SVBGSA and the 180/400 Subbasin share a boundary to the north with the Pajaro Valley Water Management Agency (PVWMA). Although there is no formal agreement to coordinate, SVBGSA and PVWMA staff meet to share information on SGMA compliance activities and implementation of projects several times during the evaluation period and will continue to do so in the next evaluation period.

6.5 Other Agency Authorities and Actions

6.5.1 County of Monterey Well Permit Review

In the County of Monterey, the Environmental Health Bureau (EHB) is the primary well permitting agency. After EHB reviews a permit application, it is routed to the necessary partner agencies: MCWRA, Monterey County Housing & Community Development (HCD), SVBGSA, and/or City Planning Departments. MCWRA provides technical input on permits for wells that will pump more than 5 AF/yr, well repairs or reconstruction, well destruction, or new domestic and high-capacity wells. Some of the cities in the SVBGSA’s jurisdiction retain well permitting authority.

For compliance with Executive Order N-7-22, SVBGSA adopted procedures to review applicable well permits to verify that extractions will not be inconsistent with the sustainability

program in the subbasin and will not otherwise decrease the likelihood of achieving sustainability. In 2023 and 2024, SVBGSA completed the verification for 6 replacement wells in the 180/400 Subbasin. The Executive Order was rescinded for Monterey County by Executive Order N-2-24 in September 2024.

6.5.2 County of Monterey Interim Well Regulations (Deep Aquifers)

As discussed in Section 3.3.12, in 2018, the County of Monterey (County) issued an interim ordinance No. 5302 (extended by No. 5303), which prohibited construction of new wells in the Deep Aquifers unless exempted by ordinance and directed MCWRA to complete a study of the Deep Aquifers. The original 2020 GSP included a management action for the SVBGSA to support Monterey County reimposing a prohibition on drilling any new wells into the Deep Aquifers until more information was known about the Deep Aquifers' sustainable yield. However, the County's interim ordinance expired in 2020.

The expiration of the ordinance—coupled with data on well construction and groundwater extraction in the Deep Aquifers that occurred while the ordinance was in place—highlighted the need to complete the Deep Aquifers Study. SVBGSA took lead on planning the Deep Aquifers Study, executing a shared funding agreement for it in 2022 and completing the Study in April 2024. The Deep Aquifers Agency Working Group, consisting of staff from SVBGSA, MCWRA, MCWDGSA, and County of Monterey Environmental Health Bureau, is reviewing the Study's guidance to determine if a subsequent County of Monterey ordinance related to well permits should be recommended as a management action.

6.5.3 MCWRA Groundwater Monitoring Program (Ordinance No. 5426)

Over the last couple of years, MCWRA and SVBGSA collaborated on the expansion of MCWRA's well registration, groundwater extraction, and groundwater monitoring programs to meet the SVBGSA's current regulatory requirements under the SGMA. To modernize, support the needs of the SVBGSA, and meet the requirements of SGMA, on October 1, 2024, the Board of Supervisors of MCWRA adopted Ordinance No. 5426, which affirms MCWRA's ability and intent to perform groundwater monitoring throughout Monterey County and establishes a cohesive Groundwater Monitoring Program (GMP).

The ordinance repeals 3 existing MCWRA ordinances (No. 3660, 3717, and 3718), that pertain to the registration of groundwater wells and the reporting of groundwater extraction data. The new ordinance sets forth requirements for well registration and groundwater reporting requirements and is accompanied by a manual that describes the details of the MCWRA's groundwater monitoring activities more fully. The manual will be used to guide the implementation of the GMP and provide clarity to the public about the GMP. The ordinance also allows MCWRA to establish a regulatory fee under Proposition 26 that will cover the costs of

implementing the GMP. A GMP regulatory fee nexus study was initiated in July 2024 and will be completed in 2025.

MCWRA and SVBGSA initiated broad outreach on the topic of a new ordinance in Fall 2023. After many meetings with various community groups and public presentations, an initial draft of the proposed new ordinance was presented at a number of MCWRA and SVBGSA Board and committee meetings. It was the subject of meetings with interested parties including the Monterey County Farm Bureau, Salinas Basin Water Alliance, and Salinas Valley Water Coalition. The Agency revised the draft ordinance throughout the process in response to public comments and questions received.

The Groundwater Monitoring Program (GMP) will improve collection and storage of regional groundwater data. It includes well registration, GEMS, and groundwater elevation and quality monitoring.

- Well Registration: Through the GMP, the expansion of well registration and the Groundwater Extraction Management System requires all wells in the Salinas Valley Groundwater Basin to be registered with the MCWRA. Well registration with MCWRA involves well owners submitting or verifying well information through a registration portal (under development) or, in the interim, using a form available on the MCWRA website. The data submission requirements include general information about well ownership, well construction specifications, and status of the well among other specifications. Data on well location and depth helps to understand the relationship between wells and groundwater conditions. Well owner name and address information obtained through the GMP is maintained as confidential. Well Registration will occur over the next several years.
- GEMS Expansion and Enhancement: Wells extracting more than 2 AF/yr (i.e. non-*de minimis*) will also need to report extraction data to MCWRA through GEMS. Nearly 500 well operators currently submit groundwater extraction information to MCWRA through GEMS, a program established in 1993. But data gaps exist, including areas on the northern coastal side of the 180/400 Subbasin. The GEMS expansion applies to all non-*de minimis* users, including agricultural users, domestic users with 15 or more connections, and in subsequent years (tentatively October 2025) domestic users with 5-14 connections.

Groundwater extraction data can be tracked with the well operator's choice of an approved method. Approved methods currently include water flowmeter, electrical meter, or hour meter (timer). The well operator must record data monthly for each water year, from October 1 to September 30, and reported to MCWRA by November 1 of each year. For the 2023 reporting year, 96% of the 1,940 wells that were required to report submitted their data. As the Groundwater Monitoring Program is further developed and

enhanced, SVBGSA and MCWRA are striving for efficient data collection to support effective water resources management in the region.

6.6 Legal Issues

6.6.1 City of Marina, *et al.* v. County of Monterey, *et al.*, Monterey County Superior Court, No. 19CV005270

On April 26, 2018, DWR posted the City of Marina Groundwater Sustainability Agency’s (MGSA) notice to become the GSA for the CEMEX property. MGSA’s late filing created an overlap in the proposed jurisdictional areas at the CEMEX site with the SVBGSA. Due to the overlap, DWR considered the CEMEX site an “unmanaged” area under SGMA. On December 11, 2019, the County of Monterey Board of Supervisors adopted a resolution pursuant to Water Code section 10724, notifying DWR of the County’s election to become the GSA for a portion of the 180/400 Foot Aquifer Subbasin in Monterey County, commonly referred to as the CEMEX site, and authorizing and directing the CAO to provide all necessary documentation to the DWR to form the GSA. On December 18, 2019, DWR recognized the County of Monterey as the exclusive GSA on the CEMEX site.

On December 30, 2019, the City of Marina and Marina Groundwater Sustainability Agency filed an action entitled *City of Marina, et al. v. County of Monterey, et al.*, Monterey County Superior Court, No. 19CV005270 (SGMA Action). The Court entered judgment in this action on September 27, 2021. Marina filed an appeal of this judgment, and the County filed a cross-appeal. On November 13, 2023, the Court of Appeals for the Sixth Appellate District entered an opinion affirming the trial court judgment and on February 15, 2024, after a petition for review was denied by the California Supreme Court, the Court of Appeal issued a remittitur to Monterey County Superior Court. Three Reverse Validation Complaints (RV) were filed during this time period.

On October 31, 2024, the City of Marina (City), Marina Groundwater Sustainability Agency, and Marina City Council (collectively Marina); the County of Monterey, Monterey County Board of Supervisors, and County of Monterey Groundwater Sustainability Agency (collectively County); Salinas Valley Basin Groundwater Sustainability Agency and Board of Directors of Salinas Valley Basin Groundwater Sustainability Agency (collectively SVBGSA); and California-American Water Company (Cal-Am) entered into a Settlement Agreement that became effective with a global settlement of all outstanding claims in each of these actions to settle all remaining disputes, obligations, and potential claims for costs and attorneys’ fees in the SGMA Action, as well as all disputes, obligations, and claims in the stayed Cal-Am RV Action, Marina RV Action #1 and Marina RV Action #2.

Pursuant to the settlement, SVBGSA and the City of Marina will hold a GSP meeting to discuss the City's substantive concerns with the current SVBGSA GSP. The attending Parties agree to confer in good faith to discuss and attempt to resolve the GSP issues, but no Party commits to any follow-up action or meeting at this time.

The CEMEX site is the location of CalAm's proposed Monterey Peninsula Water Supply Project, discussed in Section 3.6.5.2. Although there have been several key project approvals, there is other ongoing litigation related to this project that would need to be resolved prior to project construction.

6.7 Enforcement Actions

SVBGSA did not take any enforcement action during the 5-year evaluation period.