



**Arroyo Seco Groundwater Sustainability Agency /
Salinas Valley Basin Groundwater Sustainability Agency
Coordination Committee Meeting**

599 El Camino Real
Greenfield, CA 93927

**Meeting Agenda
May 1, 2023
12:30 P.M.**

The Arroyo Seco Groundwater Sustainability Agency/Salinas Valley Basin Groundwater Sustainability Agency Coordination Committee will be meeting on May 1, 2023 at 12:30 p.m. in the City Council Chambers located at 599 El Camino Real, Greenfield, California 93927, and will be open to the public. This meeting will also be accessible online and may be viewed through the following options:

Join Zoom Meeting: <https://us02web.zoom.us/j/86701198267>

Meeting ID: 867 0119 8267

PLEASE TURN OFF CELL PHONES AND PAGERS

- A. **CALL TO ORDER**
- B. **ROLL CALL**
- C. **PLEDGE OF ALLEGIANCE**
- D. **PUBLIC COMMENTS FROM THE AUDIENCE REGARDING ITEMS NOT ON THE AGENDA**

This portion of the Agenda allows an individual the opportunity to address the GSA on any items not on the Closed Session, Consent Calendar, Public Hearings, and City Council Business. Under state regulations, **no action can be taken on non-agenda items, including issues raised under this agenda item.** Members of the public should be aware of this when addressing the GSA regarding items not specifically referenced on this Agenda. Please be further aware that public comments can also be submitted via email to the following email address: cityclerk@ci.greenfield.ca.us.

**Meeting Agenda
May 1, 2023**

E. AGENCY BUSINESS

- E-1. REVIEW AND DISCUSS** the Proposed SVBGSA Tier Fees Budget Memorandum
- a.** Staff Report
 - b.** Public Comments
 - c.** Agency Boards - Comments / Review / Action

F. ADJOURNMENT

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In compliance with the American With Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (831) 674-5591. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (CFR 35.102-35.104 ADA Title II).
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This agenda is duly posted outside City Hall and on the City of Greenfield web site



TECHNICAL MEMORANDUM

DATE: March 29, 2023 **PROJECT #:** 9100.4602

TO: Ms. Piret Harmon, Salinas Valley Basin GSA

CC: Mr. Roberto Moreno, Salinas Valley Basin GSA
Ms. Catherine Hansford, Hansford Economic Consulting

FROM: Derrick Williams

PROJECT: Salinas Valley Basin GSA 2023/2024 Budget

SUBJECT: 2023/2024 Budget Tier Justification

TIER ASSIGNMENTS

This memo supports the 2023/2024 Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) regulatory fee budget by providing justification for how fees should be assigned to either Tier 1 or Tier 2. The FY 2023/2024 budget consists of an Operating Program Budget which is all Tier 1 costs, and the Sustainable Groundwater Management Program Budget which includes both Tier 1 and Tier 2 costs. Line items of the Sustainable Groundwater Management Program budget are assigned to either Tier 1 or Tier 2 in accordance with the SVBGSA's adopted Tiered Regulatory Fee Policy, which is included in Attachment 1. Attachment 2 summarizes the line items in the FY 2022/2023 Sustainable Groundwater Management Program Budget, including cost, recommended Tier, and net applicable fee once grant funds are accounted for.

JUSTIFICATION OF TIER 1 ACTIVITIES

The effort to implement Tier 1 activities and/or the benefits and impacts from these activities are roughly equivalent across all subbasins. Some Tier 1 activities in the Work Plan reflect the Montgomery & Associates (M&A) Master Services Agreement (MSA). When the SVBGSA Board of Directors (Board) approved the MSA, they were informed that these would be assigned as Tier 1 activities. However, if it becomes clear that they constitute Tier 2 activities, an appropriate amount of the fee could be charged to the benefitted subbasin(s) and credited to the fee charged to the non-benefitted subbasin(s) in future years, at the Board's discretion.

JUSTIFICATION OF TIER 2 ACTIVITIES

Budget Item – Agency Collaboration on the Seawater Intrusion Model

Seawater intrusion occurs in the Monterey and 180/400-Foot Aquifer Subbasins. Marina Coast Water District represents the Monterey Subbasin seawater intruded area in these collaborative meetings. The SVBGSA represents the 180/400-Foot Aquifer Subbasin seawater intruded area in these collaborative meetings. SVBGSA’s effort will therefore be funded solely by the 180/400-Foot Aquifer Subbasin.

Budget Item – Stream Maintenance Program – Groundwater Benefit Study

This activity predominantly benefits the 4 subbasins along the main stem of the Salinas River: the Upper Valley, Forebay, Monterey, and 180/400-Foot Aquifer Subbasins. Stream channel improvements promote surface water infiltration. Therefore, the groundwater benefit from the Salinas River is determined using each subbasins’ historical recharge from Salinas River infiltration. Costs are apportioned based on the historical percentage of average annual Salinas River infiltration in each subbasin, as estimated by the draft Salinas Valley Integrated Hydrologic Model (SVIHM).

Because this activity only benefits the Salinas River, only seepage from the main stem of the Salinas River is included in the benefits determination. M&A re-analyzed SVIHM results to extract the historical average infiltration derived from only the Salinas River (excluding tributaries) in each of the 4 subbasins. The average annual historical Salinas River infiltration is shown in Table 1. The cost of the Stream Maintenance Program is divided among the 4 subbasins according to the percentages shown in Table 1.

Table 1. Annual Average Salinas River Infiltration, 1980 to 2016

Subbasin	Salinas River Infiltration (AF/yr)	Percentage of Total Infiltration	Cost
180/400	38,249	20.1%	\$70,231
Monterey	921	0.5%	\$1,691
Forebay	71,709	37.6%	\$131,669
Upper Valley	79,736	41.8%	\$146,408
Total	190,615	100.0%	\$350,000

AF/yr: acre-feet per year

Budget Item – Facilitation Services – Demand Management Corral & 180-400

This activity is specific to the Corral de Tierra portion of the Monterey subbasin and 180/400-Foot Aquifer Subbasin. Facilitation efforts should benefit both subbasins almost equally, and the

net fee is divided near equally between the 2 subbasins. Based on discussions with, and direction from, SVBGSA staff, net subbasin fees were estimated based on the presumed level of effort in each subbasin. First, \$130,000 of the total cost is assigned to the 180/400-Foot Aquifer Subbasin, of which \$55,000 will be funded by the existing Round 1 SGMA Implementation grant. Second, the remaining costs are assigned to the Monterey Subbasin. This approach results in roughly equal net fees for the 180/400-Foot Aquifer and Monterey Subbasins as shown in Table 2.

Table 2. Facilitation Cost Distribution Between 180/400-Foot Aquifer and Monterey Subbasins

Subbasin	Share of Total Cost	Grant Funded	Cost for Fees
180/400	\$130,000	\$55,000	\$75,000
Monterey	\$70,000	\$0	\$70,000
Total	\$200,000		\$145,000

Budget Item – Planning/Modeling to Develop Sustainability Strategy – Eastside

This activity is specific to the Eastside Subbasin and the costs are assigned solely to the Eastside Subbasin.

Budget Item – Planning/Modeling to Develop Sustainability Strategy – Langley

This activity is specific to the Langley Subbasin and the costs are assigned solely to the Langley Subbasin.

Budget Item – Scoping for CSIP Expansion – Blue Plan It

If implemented, CSIP expansion will likely occur only in the 180/400-Foot Aquifer Subbasin. The planning fees are therefore assigned to the 180/400-Foot Aquifer Subbasin.

Budget Item – Establish SMC Technical Advisory Committee – Forebay

This activity is specific to the Forebay Subbasin and the costs are assigned solely to the Forebay Subbasin.

Budget Item – Establish SMC Technical Advisory Committee – Upper Valley

This activity is specific to the Upper Valley Subbasin and the costs are assigned solely to the Upper Valley Subbasin.

Budget Item – Agency Share of Deep Aquifer Study and Agricultural Share

The Sustainable Groundwater Management Program Budget includes the following 3 line items related to the Deep Aquifer Study:

1. SVBGSA’s share of funding for the study
2. Agricultural water users’ share of the study
3. Development of Deep Aquifers management actions

The fees for each of these components is shown in Table 3.

Table 3. Deep Aquifer Study Fund Components

Budget Item	Total Cost	Grant Funded	Cost for Fees
SVBGSA’s Share of Funding the Study’s Second Year	\$89,250	\$0	\$89,250
Agricultural Water Users’ Share of the Study	\$131,750	\$0	\$131,750
Development of Deep Aquifers management actions	\$40,000	\$40,000	\$0
Total	\$261,000	\$40,000	\$221,000

All 3 Deep Aquifers-related budget items are apportioned among the 5 subbasins overlying the Deep Aquifers: the 180/400-Foot Aquifer, Eastside, Langley, Corral de Tierra portion of the Monterey, and Forebay Subbasins. Costs are apportioned according to the percentage of the Deep Aquifers’ areal extent under each subbasin. The extent of the Deep Aquifers is based on the recent definition and conceptual model produced by Montgomery & Associates (2022). The areas of the Deep Aquifers underlying the Seaside Subbasin and the Monterey-Ord portion of the Monterey Subbasin are ignored for this calculation because SVBGSA has no authority to levy fees in these areas.

The calculated percentage of the Deep Aquifers’ areal extent under each subbasin is shown in Table 4. The column titled *% of Deep Aquifers’ Areal Extent Excluding Seaside and Marina/Ord* in Table 4 shows the percentages used for fee calculations. The apportioned costs of each of the 3 Deep Aquifers-related budget items are shown in the last 3 columns of Table 4.

Table 4. Percentage of Deep Aquifers in Each Subbasin

Subbasin	Deep Aquifers Area (ft ²)	% of Deep Aquifers' Areal Extent	% of Deep Aquifers' Areal Extent Excluding Seaside and Marina/Ord	SVBGSA Share	Agricultural Groundwater Users Share	Demand Management
180/400	3,648,573,700.59	66%	75.7%	\$67,556	\$99,726	\$0
Eastside	564,939,710.35	10%	11.7%	\$10,460	\$15,441	\$0
Langley	63,083,737.15	1%	1.3%	\$1,168	\$1,724	\$0
Monterey – Marina/Ord	583,822,515.09	11%	0.0%	\$0	\$0	\$0
Monterey – Corral	38,601,811.17	1%	0.8%	\$715	\$1,055	\$0
Seaside	109,758,846.19	2%	0.0%	\$0	\$0	\$0
Forebay	505,019,345.31	9%	10.5%	\$9,351	\$13,804	\$0
Total	5,513,799,665.85	100%	100.0%	\$89,250	\$131,750	\$0
Total without Seaside and Marina/Ord	4,820,218,304.57					

REFERENCES

Montgomery & Associates, 2022. Conceptual definition of the deep aquifers. Technical memorandum to the Salinas Valley Basin Groundwater Sustainability Agency, Salinas, California.

**ATTACHMENT 1:
Tiered Regulatory Fee Policy
Adopted February 9, 2023
By the SVBGSA Board of Directors**

**Before the Board of Directors of the
Salinas Valley Basin Sustainable Groundwater Management Agency**

Resolution No. 2023 -01

Approving a Tiered Regulatory)
Fee Policy)

WHEREAS, pursuant to authority granted by the Sustainable Groundwater Management Act (“SGMA”), the Salinas Valley Basin Groundwater Sustainability Agency (“SVBGSA”) adopted a regulatory fee known as the Groundwater Sustainability Fee (“Fee”) on March 14, 2019, to fund the annual regulatory activities of the SVBGSA in implementing SGMA; and,

WHEREAS, the SVBGSA develops an annual work plan of staff and consultant activities (“Annual Work Plan”) and determines its annual expenses associated with its regulatory activities, including preparation of Groundwater Sustainability Plans (“GSPs”), implementation of management actions and projects, and completion of compliance reporting and data expansion for each Subbasin (collectively, “Regulatory Activities”); and,

WHEREAS, the Board recognizes that each Subbasin has its own GSP which includes Regulatory Activities; and,

WHEREAS, each GSP includes a cost estimate for implementation including costs for Regulatory Activities and SGMA compliance including annual reports, annual monitoring, filling data gaps, modeling, and data management system maintenance; and,

WHEREAS, SGMA requires adaptive management and the capability of every groundwater sustainability agency to act on recommended management actions and projects annually; and,

WHEREAS, the SVBGSA Board of Directors (“Board”) has been presented testimony and evidence that some Regulatory Activities the SVBGSA undertakes may only benefit one or more, but not all, Subbasins; and,

WHEREAS, in order to reasonably allocate some portion of the costs of Regulatory Activities that may apply to one or more, but not all, Subbasins, it is appropriate to consider a tiered approach for setting the Fee on an annual basis; and,

WHEREAS, on July 14, 2022 the Board directed the development of a tiered approach to the Fee; and,

WHEREAS, a Board policy would guide development of annual budgets and Fee schedule revisions, according to the tiered approach methodology; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Directors of the SVBGSA, as follows:

1. The recitals set forth above are true and correct.
2. The Tiered Regulatory Fee Policy, attached hereto as Exhibit A, is adopted.
3. The General Manager and Agency Counsel are authorized and directed to take such other and further actions as may be necessary or appropriate to implement the intent and purposes of this resolution.

PASSED AND ADOPTED on this 9th day of February 2023, by the following vote, to-wit:

AYES: Adams, Alejo, Brennan, Chapin, Cremers, Granillo, McIntyre, Periera, Rocha, Stefani and Chair Bramers

NOES: None

ABSENT: None

ABSTAIN: None

I, Debra McNay, Clerk of the Board of Directors of the Salinas Valley Basin Groundwater Sustainability Agency, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Directors duly made and entered in the minutes thereof for the meeting on February 9, 2023.

Dated: 2/10/2023

Debra McNay, Clerk of the Board of Directors of the Salinas
Valley Basin Groundwater Sustainability Agency,
County of Monterey, State of California

Debra McNay

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SVBGSA BOARD OF DIRECTORS

TIERED REGULATORY FEE POLICY

A Tiered Regulatory Fee Policy will provide for the development of definitions and methodologies to allocate Annual Budget expenses to be funded by the Fee to each Subbasin. Accordingly, the following shall govern the development of the SVBGSA's annual budget ("Annual Budget"), annual work plan ("Annual Work Plan"), and, if appropriate, a tiered fee structure for the SVBGSA's regulatory fee ("Fee") to cover expenses for the SVBGSA's regulatory activities ("Regulatory Activities") which include but are not limited to preparation and updating of Groundwater Sustainability Plans ("GSPs"), implementation of management actions and projects, and completion of compliance reporting and data expansion for each Subbasin.

1. The Annual Budget will be developed commensurate with the Annual Work Plan to achieve SGMA compliance, to conduct investigations and studies, to monitor data, to register and monitor wells and to obtain legal, financial, accounting, technical, engineering, and other services to carry out the Regulatory Activities of the SVBGSA.
2. Attachment 1, which may be updated from time-to-time by the Board of Directors, provides the definitions of Tier 1 (Salinas Valley Basin-Wide Costs) and Tier 2 (Subbasin Specific Costs) to guide budget development and determination of Tier 1 and Tier 2 costs for both the Annual Work Plan and annual review of the Fee.
3. The General Manager is authorized and directed to develop the Annual Work Plan to include, as necessary or appropriate, the determination of Tier 1 and Tier 2 categories of costs and shall provide technical information and data to support allocation of costs to the Tier 1 and Tier 2 categories.
4. The General Manager shall prepare an Annual Budget that evaluates GSP implementation progress and annual conditions in each Subbasin to avoid a determination by the State of California that there has been inadequate implementation of any SVBGSA-developed GSP.
5. The Fee review, which calculates the Fee for the following fiscal year, shall be performed after the Annual Work Plan and Annual Budget are adopted each year. The Fee review will account for actual expenses in the prior fiscal year for Tier 2 costs allocated to each subbasin, if any, and actual revenues received for Tier 2 costs by each subbasin, if any.
6. In the event that the Annual Budget must be revised during the fiscal year, and the Fee is insufficient to support the expenses of any subbasin under Tier 2, the Board may adopt a resolution allowing Tier 1 revenues to be used for the subbasin(s) requiring support under the condition that Tier 2 fees in the affected subbasin(s) will be raised to pay back such

financial support. The resolution will set forth all the conditions upon which such support may be provided.

Attachment 1

Annual Budget and Regulatory Fee Apportionment Process: Definitions for Tier 1 and Tier 2 Categories of Costs

The Salinas Valley Basin Groundwater Sustainability Agency (Agency) Board of Directors (Board) directed staff to develop a two-tiered approach for the Agency's annual work plan, budget, and regulatory fee beginning in FY 2023-24. Staff was directed to initiate a budget process that recognizes regulatory activities of common benefit to all subbasins and regulatory activities that benefit one or more, but not all, subbasins. The 2022 Groundwater Sustainability Plans for each subbasin provide guidance on management and implementation actions which appear in all the plans, and management actions and projects which may be specific to one or more, but not all, subbasins.

Cost allocation for purposes of establishing the annual budget and regulatory fee is not intended to be a determination of "special benefits" as used in a Proposition 218 process. Tier 1 costs are, and Tier 2 costs will be, charged to all chargeable parcels in the Subbasins for which the regulatory activities are being conducted pursuant to this Tiered Regulatory Fee Policy.

This attachment, which may be updated from time to time, provides the following definitions for the two-tiered budget process.

Definitions

Tier 1 – Salinas Valley Basin-wide Costs: This tier is for costs of activities that, in roughly equivalent measure, pertain to, impact, or are required by all subbasins as determined by the Board of Directors during the budget development process. This includes, but is not limited to, the Agency administration costs comprising agency staffing, financial administration (includes audit), grant preparation, general legal services (County Counsel and outside legal services), web hosting, professional travel and conferences, supplies, regulatory fee annual review, lobbying, MCWRA data services MOU, Basin-wide modeling updates, implementation actions that are Basin-wide and included in all adopted GSPs (for example, GEMS expansion and enhancement and the dry well notification system), compliance reporting and data expansion, data management system and web map hosting.

This tier also includes funding for a prudent cash flow reserve to be used to pay bills while funding is received from grants or GSA fees. As defined in the adopted cash flow reserve policy, the target reserve is \$600,000 by Fiscal Year 2026-27.

Tier 2 - Subbasin-Specific Costs: This tier is for costs of activities that pertain to, impact, or are required by only one or more, but not all, subbasins as determined by the Board of Directors and that directly or primarily are conducted for the benefit of those subbasins in some proportion. Subbasin-specific costs could include, but are not limited to, subbasin(s)-specific management actions and projects, engineering feasibility studies, stakeholder engagement processes, cost studies, benefit studies, and subbasin-specific litigation, etc.



**ATTACHMENT 2:
2023/2024 Sustainable Groundwater Management Program
Budget Items**

SUSTAINABLE GROUNDWATER MANAGEMENT PROGRAM BUDGET	COST	TIER	GRANT FUNDS	GRANT SOURCE	NET FEE
<i>Data Expansion & SGMA Compliance</i>					
Expand Groundwater Extraction Monitoring	\$ 260,000	Tier 1	\$ 210,000	180/400	\$ 50,000
Incorporate New Data into HCMs	\$ 100,000	Tier 1			\$ 100,000
Modeling Preparation for 5-year updates	\$ 100,000	Tier 1			\$ 100,000
Agency collaboration on the Seawater Intrusion Model	\$ 50,000	Tier 2			\$ 50,000
Annual Reports and Data Management	\$ 257,500	Tier 1			\$ 257,500
USGS Technical Services Agreement - SVBGSA Annual Fee for Services	\$ 85,000	Tier 1	\$ 85,000	180/400	\$ -
USGS Cooperative Agreement Oversight	\$ 25,000	Tier 1			\$ 25,000
Groundwater Model Maintenance	\$ 95,000	Tier 1			\$ 95,000
<i>Engagement of Interested Parties and Underrepresented Communities</i>					
Dry Well Notification Program Implementation	\$ 10,000	Tier 1	\$ 10,000	180/400	\$ -
Consultant Meeting Attendance and Preparation – M&A	\$ 95,000	Tier 1			\$ 95,000
Partner agency coordination, IM	\$ 40,000	Tier 1			\$ 40,000
Technical Support Meetings and Stakeholder Engagement	\$ 215,000	Tier 1			\$ 215,000
GTAC Facilitation	\$ 37,500	Tier 1			\$ 37,500
<i>Subbasin-Specific Management Actions</i>					
Stream Maintenance Program – Groundwater Benefit Study	\$ 350,000	Tier 2			\$ 350,000
Facilitation Services – Demand Management Corral & 180-400	\$ 200,000	Tier 2	\$ 55,000	180/400	\$ 145,000
Planning & Modeling to Develop Sustainability Strategy – Eastside	\$ 15,000	Tier 2			\$ 15,000
Planning & Modeling to Develop Sustainability Strategy – Langley	\$ 15,000	Tier 2			\$ 15,000
Scoping for CSIP Expansion – Blue Plan It	\$ 10,000	Tier 2			\$ 10,000
Establish SMC TAC – Forebay	\$ 25,000	Tier 2			\$ 25,000
Establish SMC TAC – Upper Valley	\$ 25,000	Tier 2			\$ 25,000
Sustainability Strategy and Project Assistance	\$ 120,000	Tier 1			\$ 120,000
Technical Services/Review	\$ 92,000	Tier 1			\$ 92,000
Deep Aquifer Study – SVBGSA Share	\$ 89,250	Tier 2			\$ 89,250
Deep Aquifer Study – Agriculture Share	\$ 131,750	Tier 2			\$ 131,750



SUSTAINABLE GROUNDWATER MANAGEMENT PROGRAM BUDGET	COST	TIER	GRANT FUNDS	GRANT SOURCE	NET FEE
Development of Deep Aquifers Management Actions	\$ 40,000	Tier 2	\$ 40,000	180/400	\$ -
Agriculture BMP Website	\$ 50,000	Tier 1			\$ 50,000
<i>Contract Administration</i>					
Montgomery & Associates – Administration for Services Agreement	\$ 120,000	Tier 1			\$ 120,000
Totals	\$ 2,653,000		\$ 400,000		\$ 2,253,000