

March 1, 2023

Via email

Budget and Finance Committee
Salinas Valley Basin Groundwater Sustainability Agency
P.O. Box 1350
Carmel Valley, CA 93924

Re: Fiscal 2023-2024 Work Plan and Budget

Dear Members of the Budget and Finance Committee:

I write on behalf of LandWatch Monterey County to express concern that the proposed budget and work plan are incomplete and do not reflect the direction the Budget and Finance Committee gave to staff at its February 6, 2023 meeting.

The Committee asked staff to present a revised work plan that would account for each project and management action (PMA) in each GSP, indicating generally what work, if any, would be done on that project or management action during the fiscal year, and what spending would be required to accomplish that work. This has not been done.

One rationale behind the Committee's request was to ensure that the agency would be able to meet the implementation deadlines in the GSPs and that staff had accounted for all of the PMAs, each of which must be assessed for feasibility, costs, and benefits in order to compare them to each other. Timely assessment of all of the PMAs is essential to enable the agency to make a timely selection of the least-cost, most-effective suite of PMAs.

1. The work plan must account for each of the PMAs and show that their assessments will be timely.

The work plan does not attempt to make a comprehensive survey of the PMAs in each GSP. For example, item 7 under Management and Implementation Actions provides only for

Planning and modeling for sustainability strategies in Eastside and Langley. This work is partially funded by the Multi-Benefit Land Repurposing Grant for the development of Overland Flow Managed Aquifer Recharge Mapping in the Eastside and Langley Subbasins. Products from the mapping will assist in identifying recharge projects in these basins

There is no explanation as to which of the 15 PMAs in the Eastside GSP or the 8 PMA's in the Langley GSP would be included in the "sustainability strategies." Yet each GSP has specific deadlines for PMA assessments. For example, the January 2022 Eastside GSP requires in the first two years of its implementation, a period that will end in January 2024, halfway through fiscal 2023-2024, that six separate projects involving new water supplies be assessed for the purpose of deciding which projects to move forward with first:

There are 6 projects defined in Chapter 9 involving new water supplies for recharge or direct use in lieu of groundwater extraction that could help the Eastside Subbasin reach sustainability. Three projects – the 11043 Diversion at Chualar, 11043 Diversion at Soledad, and diversion from Gabilan Creek – are surface water diversions of high flows, which could capture these high flows for beneficial use, but are extremely variable year to year. The Eastside Irrigation Water Supply Project, Salinas Scalping Plant, and Regional Municipal Supply Project could provide more predictable alternative water supplies to be used in lieu of groundwater extraction. Chapter 9 outlines the estimated cost and benefit for each project; however, more detailed scoping and analysis needs to be undertaken. **During the first 2 years of GSP implementation, SVBGSA will undertake further scoping and analysis of benefits and feasibility to compare and select initial projects for implementation.** SVBGSA will evaluate whether any water rights permits are needed and take that into consideration in project selection and planning. Since multiple projects may be needed to mitigate overdraft, with stakeholder input SVBGSA will determine which projects to move forward with first, which projects to implement if the first set of projects does not reach sustainability goals, and which projects are not prioritized for implementation. For several projects, after initial project selection, more detailed analyses of recharge locations and distribution systems needs to occur, including discussions with landowners. During years 3 and 4, for the initial projects SVBGSA selects to move forward with, it will secure access agreements, undertake permitting and CEQA, and develop funding mechanisms. After that point, SVBGSA will continue an iterative, ongoing process to evaluate the status of projects in the process of being implemented, groundwater conditions, and additional potential projects.

(Eastside GSP, p. 10-10.) Similarly, the Eastside GSP provides "[d]uring the first 2 years of GSP implementation, the SVBGSA will evaluate the need for Conservation and Agricultural BMPs; Fallowing, Fallow Bank, and Agricultural Land Retirement; and Pumping Allocations and Controls." (Id.) Consistent with these deadlines for assessing its PMAs, the Eastside GSP's "General Schedule of 5-Year Start-Up Plan" shows that "Project Selection, Planning, and Funding" are to be completed by 2024. (Eastside GSP, p. 10-17.)

It is impossible to tell from the work plan or budget whether the agency plans to accomplish this work or has budgeted sufficient funds to accomplish it. However, it appears unlikely for several reasons. First, the budget contains only \$310,000 for “Sustainability Strategy and project Assistance,” but this total is not allocated to specific PMAs or even to specific subbasin GSPs. Furthermore, this total cost is less than the amounts specified in the GSPs for planning level costs for many of the individual PMAs.

Second, the fact that some PMAs are called out specifically elsewhere in the work plan suggests that the ones not mentioned are not included. For example, the only specific references to planning for demand management is limited to the 180/400 and Corral de Tierra areas, suggesting no plan to address demand management elsewhere.

Third, as discussed below, because the work plan admits that it represents a limited scope of work that would only be expanded if grant funding becomes available, it appears that staff have assumed that, without grants, there is no timely way to accomplish the work required by the GSPs.

The failure to account systematically for PMAs, assessment costs, and assessment deadlines is not limited to the Eastside GSP. All of the GSPs have similar list of PMAs with deadlines for assessment; and the work plan does not account for them. (See, e.g., Langley GSP, p.10-10; Monterey GSP, pp. 10-9 to 10-10; 180/400 GSP 10-14 to 10-15.)

We are concerned that staff has either decided that the deadlines in the GSPs need not or cannot be met or that certain PMAs are not worthy of further assessment. However, the agency must be guided by its adopted GSPs, which call for a deliberate and timely assessment of each of the PMAs. If the mandates of the GSPs are to be changed, the agency should amend them, not ignore them.

Accordingly, we recommend that the Committee ask staff again to provide a work plan that accounts for each PMA and ensures that the assessment deadlines set out in the GSPs that fall in fiscal 2023-24 will actually be met. The work plan should also provide a budget line item for each PMA requiring work during fiscal 2023-24, or at least for each subbasin. This more detailed budgeting should help ensure that the required work can be accomplished, and this level of detail will be necessary to support the tiered apportionment of costs.

2. The agency should budget to accomplish the assessment work required on the schedules set out in the GSPs even if the requested grants are not made.

The work plan acknowledges that the agency will not receive information about the SGMMA Round 2 grant until summer. Thus, the agency may need to adopt a budget and set an assessment before it knows what grant funding will be received. Regardless, the agency is obligated to implement its GSPs, which call for timely accomplishment of critical assessments. Despite this, the work plan apparently proposes not to meet the GSP

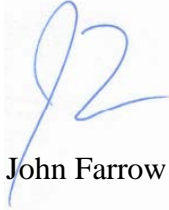
deadlines, or perhaps to simply ignore the requirement to refine and assess certain PMAs, unless that work is paid for by grants:

The Work Plan assumes that grant funding may not be awarded to the Agency under the Round 2 Implementation Grant. If the Agency is awarded funding under Round 2, the Work Plan may be updated with additional activities and budget adjustments would be presented mid-year in February 2024.

We recommend that the Committee ask staff to use the deadlines for PMA assessment set out in each GSP to develop a work plan and budget that list all of the required PMAs, identify the assessment work required in fiscal 2023-24, and provide a line item budget amount to accomplish that work. **The annual assessment should be based on this budget, i.e., a budget that will actually meet the GSP deadlines.** If grants are awarded, the assessment can always be reduced.

Yours sincerely,

M. R. WOLFE & ASSOCIATES, P.C.

A handwritten signature in blue ink, appearing to be 'JF' or 'John Farrow', is written over a light blue rectangular background.

John Farrow

JHF:hs

cc: SVGBGSA Board of Directors
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