

April 12, 2022

Via email

Board of Directors
Salinas Valley Basin Groundwater Sustainability Agency
P.O. Box 1350
Carmel Valley, CA 93924

Re: Budget and Work Plan

Dear Members of the Board:

LandWatch asks that the Board direct staff to revise the Proposed Budget for FY 2022-23 and the Detailed 2-year Work Plan to include funding and plans for the needed feasibility studies for projects and management actions outside the 180/400-Foot Aquifer Subbasin that are not funded via the 180/400 Sustainability Grant. The Board should request this information so that it may consider including the necessary funding in the GSA Regulatory Fee.

One of the most important tasks the GSA must complete in the next two years to implement the GSPs is to identify the least-cost, most-effective suite of projects and management actions needed to attain and maintain sustainability. The GSPs all list multiple projects and management actions but leave the selection of these projects to an implementation period that is supposed to conclude with “project selection, planning, and funding” **by year end 2024**. (See, e.g., Eastside GSP, p. 10-17; Monterey GSP, p. 10-25; Langley GSP, p. 10-17.) Selection of projects and management actions, especially those that may benefit multiple subbasins, requires studies to provide refined estimates of benefits, costs, and feasibility for each option at a sufficient level of detail to support a decision to focus future efforts on an appropriate subset of these options. While the GSA has secured a grant to assess feasibility of projects that may benefit the 180/400, that grant cannot be used to assess projects that do not benefit the 180/400 at least in part.

Substantial funding is required to identify and select projects and management actions. The five recently submitted GSPs identify the need for \$1,750,000 over the first five years to “refine and implement projects and management actions.” through “engineering feasibility studies,” “project design,” “permitting and environmental review,” and “cost-benefit analyses.” (Eastside GSP, p. 10-14; Monterey GSP, p. 10-18; Langley GSP, p. 10-14; Forebay GSP, p. 10-14; Upper Valley GSP, p. 10-14.) Based on the experience with the 180/400, this figure is likely understated.

Despite this, there are no funds in the proposed FY 2022-2023 budget for project feasibility studies, and no projected GSA funding for feasibility studies over the next two years. Instead, the budget simply assumes grants will fund feasibility studies:

Project/Management Action Feasibility Studies, as needed – Grant funded for FY 22-23 and 23-24 Feasibility studies include preliminary work to gather data and conduct preliminary scoping for project and management actions. Dependent on feasibility studies, SVBGSA will secure funding and implement or enable implementation of Project/Management Actions to reach and maintain sustainability throughout the planning horizon.

This means that completion of this critical work would be hostage to Sacramento. Since there can be no certainty that funding will be forthcoming from Sacramento, responsible planning requires that the GSA include needed funding in the budget and plan to fund it through the GSA Regulatory Fee if grant funding is not provided or if there is a shortfall.

Furthermore, other than the rough and likely understated estimates in the GSPs, staff have not disclosed a budget or a detailed work plan for needed feasibility and cost-benefit studies of potential projects and management actions. Staff's two year work plan includes the work to be funded via the 180/400 sustainability grant, and that work has been described in sufficient detail in the grant proposals. However, staff have not disclosed detailed work plans for feasibility and cost-benefit studies for other projects.

The Directors should ask staff for a more complete report before approving the 2022-23 Proposed Budget. If some budget must be approved in April, the Directors should approve it subject to revision after staff complete the following tasks:

1. identify needed feasibility and cost-benefit studies for the specific projects and management actions that are not funded via the 180/400 grant;
2. create a work plan and budget to complete those studies; and
3. include that budget in the proposed administrative fee so that if a grant is not secured, or there is a shortfall, there will still funding available to complete this work.

Yours sincerely,

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



John Farrow

JHF:hs

cc: Donna Meyers, meyersd@svbgsa.org
Emily Gardner, gardnere@svbgsa.org