STATE WATER RESOURCES CONTROL BOARD BOARD MEETING SESSION – DIVISION OF WATER QUALITY AUGUST 15, 2023

ITEM 3

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO ENTER INTO MULTI-YEAR CONTRACTS TO CONTINUE IMPLEMENTATION OF THE OIL AND GAS REGIONAL GROUNDWATER MONITORING PROGRAM.

DISCUSSION

California Water Code section 10783 (Senate Bill 4, Pavley, Statutes of 2013) requires the State Water Resources Control Board (State Water Board) to implement a regional monitoring program to assess potential impacts from well stimulation (including hydraulic fracturing). The Model Criteria for Groundwater Monitoring in Areas of Oil and Gas Well Stimulation (Model Criteria) was adopted by the State Water Board on July 7, 2015 (<u>Resolution No. 2015-0047</u>) and includes the criteria for the Regional Groundwater Monitoring Program.

The Regional Groundwater Monitoring Program is designed to assess the potential effects of well stimulation and other oil and gas development activities on groundwater resources that currently, or may in the future, have beneficial uses. Assessing potential water quality impacts by systematically and comprehensively collecting and interpreting information will help to protect waters of beneficial use and prioritize monitoring of groundwater that is or has the potential to be a source of drinking water.

The State Water Board previously passed <u>Resolution No. 2016-0048</u> and <u>Resolution No. 2019-0012</u> which authorized multi-year contracts for the Regional Groundwater Monitoring Program for fiscal years 2016-2017 through 2023-2024. State Water Board staff propose the current Resolution to continue implementation of the Regional Groundwater Monitoring Program for the fiscal years 2024-2025, 2025-2026, 2026-2027, 2027-2028, and 2028-2029.

POLICY ISSUE

None.

FISCAL IMPACT

The Regional Groundwater Monitoring Program is funded through the Oil, Gas, and Geothermal Administrative Fund. The revenue source for this fund is the annual assessments and fees collected from entities that operate oil or gas wells pursuant to Public Resources Code Section 3401(a). The authorized expenditure authority for the Regional Monitoring Program contract is expected to be \$7,400,000 for fiscal year

2024-2025, and not to exceed \$7,400,000 annually thereafter. The funding will be used to continue the implementation of the Regional Monitoring Program through a multi-year contract (2024-2025 through 2028-2029 fiscal years) with the U.S. Geological Survey.

REGIONAL BOARD IMPACT

None.

STAFF RECOMMENDATION

Staff recommends the State Water Board adopt the resolution authorizing the Executive Director or designee to enter into multi-year contracts and any amendments thereto, not to exceed \$7,400,000 for each of the fiscal years from 2024-2025 through 2028-2029.