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Mr. Gary Petersen
General Manager
Salinas Valley Basin Groundwater Sustainability Agency
Sent by email to peterseng@svbgsa.org

February 13, 2018

Subject: Responses to Supplemental Questions for GSP Selection

Mr. Petersen:

HydroMetrics WRI, in association with AMEC Foster Wheeler, Geosyntec Consultants, WestWater, and Wallace Group Engineers is pleased to deliver the attached responses to the supplemental questions for GSP selection. We have listed each question below, followed by our response. Our responses are consistent with the approach we outlined in our proposal, and with the information we presented during our February 7, 2018 interview.

We believe our responses reflect a clear path for the SVBGSA to develop an efficient GSP that will be accepted by DWR and will lead to groundwater sustainability in the Salinas Valley. We are happy to answer any further questions, either in writing, by telephone, or in person. Feel free to contact me if you have any further questions about our approach or our expertise.

Sincerely,

Derrik Williams

Derrik Williams, President
HydroMetrics Water Resources Inc.

Responses to Supplemental Questions for GSP Selection

1. Please describe how you would approach an overall GSP for the Salinas Basin but with individual discussions or approaches for the sub-basins.

Our approach to developing a single GSP document for the Salinas Valley sub-basins is specifically tailored to maximize the benefits of a single GSP, while minimizing or avoiding difficulties that may result from the single GSP. To that end, we first identify the benefits and difficulties of this approach.

BENEFITS OF A SINGLE GSP DOCUMENT

- This approach encourages a collaborative approach. Although this approach may be challenging, it emphasizes the collaborative groundwater management approach that underpins the Sustainable Groundwater Management Act (SGMA).
- Costs could be reduced by drafting Valley-wide plan sections, because a single plan avoids the necessity of writing a separate geologic description, developing a separate water budget, and developing separate sustainable management criteria for each sub-basin.
- A single plan removes inter-basin concerns about one sub-basin's plans negatively impacting an adjoining sub-basin's plans. This addresses SGMA Emergency Regulations §355.4 (b) (7), which require that a GSP should not, "*…adversely affect the ability of an adjacent basin to implement its Plan or impede achievement of its sustainability goal.*"
- A GSP that covers a larger area will have more potential tools to achieve sustainability. GSPs for single sub-basins are likely limited to maximizing the resources within their sub-basins. Sharing or transferring resources between sub-basins will open up additional opportunities for achieving sustainability.
- Plans to achieve sustainability will be coordinated across (potentially arbitrary) sub-basin boundaries. A landowner that has property in multiple sub-basins will not be subject to different management plans in different sub-basins.

POTENTIAL DIFFICULTIES OF A SINGLE GSP DOCUMENT

- The GSP schedule is driven by the accelerated schedule of the 180/400 Foot Aquifer sub-basin plan. The single plan will be due by January 31, 2020, whereas developing multiple plans will allow most of the plans to be submitted through January 31, 2022.
- If the single GSP is submitted as the plan for the entire Salinas Valley, then any coordination agreement that Marina Coast Water District (MCWD) enters into

with SVBGSA will be an agreement with the entire Valley. MCWD may have concerns about this approach, which could delay plan development.

- Some stakeholders may feel they are paying for benefits that only accrue to other landowners. We will need to avoid this by making sure there is equity between the benefits and who pays for them. One way to do this is to set up management areas which are effectively zones of benefit.
- If the single GSP is submitted as the plan for the entire Salinas Valley, then a formal coordination agreement with the Paso Robles sub-basin may be required.

Based on our analysis of the advantages and disadvantages of a single plan, listed above, we believe the best way forward for the SVBGSA is to write a single plan that treats the entire Salinas Valley as a single basin. While some details of this approach have yet to be worked out, this is the approach that has the best chance of encouraging cooperation while also being the most cost efficient. This cost-saving approach was specifically outlined on page 15 of our proposal.

We have considered the fact that it may be possible to develop a single GSP that covers at least five of the sub-basins in the Valley, and does not treat the Salinas Valley is a single basin. However, this approach loses the cost and time saving benefits of having only one geologic description and one water budget, while maintaining the difficulty of an accelerated time schedule. Therefore, we did not investigate this option further.

If the Salinas Basin GSP is written as a single document, we suggest the individual sub-basins be declared separate Management Areas within the nomenclature and guidelines established by DWR. We will work in consultation with the GSA to look for opportunities to combine adjacent sub-basins into a single Management Area; with the goal of having only as many Management Areas as needed to be useful to the GSA. It is also possible that Management Areas could be established that are not restricted by the existing sub-basin boundaries, i.e. the GSA could draw Management Area boundaries to their choosing.

The main advantage of the Management Areas will be for initiating and funding sustainability projects. Projects that primarily benefit a single Management Area will likely be majority funded by landowners in that Management Area.

The Management Area discussions only need to address those aspects that are unique to one or more Management Areas, thus emphasizing cooperation at the scale of the entire GSP. To control costs and foster cooperation, we will develop sustainable management criteria Valley-wide. This is the approach outlined in DWR's Sustainable Management Criteria Best Management Practice (BMP) document that was drafted by our Project

Manager. This BMP clearly states that Undesirable Results must be established basin-wide. Therefore, there is no legal ability to define individual Undesirable Results for each sub-basin; and we will save costs by defining Undesirable Results across the entire Valley.

The other advantage of a single GSP that defines Valley-wide sustainable management criteria is that it avoids the need for coordination agreements between sub-basins. Although SGMA regulations require that the GSP address how management of different Management Areas will not cause undesirable effects in other Management Areas, addressing these issues will likely be simpler than generating formal inter-basin coordination agreements.

This approach is flexible enough to allow efficiency by not duplicating narratives for multiple sub-basins, while describing specifically unique conditions and ensuring equity in funding. If the GSA decides to take this approach, and difficulties arise during GSP development, it would be possible to carve out one or more sub-basins into a separate GSP(s) if circumstances dictate that approach.

Finally, in our conversations with DWR about this issue, it is clearly uncharted territory for DWR that they had not previously considered. It will be important to work closely with DWR to agree on the details of an acceptable GSP that covers many sub-basins. The HydroMetrics WRI team brings the advantage of having already initiated these conversations with DWR.

2. **Please describe how you would approach a management area agreement with the Marina Coast Water District for management of a portion of the Monterey sub-basin.**

The SGMA legislation does not require any agreements between Management Areas in a basin. Management Areas are simply location-based divisions that a GSP can implement if doing so will facilitate groundwater management. In the Salinas Valley, however, we agree that some type of agreement should be developed with Marina Coast Water District (MCWD) to ensure long-term cooperative management of the Valley's groundwater resources.

Any discussion of an agreement with MCWD has two issues: the format of the agreement and the content of the agreement. The format of the agreement will almost certainly be as part of the required coordination agreement between GSPs.

Marina Coast Water District's Proposition 1 Grant Application asserts that they plan on developing a separate GSP for their portion of the Monterey sub-basin. The MCWD grant application states:

> *"…the "Project" is the development of a SGMA compliant GSP by MCWD GSA* ***for the MCWD Study Area of the Basin****. The MCWD Study Area covers the Marina and Ord Subareas, where MCWD is the water service provider (Figure 1). It has been agreed that* ***SVBGSA will develop a GSP for the Corel*** **[sic]** ***de Tierra Subarea, and that the two coordinated GSPs*** *prepared respectively by MCWD GSA and SVBGSA will cover the entire Basin."* [emphasis added]

Figure 1 shows the areas covered by each of the two GSPs in the Monterey sub-basin. The light gray area, including the disadvantaged and severely disadvantaged communities, is the area that will be covered by the MCWD GSP. The dark gray area will be covered by the SVBGSA GSP. We assume the dark gray area will be incorporated into SVBGSA's Valley-wide GSP.

As an aside, this approach is complicated by the fact that the SVBGSA is the exclusive GSA in a portion of the light gray area that will be covered by MCWD's GSP. This was clarified in an April 12, 2017 letter from the SWRCB to Mr. Les Girard, which stated that the MCWD "…lacks the authority to undertake groundwater management in the Ord Community". While we don't believe this complicates our discussion of the agreement that we present below, it is an issue that will need to be addressed during GSP development.

Because there will be two coordinated GSPs in the Monterey sub-basin, a formal coordination agreement is required by SGMA Emergency Regulation §357.4, and any agreements between the MCWD and the SVBGSA could be incorporated into this coordination agreement. While it is possible to have separate coordination and Management Area agreements, we advise against developing multiple, potentially conflicting agreements between the two agencies. It will be cleaner to incorporate all issues into the required coordination agreement.

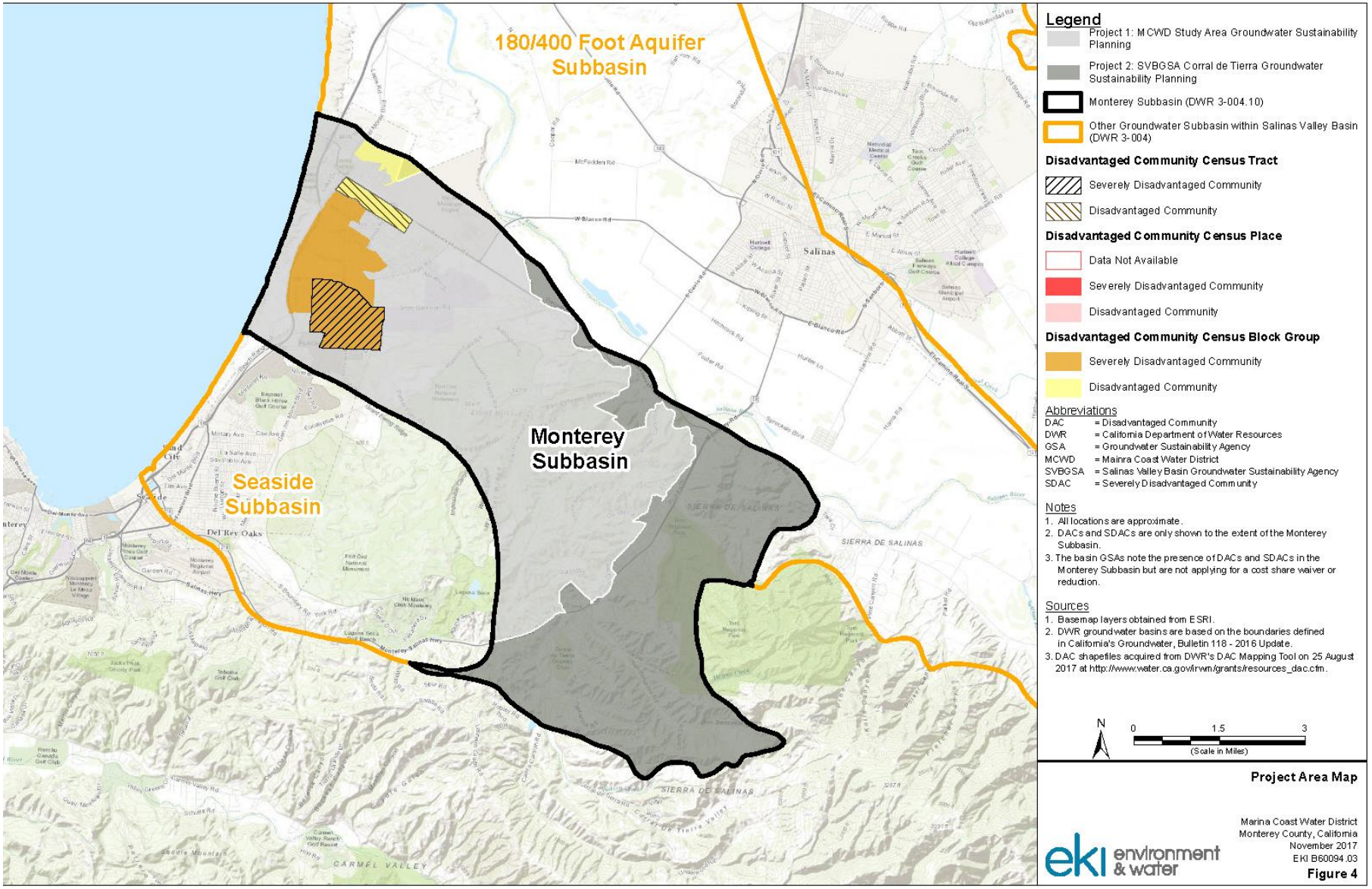


Figure 1: GSP Areas in the Monterey Sub-Basin (from MCWD Proposition 1 Grant Application)

The content of the agreement will have both required and added components. Because the agreement is part of a required coordination agreement, the SGMA Emergency Regulations identify a number of items that must be in the agreement such as:

- basin-wide water budget
- definition of undesirable results for the basin
- data from which to make conclusions
- tools for managing the basin (likely the U.S.G.S. model)

Once the legally required portions of the agreement are addressed, we suggest that the two GSAs strive to craft agreement terms that promote an independent yet mutually beneficial management structure. It is in the best interest of both parties to work cooperatively towards sustainability in both GSP areas because if one of the GSPs is deemed not compliant with SGMA the entire sub-basin is subject to State intervention, not just the section that is out of compliance. At the same time, the agreement must contain safeguards for each party that the other party will expend the money and effort needed to achieve sustainability.

Terms of the agreement may include:

- Agreements on minimum thresholds and measurable objectives. This agreement should simply state that the minimum thresholds and measurable objectives in one GSP do not harm the neighboring GSP from achieving its objectives.
- Assurances of what actions take place if one GSP appears unable to avoid the Undesirable Results stated in the agreement.
- Agreements on what should happen if MCWD expands its legal boundary. We understand that MCWD's five-year strategic plan includes expanding its legal boundary to include the Ord community. Should this occur, it will likely be the most efficient for SVBGSA two cede all groundwater management activities to MCWD in its expanded legal boundary.

We do not believe funding of sustainability projects is a necessary portion of this coordination agreement. The MCWD GSP will include a discussion of project funding for all projects within the GSP area. SVBGSSA will likely be a party to these funding discussions because SVBGSA is the exclusive GSA in a part of this GSP area. But these funding issues are not included in coordination agreements. Funding, however, is indirectly addressed in the item regarding assurances of what actions should take place if one GSP appears unable to avoid undesirable results stated in the agreement.

3. **Please describe how you would address management of the Paso Robles sub-basin if our GSA cedes primary responsibility for that sub-basin to the San Luis Obispo County GSAs in the Paso Robles sub-basin**.

There are a number of options for managing the Paso Robles sub-basin. We have listed a few below, in order of preference. As with other aspects of SGMA, our preference is to find opportunities to work cooperatively with other parties. We have talked about this issue with the Paso Robles GSAs, and we understand they have no intention of imposing any unwanted management on the Monterey County portion of the sub-basin. None-the-less, prudence requires that the SVBGSA protect the area it covers. Ideas for managing the Monterey County portion of the Paso Robles sub-basin include:

1. Apply for a basin boundary adjustment that terminates the Salinas Valley Basin at the Monterey County/San Luis Obispo County line. This would allow the SVBGSA to manage all of the Salinas Valley Basin: extending the Upper Valley sub-basin to the County line and putting all of the new Paso Robles basin into San Luis Obispo County. We are aware that something similar was attempted during the last round of basin boundary modifications. The previous request was denied because, "*The request did not include the necessary documentation proving that 75% support was obtained as required from all local agency and public water system within the affected sub-basin*". (see http://water.ca.gov/groundwater/sgm/pdfs/Final_Basin_Boundary_Modifications.pdf) This oversight could easily be rectified, leading to approval of the basin boundary modification. We have spoken to DWR staff about the Paso Robles sub-basin issue, and DWR staff agree that a successful basin boundary modification is the cleanest and easiest solution. The current round of basin boundary modifications must be submitted by June 30, 2018.

2. Remain involved in the Paso Robles GSP process as a neighboring basin. The SGMA legislation states that one criteria for accepting [the Paso Robles] GSP is "*… whether the Plan will adversely affect the ability of an adjacent basin to implement its Plan or impede achievement of its sustainability goal.*" (§355.4 (b) (7)). Therefore, it behooves the Paso Robles Basin GSAs to obtain a letter from the SVBGSA stating that the Paso Robles GSP will not impede achievement of sustainability in the greater Salinas Valley. In order to obtain this agreement, the SVBGSA can work with the Paso Robles GSAs to ensure that there is no part of their plan that harms the Salinas Valley. If the Paso Robles GSP is deleterious to the Salinas Valley, the SVBGSA can simply inform DWR that the Paso Robles GSP will adversely affect the Salinas Valley, and therefore the Paso Robles GSP should be denied because it does not meet the requirement of (§355.4 (b) (7)).

It is worth restating that the Paso Robles GSPs have shown no interest in imposing new management structures on the Monterey County portion of the basin, and therefore there is very little chance that the Paso Robles GSP will significantly affect or harm the Salinas Valley.

3. Take part in developing the Paso Robles GSP as an interested stakeholder. This approach is to not take part in GSP development as an active member of the Paso Robles coordinating committee, but rather to review everything the coordinating committee decides and makes suggestions along the way. The HydroMetrics WRI team may be able to assist with this approach. We have applied to develop the GSP for the Paso Robles sub-basin. We have talked with Paso Robles GSAs about working for both the Paso Robles GSAs and the SVBGSA, and they see no conflict of interest in that. If HydroMetrics WRI consults to both the Paso Robles GSAs and the SVBGSA, we can serve as the mediator to ensure that the interests of both groups are coordinated and acknowledged.

4. **Please describe how you would address the intersection of our GSA's authority to that of the Water Resource Agency's authority, especially with respect to operation of the dams at the two reservoirs and the ordinances for well destruction**

Disclaimer. The question of the two agencies' authorities ultimately requires a legal opinion. Therefore, the following discussion should be viewed in terms of our understanding of the agencies' authorities, not as a legal opinion.

There are two separate and equally important parts to this question. First are the overall guiding principles about how the SVBGSA's and Monterey County Water Resource Agency's (MCWRA) intersecting authorities should be resolved. Second are the specific issues dealing with the operation of the dams and the ordinances for well destruction.

MANAGEMENT AUTHORITY GUIDING PRINCIPLES

There are a number of places where the authorities of the SVBGSA and the MCWRA clearly overlap. These include the ability to raise funds based on groundwater extractions, the ability to hold water rights, the ability to limit pumping, and in general, the ability to guide and influence basin management. Some basic guiding principles should be followed to avoid conflicts in these authorities, which should not be a surprise to anybody, including:

- Work cooperatively. Neither the SVBGSA nor the MCWRA should implement new management actions or activities without consulting the other.
- Work with what already exists. Some existing programs may need to be modified in order to achieve groundwater sustainability. However, it may be wiser to modify existing programs than to develop an overlay of new programs.

Conflicts, however, will arise over certain authorities. ***It is important that SVBGSA not cede its authority to the MCWRA when conflicts arise***. This is because the SVBGSA is the party responsible for achieving sustainability, not the MCWRA. The state is holding SVBGSA responsible for achieving sustainability within 20 years of developing its GSP; the MCWRA has no such legal deadlines. It is imprudent and risky for the SVBGSA to be saddled with the responsibility of achieving sustainability, but cede away the authorities to get there. Therefore, the SVBGSA must always retain the authority to compel actions that are needed to achieve sustainability.

AUTHORITY TO OPERATE DAMS AND IMPLEMENT WELL DESTRUCTION ORDINANCES

The two specific issues raised by the question involve operating the dams of the two reservoirs near the south end of the valley, and implementing or modifying well destruction ordinances. For a number of reasons, these are separate from the general guiding principles on SVBGSA authorities.

Nacimiento and San Antonio Reservoir Operations

Currently, the SVBGSA has no authority to operate the dams, and the SGMA legislation gives them no authority to do so. Both Nacimiento Dam and San Antonio Dam are completely owned and operated by MCWRA. It is extremely unlikely that the MCWRA will cede any dam operation authority to the SVBGSA. The SVBGSA, however, could take actions to influence the MCWRA's dam operations. These may include:

- Enter into an agreement with MCWRA to use its 11043 water right. By developing projects that use MCWRA's 11043 water right, the SVBGSA can prompt MCWRA to take advantage of its 11043 water on a schedule that is beneficial to groundwater recharge.
- Develop projects that use other, existing water rights, or new water rights acquired by SVBGSA, for diversion, storage, and use. Similar to the previous approach, the SVBGSA could prompt MCWRA to release water on a schedule that is beneficial to groundwater recharge. This may have some legal difficulties because groundwater recharge is not a beneficial use recognized by the State Water

Resources Control Board. However, there may be ways around this such as over irrigating agricultural fields, etc.

- Agree to modify dam operations through a memorandum of understanding or binding agreement. If the SVBGSA can show its groundwater recharge projects have multiple benefits, such as flood control, it may be possible to enter into agreements with MCWRA to modify its dam operations.

As with much of SGMA implementation, success will likely hinge on cooperative agreements, not unilateral actions.

Our current understanding is that the SVBGSA will be required to develop its GSP in the context of existing conditions, and specifically within existing water rights. Therefore, the SVBGSA will need an understanding of how the dams will be operated under the current authority of MCWRA and, to the extent that those operations are uncertain, develop management actions/projects that accommodate that uncertainty. It is very realistic for the GSA to develop a project/management action that explicitly includes certain operational constraints of the dams; however, implementation of that project/management action would not be at the discretion of the GSA, it would require some type of binding agreement with MCWRA to implement. As with other projects and management actions, this would be subject to CEQA. This situation dictates the importance of the GSA working cooperatively with MCWRA throughout the GSP development to reach an understanding about operations of the reservoir and, if appropriate, to consider how such operations can be incorporated into the GSP or modified by the GSP.

Well Destruction Ordinances

Enforcement of the current Monterey County well destruction ordinance is administered by the Monterey County Health Department (MCHD), not the MCWRA. Therefore, there is no direct conflict of authorities between SVBGSA and MCWRA regarding this issue. However, the MCWRA maintains a delineation of responsibility with the MCHD regarding the well permit review process. Accordingly, any proposed actions regarding well destruction that are put forth in the GSP, and are within the SVBGSA's authority, would need to be closely coordinated with both the MCHD and MCWRA. Similarly, any new actions proposed by the MCWRA or MCHD must be coordinated with the SVBGSA to avoid conflicting rules or actions. If needed, an agreement between these agencies can be formulated to sort out responsibilities and coordination regarding well destruction. In particular, this coordination needs to include consideration of MCWRA's Ordinance 3790 regarding well destruction in the Castroville Seawater Intrusion Project (CSIP) area.

The SGMA legislation does not specifically give GSAs authority to implement well destruction ordinances. However, the legislation does say that a GSP shall, "*where appropriate and in collaboration with the local agencies …*" include a well abandonment and well destruction program. This clause appears to indicate that the SVBGSA has a clear interest in enforcing well destruction for the purpose of sustainably managing groundwater resources. However, the well destruction program must be implemented in collaboration with the Monterey County Health Department.

Relevant to this issue is Senate Bill 252, which requires that new well permits issued by Monterey County be made available to the SVBGSA. This bill outlines specific information that must be in the well permit including expected pumping capacity, water use, etc.

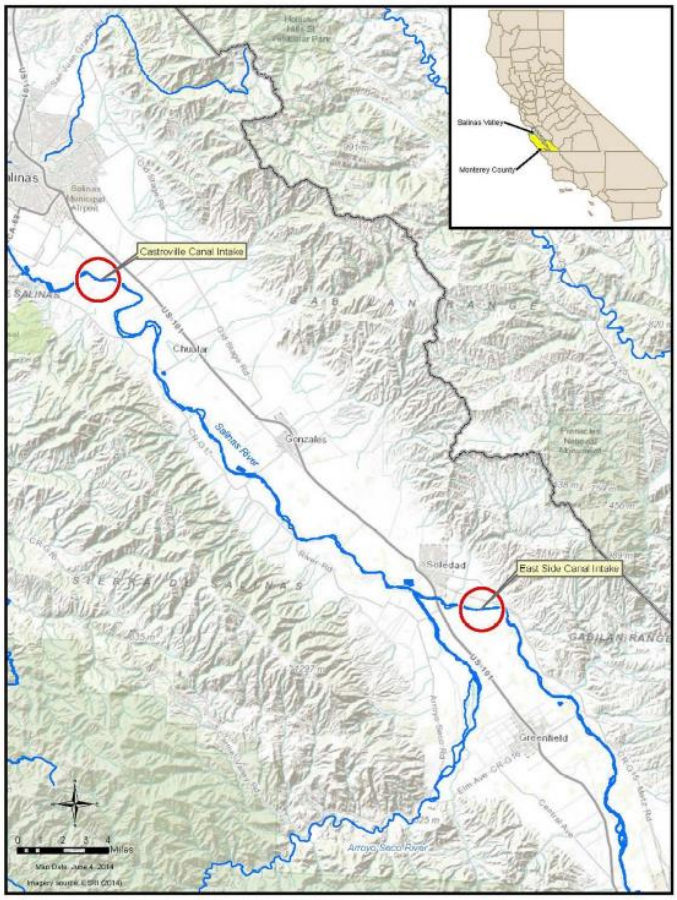
The well destruction ordinance issue highlights the point that overlapping authorities will likely complement, not trump each other. Therefore, if the Monterey County Health Department has existing rules for wells, and SVBGSA develops other rules, both sets of rules may apply concurrently. One set of rules will not override the other set. We suggest that SVBGSA obtain legal opinions on how conflicting rules will interact.

5. **Please describe how you would recommend utilizing 11043 water based on circumstances as you know them today**.

Disclaimer. The question of how water rights can be used ultimately requires a legal opinion and concurrence by the SWRCB. Therefore, the following discussion should be viewed in terms of our understanding of the water right options, not as a legal opinion. Although we can suggest optional projects for using the 11043 water right and describe the advantages and disadvantages of each project, the ultimate decision of which projects are incorporated into the GSP lies with the SVBGSA Board of Directors.

BACKGROUND

The 11043 permit was originally issued in 1957 by the State to the Monterey County Flood Control and Water Conservation District. The permit is currently held by MCWRA, and allows for diversion of water from two locations along on the Salinas River: (1) south of Soledad near the confluence of the Arroyo Seco, and (2) south of Salinas (Figure 2). Our understanding is that no projects have ever been built that use this surface water right.



Salinas Valley Water Project, Phase II - Project Location Area

Figure 2: 11043 Diversion Locations

Modifications to the permit in 2013 reduced the maximum diversion from 168.5 to 135 thousand acre feet per year, and diversions are only allowed during periods of high flows, corresponding to storm flows that occur three or four months per year. Projects that would use the diverted river water are intended to mitigate sea water intrusion and/or control floods. Modification of the permit also allows storage of water. A project outline was agreed upon in April 2014, and the MCWRA requested that the deadline for notice of preparation for projects be extended from July 2014 to July 2018 because of the higher priority inter-lake tunnel project and lack of funding. The completion date for projects associated with the permit is July 2026.

GENERAL 11043 PROJECT OPTIONS

The primary beneficial use of diverted Salinas River water is to increase ground water levels in the 180/400 foot Aquifer and East Side sub-basins to control seawater intrusion. Ancillary benefits of using the high quality diverted water would include improvement of groundwater and irrigation water quality by blending.

Beneficial uses of the diverted water could add to and complement existing projects, or could form the basis for new projects that would:

- Increase groundwater levels in the 180/400 Foot Aquifer sub-basin to control sea water
- Provide additional recharge to the Forebay and East Side areas
- Provide more water to the Salinas Valley Water Project (SVWP)
- Expand CSIP deliveries

- Reduce pumping in 180/400 Foot Aquifer sub-basin (providing in-lieu recharge)

Our team agrees with the conceptual uses put forth by the MCWRA for Permit 11043 water uses, including:

1. Groundwater recharge (direct and in-lieu), could be used to replenish storage and maintain a seaward hydraulic gradient.
2. Additional recharge in the Forebay area would result in additional recharge to the northern portion of the 180/400 Foot Aquifer sub-basin as underflow.
3. Artificial recharge in the East Side Sub-basin would reduce subsurface inflow from the 180/400 Foot Aquifer sub-basin and eventually restore the historical northeast to southwest recharge.
4. Both northwest underflow from the Forebay Subarea and recharge from the East Side sub-basin would help control seawater intrusion.

SPECIFIC 11043 PROJECT OPTIONS

Using the 11043 diversions near the specified diversion locations will be most cost-effective. Diversion could be accomplished with direct screened intakes or collectors under the river bed (Ranney® Wells), and viable projects include surface impoundments that could serve both as flood control and recharge basins, injection or aquifer storage and recovery (ASR) wells, and possibly vadose zone wells (i.e. dry wells).

The water table is approximately 50 feet below groundwater surface near both diversion locations, which provides the opportunity for using dry wells for groundwater recharge, an approach that requires less treatment than direct groundwater injection. We understand that the State Water Board will soon be developing new guidelines for dry wells for recharge, which will likely help with permitting and make them a more attractive option.

Recharge enhancement projects would provide some local replenishment of groundwater and slightly increase the sustainable pumping rate near the projects. Groundwater levels in the shallow aquifer near the diversion point south of Salinas are approximately 10 feet below sea level, so projects that enhance recharge in this area also would contribute to mitigation of sea water intrusion.

As has been considered by the MCWRA, conveyance of the diverted water, and injection beneath Salinas or the East Side would provide more direct benefit to areas where pumping has lowered groundwater levels far below sea level. However, since the 11043 diversion is only allowed during periods of high flows three or four months per year,

significant above ground storage is needed to "park" the water before it is recharged into the East Side sub-basin. One approach to developing significant areas above ground for temporary storage is through the use of on-farm storage combined with a fallow bank or similar program. The generalized outlines of the program could be:

- Growers pay money into an account every year;
- When 11043 water is available, the water is diverted onto particular fields where it can be temporarily held until it can be moved to recharge ponds injection wells, and/or until recharged by natural percolation.
- The grower whose field is flooded is partially or wholly compensated for lost income through money out of the account.
- An option to this program is for the fields used for storage to be rotated amongst growers on a regular schedule.

There are a number of variations on the approach bulleted above that could be considered. One variation might be having the SVBGSA buy land to park flood flows on; and leasing this land to growers when it is not flooded. A number of these variations will be considered during the GSP development.

While this is may be a viable program for getting water to the East Side sub-basin, our preliminary suggestion is that a project near the diversion location south of Salinas consisting of a series of flood control/recharge basins and numerous shallow dry wells for recharge may be viable and most cost-effective. This program would reduce pumping in 180/400 Foot Aquifer sub-basin, and provide in-lieu recharge by exchanging groundwater for increased use of Salinas River water. The optimal and perhaps priority locations for small-scale irrigation use would be in the areas of high water quality in the 180/400 Foot aquifers.

11043 AND THE SALINAS VALLEY WATER PROJECT, PHASE II

11043 water could be used to enhance the Salinas Valley Water Project (SVWP), as envisioned by the SVWP Phase II program. The SVWP Phase II will use the two surface water diversion points shown on Figure 2, and their appurtenant facilities for capture, conveyance, and delivery of water. Many of the details surrounding the SVWP Phase II will be evaluated in an Environmental Impact Report, and a suitable alternative will be selected as result of the review process. The capture and diversion facilities will consist of either a surface water diversion facility, similar to the existing Salinas River Diversion Facility, or Ranney® Collector Wells. The conveyance facilities will be either above- or below-ground pipelines and pump stations. In part, an Environmental Impact Report will be used to analyze the configuration, location, and physical layout of the conveyance

facilities. Delivery facilities may consist of injection wells (as part of an aquifer storage and recovery system), percolation ponds, or turnouts for direct use of the water. The delivery facilities may incorporate treatment of the water or, alternatively, MCWRA may deliver raw water to be treated by the end-user in a manner suitable for the intended application (for example, agricultural versus urban).

It is important to note that, in addition to 11043 water, other privately-held water rights may be available to supplement supplies available for either SVWP II or other SVBGSA projects. All potential water rights that can be leveraged to improve groundwater management will be comprehensively reviewed and pursued as part of the GSP development process.

6. **Though SGMA says the GSP is exempt from CEQA there are many opinions about when and how CEQA may become activated in the planning process. Please describe the relationship, as you understand it between SGMA and CEQA.**

Disclaimer: Because preparation and adoption of the GSP is statutorily exempt from CEQA, we did not include CEQA experts on our GSP preparation team. The thoughts below are our opinions only. The SVBGSA should consult with CEQA experts on all matters concerning implementation of the GSP.

Preparation and adoption of this GSP is statutorily exempt from CEQA (California Water Code § 10728.6). However, all actions resulting from this GSP are potentially subject to CEQA. In our opinion, CEQA documentation must be developed on a project by project basis for any projects resulting from the GSP. This may include using 11043 water, expanding CSIP, changing the place of use or point of diversion of an existing water right, etc. It is unclear to us whether a groundwater allocation system is subject to CEQA. This is a question that must be answered by CEQA experts.

The relationship between SGMA and CEQA has not been tested, and some questions remain regarding how they will interact. However, it is clear that they are independent programs with clearly different intents: SGMA's purpose is to achieve groundwater sustainability; CEQA's purpose is to provide information to the public and others about potential environmental impacts from projects. SGMA is intended to result in actions; CEQA is intended to disburse information and mitigate a project's significant impacts if feasible.

Differences between SGMA and CEQA may arise for two reasons. First, SGMA only focuses on groundwater improvements, whereas CEQA looks at a broader range of environmental impacts. Therefore, a project that is clearly beneficial to groundwater may

result in CEQA challenges if it has other potential impacts. This may be particularly true for a project's impacts on riparian habitats or downstream water rights holders. Second, levels of significance may be different for SGMA analyses and CEQA analyses. There is no requirement that the minimum threshold, or the definition of significant and unreasonable, set under SGMA be adopted as levels of significance under CEQA. However, because SGMA should reflect local community interests, it might be reasonable to assert that decisions made under SGMA reflect local opinions on what is and is not a significant impact.

Because of the need for CEQA documentation, and the likelihood that not all projects in the GSP will survive CEQA challenges, the SVBGSA should develop a GSP that can be adapted and modified should CEQA challenges derail an anticipated project. It is worth noting that the SGMA legislation contains a tolling provision for just this eventuality. California Water Code § 10735.2 (d) states that, *"If … litigation… prevented a [GSP] from being implemented in a manner likely to achieve sustainability … the board shall not designate a basin as probationary for a period of time equal to the delay caused by the litigation."* This provision provides SVBGSA some temporary relief from CEQA lawsuits by delaying the sustainability deadline.

Additionally, recent law adds SGMA requirements to SB610 and SB221, the laws that require proof of an adequate water supply for developments or subdivisions that meet certain size requirements. Furthermore, SGMA requires revised or new County General Plans to review and consider local groundwater sustainability plans (California Water Code § 65350.5 (a)). These are additional permitting requirements resulting from SGMA in addition to the CEQA requirements.

To address CEQA issues, our team's GSP will include time for the CEQA process in every project. We realize this may impact which projects are the more preferable projects. A project that easily leads to sustainability, but will likely suffer major CEQA challenges, may not be as attractive as a project with few CEQA problems. Therefore, CEQA could significantly impact the final GSP.