SVBGSA Integrated Implementation Strategy
PMA Portfolio Selection

MONTGOMERY & ASSOCIATES
Water Resource Consultants

Board of Directors

August 13, 2026

Final Three Portfolios

Portfolio 1	Portfolio 3A	Portfolio 4
Rationale: Avoid GWL and SWI Undesirable Results	**Rationale: Avoid GWL and SWI Undesirable Results with Smaller BGRP**	**Rationale: Small Capital Cost Projects**
Medium BGRP with injection only	Small BGRP with partial direct delivery to Salinas and partial injection	
C&E recharge basins in the Eastside with 100 cfs diversion	C&E recharge basins in the Eastside with 100 cfs diversion	C&E recharge basins in the Eastside with 50 cfs diversion
10% agricultural demand management	10% agricultural demand management	20% agricultural demand management
CSIP optimization	CSIP optimization	CSIP optimization
		C&E injection in the 400-Foot Aquifer with 50 cfs diversion
Yield: 56,000 AF/year	Yield: 37,700 AF/year	Yield: 10,200 AF/year

All portfolios will include:

- Deep Aquifers demand management
- Corral de Tierra demand management

Effectiveness Summary

	Avoid Seawater Intrusion Undesirable Result	Avoid Groundwater Level Undesirable Result – 180 Foot Aquifer	Avoid Groundwater Level Undesirable Result – 400 Foot Aquifer	Avoid Groundwater Level Undesirable Result – Eastside Subbasin	Avoid Groundwater Level Undesirable Result – Langley Subbasin
Portfolio 1	Yes	Yes	Yes	No	No
Portfolio 3A	No (but close)	No	Yes	Yes	No
Portfolio 4	No	Yes	Yes	No	No

Portfolio Cash Cost Summary

Capital Costs*	Time Period	Portfolio 1 ($M)	Portfolio 3A ($M)	Portfolio 4 ($M)
Planning and Construction				
Soft Costs – Planning	2027-2030	$146.9	$120.1	$69.6
Soft Costs – Construction	2031-2035	$44.6	$36.4	$20.9
Construction	2031-2035	$1,116.2	$909.6	$521.7
Total Planning and Construction	2027-2035	$1,307.8	$1,066.0	$612.4
Replacement				
Equipment – Replacement	2056-2059	$17.2	$10.6	$3.2
Total Replacement	2056-2059	$17.2	$10.6	$3.2

Annual Costs*	Time Period	Portfolio 1 ($M)	Portfolio 3A ($M)	Portfolio 4 ($M)
Operations and Maintenance				
Annual O&M (Excl. Treatment)	2036 -	$37.9	$23.2	$5.7
Treatment O&M	2036 -	$79.6	$51.1	$2.3
Annual O&M	2036 -	$117.6	$74.3	$8.0

***Includes cash costs/outlays with no financing and no external funding. Values may not sum to totals due to rounding.**

Criteria Grading: Portfolio 1 (P1)

	Criterion	Grade	Comments
Portfolio 1 • Medium BGRP Injection Only • C&E 100 CFS Recharge Basins • CSIP Optimization • 10% Ag Demand Management (North Valley)	Mitigate seawater intrusion	★★★	Mitigates to current minimum threshold
	Mitigate groundwater levels	★★½	Mitigates the 180-Foot, 400-Foot, and Eastside aquifers: refinements may be necessary
	Capital cost	★	High
	O&M cost	★	High
	Geographic Reach	★★★	
	Reliability	★★½	BGRP is drought proof, C&E is climate dependent
	Adaptability/Scalability	★★½	BGRP and C&E are expandable to some degree
	Proven technology	★★	All components use proven technology, but have not been combined at this scale

Criteria Grading: Portfolio 3A (P3A)

	Criterion	Grade	Comments
Portfolio 3A • Small BGRP with Direct Delivery and Injection • C&E 100 CFS Recharge Basins • CSIP Optimization • 10% Ag Demand Management (North Valley)	Mitigate seawater intrusion		Mitigates near current minimum threshold, may require MT revision
	Mitigate groundwater levels		Mitigates the 180-Foot, 400-Foot, and Eastside aquifers: refinements may be necessary
	Capital cost		Relatively High
	O&M cost		Relatively High
	Geographic Reach		Does not mitigate Monterey Subbasin seawater intrusion
	Reliability		BGRP is drought proof, C&E is climate dependent
	Adaptability/Scalability		BGRP and C&E are expandable to some degree
	Proven technology		All components use proven technology, but have not been combined at this scale

Criteria Grading: Portfolio 4 (P4)

	Criterion	Grade	Comments
Portfolio 4 • C&E 50 CFS Recharge Basins • CSIP Optimization • 20% Ag Demand Management (North Valley) • C&E Injection (400-Foot Aquifer) with 50 CFS Diversion	Mitigate seawater intrusion		Does not mitigate seawater intrusion
	Mitigate groundwater levels		Mitigates the 180-Foot, 400-Foot, and Eastside aquifers
	Capital cost		Relatively low
	O&M cost		Relatively low
	Geographic Reach		Does not mitigate seawater intrusion in the coastal 180/400 or Monterey Subbasin. Raises groundwater levels in the 180/400 and Eastside Subbasins
	Reliability		C&E is climate dependent, not available in all years
	Adaptability/Scalability		C&E is expandable up to 400 cfs of diversion
	Proven technology		All components use proven technology

Portfolio Criteria Comparison

Criterion	Portfolio 1	Portfolio 3A	Portfolio 4
Mitigate seawater intrusion			
Mitigate groundwater levels			
Capital cost			
O&M cost			
Geographic Reach			
Reliability			
Adaptability/Scalability			
Proven technology			

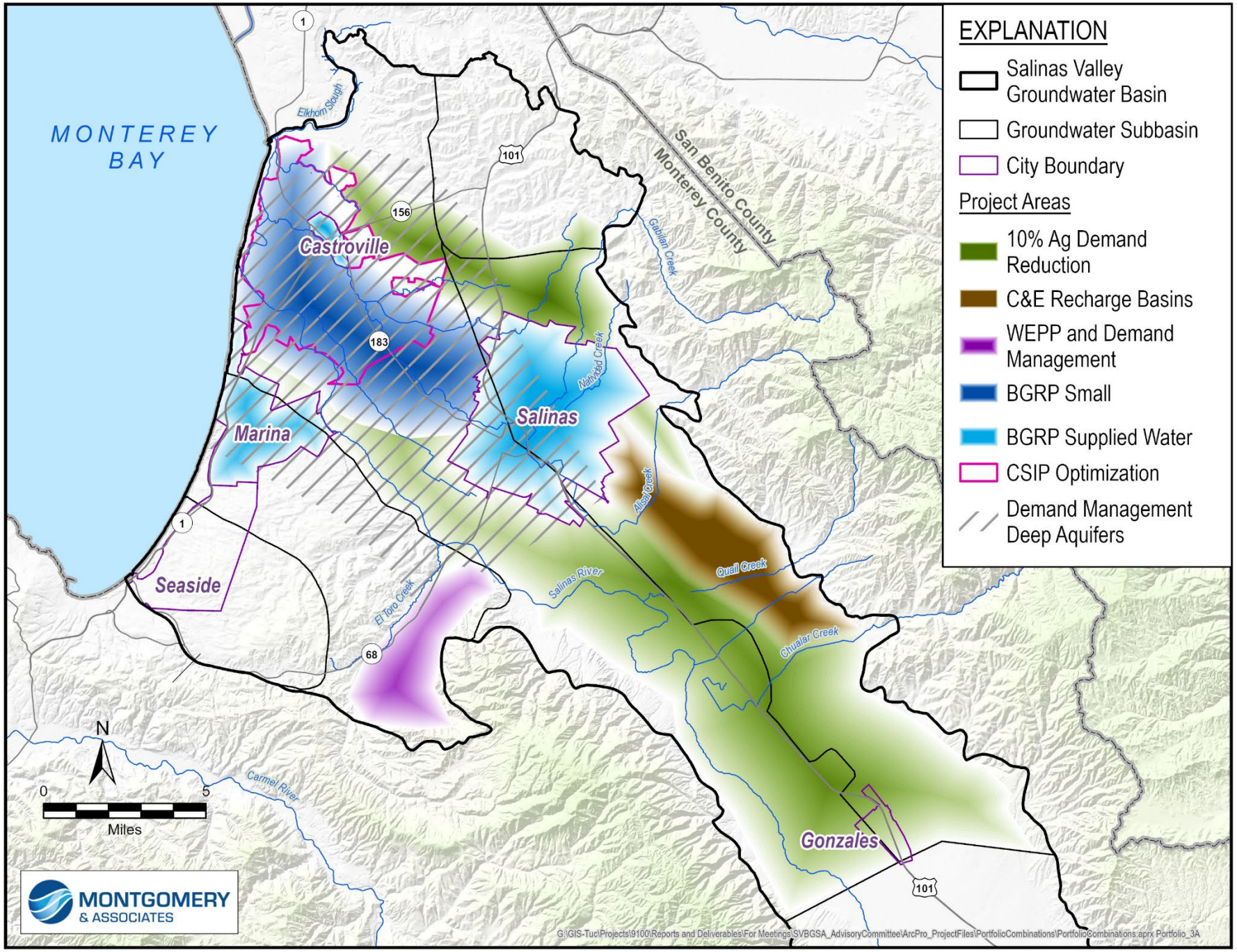
MONTGOMERY & ASSOCIATES

Advisory Committee Direction

- Reached consensus on continuing to investigate Portfolio 3A and Portfolio 4 (or a hybrid of the two)
- Developed a list of conditions for Board consideration with particular focus on:
  - Alternative source options
  - Pilot testing
  - Developing a cost allocation framework

Staff Recommendation: Select Portfolio 3A as the preferred implementation path, subject to the Advisory Committee's conditions and considerations

- Substantially addresses Seawater Intrusion
- Provides reliability through a diversified supply source
- Balances cost and effectiveness
- Requires continued evaluation and refinement of portfolio components
- Allows for analysis of alternative source options and contingency projects



Recommended Portfolio 3A

Projects and Management Actions cover the Northern Salinas Valley