Salinas Valley Basin
Groundwater Sustainability Agency

P. O. Box 1350
Carmel Valley, CA 93924
(831) 471-7518
www.svbgsa.org

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Monica Salais, P.E.
Supervising Water Resources Engineer
Groundwater Sustainable Review Section Lead
Sustainable Groundwater Management Office
P.O. Box 942836
Sacramento, CA 94236-0001
monica.salais@water.ca.gov

Re: Salinas Valley – 180/400 Foot Aquifer Subbasin (No. 3-004.01) – Second Response to DWR 2025 Periodic Review – Additional Information Request

Dear Ms. Salais:

The Salinas Valley Basin GSA (SVBGSA) provided its "Response to DWR2025 Periodic Review - Additional Information Request" (Response) to the Department on Water Resources (DWR) on April 30, 2026. The Response highlighted data and information developed after the 2025 Periodic Evaluation, and answered specific questions included in DWR's request for information dated December 1, 2025. It noted that the SVBGSA Board of Directors (Board) was scheduled to approve a preferred portfolio of Projects and Management Actions (PMAs) in August 2026 as part of SVBGSA's Integrated Implementation Strategy (IIS).

This Response 2 complements and augments SVBGSA's Response 1, submitted on April 30, 2026. At its regular meeting on August 13, 2026, the Board of Directors selected Portfolio 3A as the preferred IIS portfolio of PMAs—together with the lists of considerations from the Advisory Committee and the 180/400-Foot Aquifer and Eastside Subbasin Committees—to guide further development and refinement of the preferred implementation pathway. The motion carried with 9 ayes of the 11-member Board. The committee considerations and decision process are summarized in section 6 of this response. By approving a preferred portfolio of PMAs, the SVBGSA Board commits the Agency's focus on a set of activities for addressing seawater intrusion and chronic lowering of groundwater levels throughout the Salinas Valley. The Board's recent action allows SVBGSA to expand on the previous submittal with additional information for achieving SGMA compliance.

SVBGSA is initiating the 90-day review period for Draft GSP Amendments for all subbasins in its jurisdiction in September 2026. This includes Draft GSP Amendment 2 for 180/400 Subbasin, which SVBGSA intends to submit along with the 2027 periodic evaluation concurrent with GSP amendments and periodic evaluations for the Langley, Eastside, Forebay, and Upper Valley Subbasins, as well as for Monterey Subbasin in coordination with Marina Coast Water District GSA, in January 2027.

SVBGSA has a unique structure and approach to multi-subbasin coordination that differs from other parts of California. While the inter-subbasin agreement provisions of SGMA do not directly apply to SVBGSA's jurisdiction, SVBGSA believes establishing a collaborative framework is the appropriate approach for the Salinas Valley Groundwater Basin in Monterey County. SVBGSA remains committed to working cooperatively to achieve groundwater sustainability across all 6 subbasins it fully or partially manages. This commitment will be further reflected and advanced through the development and implementation of the Integrated Implementation Strategy.

Consistent with this collaborative approach, SVBGSA will continue to work closely with DWR and local water agencies and GSAs to implement SGMA and achieve sustainable groundwater management throughout the Salinas Valley.

Sincerely,

Piret Harmon
General Manager
Salinas Valley Basin Groundwater Sustainability Agency

CC:

Board of Directors	SVBGSA
Remleh Scherzinger	General Manager, Marina Coast Water District GSA
Kelly Donlon	Deputy County Counsel, County of Monterey GSA Point of Contact

180/400-Foot Aquifer Subbasin 5-Year Evaluation and GSP Amendment 1

Response 2 to DWR Additional Information Request

Prepared by:

Salinas Valley Basin Groundwater Sustainability Agency
1441 Schilling Place, Salinas, CA

and

Montgomery and Associates
201 Hoffman Ave, Suite 9, Monterey, CA

Tables

Figures

ACRONYMS & ABBREVIATIONS

180/400 Subbasin.... 180/400-Foot Aquifer Subbasin
AF .... acre-feet
AFY .... acre-feet per year
Ag BMPs .... Agricultural Best Management Practices
AWSP .... Alternative Water Supply Project
BGRP....................... Brackish Groundwater Restoration Project
BODR .... Basis of Design Report
CEQA .... California Environmental Quality Act
cfs............................ cubic feet per second
CIPs .... capital improvement projects
CSIP......................... Castroville Seawater Intrusion Project
DDW........................ Division of Drinking Water
DWR........................ Department of Water Resources
Eastside Subbasin ... Eastside Aquifer Subbasin
EHB .... Monterey County Health Department Environmental Health Bureau
EIR........................... environmental impact report
EIS .... environmental impact statement
GMP......................... Groundwater Monitoring Program
gpm .... gallons per minute
GSP .... Groundwater Sustainability Plan
ILP .... Irrigated Lands Program
IRWM...................... Greater Monterey County Integrated Regional Water Management
M1W........................ Monterey One Water
MBGWFM .... Monterey Subbasin Groundwater Flow Model
MCWDGSA............ Marina Coast Water District Groundwater Sustainability Agency
MCWRA .... Monterey County Water Resources Agency
MG........................... million gallons
mg/L......................... milligrams per liter
MLRP .... California Multi-Benefit Land Repurposing Program
MO........................... Measurable Objective
MT .... Minimum Threshold
NAA......................... No Action Alternative
NEPA....................... National Environmental Policy Act
NSIP......................... New Seawater Intrusion Project
O&M........................ operations and maintenance
PMA......................... projects and management actions
RCAs .... Recommended Corrective Actions
RMUs .... Remote Monitoring Units

RO............................reverse osmosis
ROC.........................reverse osmosis concentrate
SGM R1 Grant........Sustainable Groundwater Management Round 1 Implementation Grant
SGM R2 Grants......Sustainable Groundwater Management Round 2 Implementation Grants
SGMA......................Sustainable Groundwater Management Act
SIRP.........................seawater intrusion response plan
SMC.........................Sustainable Management Criteria
SRDF.......................Salinas River Diversion Facility
SVBGSA.................Salinas Valley Basin Groundwater Sustainability Agency
SVIHM....................Salinas Valley Integrated Hydrologic Model
SVOM......................Salinas Valley Operational Model
SVRP.......................Salinas Valley Reclamation Project
SWIM......................Salinas Valley Seawater Intrusion Model
SVWP......................Salinas Valley Water Project
UCCE......................University of California Cooperative Extension
USBR.......................U.S. Bureau of Reclamation
USGS.......................U.S. Geological Survey
VFD.........................variable frequency drive
WEPP......................Water Efficiency Pilot Program

1 INTRODUCTION

Over the past several years, the SVBGSA has completed numerous technical studies, feasibility evaluations, groundwater modeling efforts, and economic analyses to identify projects and management actions necessary to achieve the Sustainability Management Criteria (SMC) established in the 6 Groundwater Sustainability Plans (GSPs). Building on this work, SVBGSA is developing the Integrated Implementation Strategy (IIS) to evaluate combinations of projects and management actions, rather than individual projects, recognizing the interconnected nature of the portions of Salinas Valley Groundwater Basin (Salinas Valley, or Valley) in SVBGSA's jurisdictional area and the need for coordinated implementation.

As part of the IIS, SVBGSA has evaluated a comprehensive portfolio of projects and management actions to identify the most effective and coordinated path to sustainability. The evaluation weighs factors including technical feasibility, cost-effectiveness, stakeholder impacts, and the ability of each project or management action to contribute to meeting sustainable management criteria within SGMA-mandated deadlines. This integrated approach recognizes that achieving sustainability in the 180/400-Foot Aquifer Subbasin (180/400 Subbasin) cannot be addressed in isolation. A coordinated strategy spanning SVBGSA's jurisdiction is essential to long-term groundwater management success.

As noted in SVBGSA's first response to DWR's additional information request, submitted on April 30, 2026 (Response 1), large-scale projects needed to mitigate seawater intrusion and declining groundwater levels are driven by groundwater conditions across multiple subbasins, not solely in the 180/400 Subbasin. It is necessary and appropriate to take a multi-subbasin approach to addressing seawater intrusion due to the following factors:

- Aquifers across all 6 Salinas Valley Subbasins are hydraulically connected to varying degrees and cross subbasin boundaries.
- Salinas River flows through 4 of the subbasins (180/400, Monterey, Forebay, and Upper Valley) and is the main source of groundwater recharge for the Valley.
- Nacimiento and San Antonio Reservoirs store water under MCWRA water rights and reservoir releases provide surface water and groundwater benefits across subbasins.
- Seawater intrusion occurs in the 180/400 Subbasin and Monterey Subbasins and threatens the Eastside Subbasin if it is not halted.
- Low groundwater levels in the adjacent Eastside Subbasin contribute to seawater intrusion.

- Potential costs and potential repercussions of failing to act are of regional importance and a County-wide concern.

This Response 2 includes discussion on the following:

- An overview and work plan for each of the management actions and projects in the approved portfolio
- Updated groundwater modeling results of the projects and management actions (PMA) portfolio and discussion on the timeline for accrual of results to improve groundwater conditions and mitigate seawater intrusion
- A consolidated PMA work plan schedule
- Additional considerations

2 ACCOMPLISHMENTS DURING GSP IMPLEMENTATION PHASE 1

While DWR continues its final review of the GSP Amendment 1 and the 5-year GSP evaluation that SVBGSA submitted in January 2025, SVBGSA has now successfully completed its work plan for the first phase of GSP implementation. Activities completed since 2022 when GSP Amendment 1 was prepared have established a strong foundation and direction for the next phase of GSP implementation focused on PMAs. These accomplishments have included the following:

- Improved and expanded Groundwater Monitoring System in partnership with Monterey County Water Resources Agency (MCWRA), now referred to as the Groundwater Monitoring Program
- Expanded groundwater level monitoring network through the construction of over 20 new monitoring wells across 6 subbasins
- Improved understanding of the groundwater basin, with updated Hydrologic Conceptual Models for all subbasins, informed by valley-wide AEM surveys and completion of the Deep Aquifers Study
- Filled other data gaps, including identification of groundwater dependent ecosystems, aquifer properties, etc.
- Completed feasibility studies for 3 different projects with goals to reduce or halt seawater intrusion or to raise groundwater levels
- Initiated a water efficiency pilot program for rural residents
- Partnering with local IRWM group to implement a Multi-benefit Land Repurposing Program
- Ongoing coordination with other GSAs and water management agencies on PMAs, including meetings of the Marina Coast Water District GSA (MCWDGSA)/SVBGSA Steering Committee, the Deep Aquifers Agencies Working Group, and jointly prepared PMA studies with MCWRA
- Ongoing and robust stakeholder engagement with the SVBGSA Board, Advisory Committee, and Subbasin Committees. Public meetings have created an avenue for these bodies and the public to provide input throughout the GSP implementation process

SVBGSA's work accomplished to date demonstrates commitment to SGMA compliance and implementation. The next 5-year implementation phase will be focused on PMAs and taking the steps necessary to improve groundwater conditions and achieve sustainability by 2040.

3 PROJECT AND MANAGEMENT ACTION PORTFOLIO OVERVIEW

As part of the IIS process, SVBGSA evaluated comprehensive portfolios of projects and management actions to identify the most effective and coordinated path to sustainability based on the feasibility studies completed in March 2026. The process includes sharing the completed studies and presentations about individual projects and management actions that were components of the portfolios. The Advisory Committee considered several portfolios and made recommendations to the SVBGSA Board of Directors. Evaluation criteria included technical feasibility, cost effectiveness, stakeholder impacts, and the ability to meet minimum thresholds of the sustainability indicators within SGMA-mandated deadlines.

This integrated approach of a PMA portfolio recognizes that groundwater sustainability in the 180/400 Subbasin cannot be achieved in isolation, and that a coordinated strategy spanning the subbasins under SVBGSA's jurisdiction is essential to long-term groundwater management success. To reiterate SVBGSA's Response 1, while low groundwater elevations have drawn seawater inland, reversing this trend is complex. Key challenges include the following:

- *Scale*: Seawater intrusion occurs along a roughly 11-mile-long coastline of Monterey Bay and reaches over 7 miles inland at the furthest extent.
- *Time Lag*: Project benefits will take years or decades to fully manifest.
- *Unique Challenges*: Balancing the groundwater budget will likely stabilize groundwater levels but is insufficient for addressing seawater intrusion. Significantly greater efforts are needed.
- *Mixing and Density Effects*: Seawater and fresh water have different densities, affecting flow patterns.
- *Continued Pumping*: Even with interventions, ongoing pumping alters gradients and salinity distribution.

On August 13, 2026, the SVBGSA Board of Directors selected a preferred IIS portfolio of PMAs, together with the considerations identified by the Advisory Committee and the 180/400-Foot Aquifer and Eastside Subbasin Committees, to guide further development and refinement of the preferred implementation pathway. The considerations from the committees are included in this response in Section 6. The portfolio addresses seawater intrusion that is occurring in the 180/400-Foot Aquifer and Monterey Subbasins and chronic lowering of groundwater levels throughout the Salinas Valley. This section provides additional details on the preferred portfolio of projects and management actions.

PMAs in the portfolio that will address groundwater conditions in the 180/400 Subbasin, as well as other subbasins, comprise the following:

- Demand Management – Deep Aquifers Pumping Allocation Program (GSP Amendment 2 MA 4)
- Seawater Intrusion Response Plan (GSP Amendment 2 MA 6)
- Demand Management - 10% Agricultural Pumping Reduction (GSP Amendment 2 MAs 1-3)
- Demand Management – Rural Residential Water Efficiency Programs (GSP Amendment 2 MAs 1 and 5)
- Castroville Seawater Intrusion Project Optimization (GSP Amendment 2 P2)
- Brackish Groundwater Restoration Project (Small) (GSP Amendment 2 P4)
- Eastside Recharge Basins (100 cubic feet per second [cfs] diversion) (GSP Amendment 2 Project ES2)

These PMAs constitute the core actions that will avoid SGMA undesirable results within SVBGSA's jurisdiction. SVBGSA will continue to refine the scale, location, design, and implementation details of the PMAs. As part of upcoming PMA phased implementation, additional investigations, field and pilot testing, environmental review, permitting, and design activities, SVBGSA will continue improving its understanding of PMAs and modify them appropriately. Furthermore, additional analysis may provide opportunities for better PMA integration and cost savings. SVBGSA is committed to adaptive management, modifying the approach to reaching and maintaining sustainability as additional data and analyses become available.

Most of the PMAs in the portfolio were described in Response 1, but there have been some modifications to the selected project scenarios. An overview of each PMA and a description of their work plans are provided below. Section 4 provides an accompanying PMA work plan schedule.

3.1 Demand Management - Deep Aquifers Pumping Allocation Program

As seawater intrusion has moved inland beyond the CSIP distribution system where no in-lieu irrigational supplies are available, more groundwater users have shifted pumping to the Deep Aquifers, an aquifer system that underlies the 180-Foot and 400-Foot Aquifers. Over the past 2 decades, as more users have become reliant on these groundwater resources, groundwater levels in the Deep Aquifers have declined below those in the overlying aquifer, increasing the risk of seawater intrusion into the Deep Aquifers. Much of the Deep Aquifers pumping occurs in an area with seawater intrusion in the overlying aquifers, complicating efforts to reduce pumping without alternative supplies. Management of seawater intrusion and the Deep Aquifers are interrelated issues.

The Deep Aquifers provide groundwater resources to both domestic and agricultural beneficial users. Marina Coast Water District (MCWD), Castroville Community Services District, and California Water Service—which is one of the CPUC-regulated utilities that serves the City of Salinas—all rely on the Deep Aquifers for a portion of their water supplies. Deploying demand management is appropriate and necessary to reduce extraction from the Deep Aquifers and to protect beneficial users.

GSP Amendment 1 included the management action MA5: Undertake and Operationalize Guidance from Deep Aquifers Study. The Deep Aquifers Study was completed during the first phase of GSP implementation, followed by several other activities. MCWRA developed the Monitoring Plan for the Deep Aquifers. SVBGSA, MCWDGSA, MCWRA, and the County of Monterey jointly prepared the Deep Aquifers Memorandum to supplement the study findings. Among other recommendations, the memorandum identifies demand management as an important tool for addressing groundwater extraction from the Deep Aquifers while longer-term projects are developed. These agencies will coordinate to approve a common policy on Deep Aquifers extractions as an important early step in the development of this management action.

3.1.1 Overview

GSP Amendment 2 updates MA5 to Demand Management – Deep Aquifers Allocations. SVBGSA is developing pumping allocations for the Deep Aquifers of the Salinas Valley in response to growing concerns regarding groundwater sustainability. Establishing pumping allocations is a complex legal, hydrogeologic, economic, and policy undertaking. Historical groundwater extraction from the Deep Aquifers is estimated to have exceeded long-term replenishment, contributing to declining groundwater levels and increasing risks of seawater intrusion. The Deep Aquifers Study also identified some risk of land subsidence. These challenges are further complicated by the continued advancement of seawater intrusion in overlying aquifers and the hydraulic connectivity between groundwater extractions occurring across multiple aquifer systems within the Valley.

The Deep Aquifers—those groundwater-bearing formations located beneath the 400-Foot/Deep Aquitard—have become an increasingly important source of water supply for agricultural, municipal, industrial, and domestic uses. These deeper aquifers are now relied upon more heavily as seawater intrusion and deteriorating water quality affect shallower groundwater resources. Annual reports and the forthcoming periodic evaluations have identified persistent exceedances of Deep Aquifers groundwater level thresholds established in the Monterey Subbasin and 180/400 Subbasin GSPs.

SVBGSA completed its Demand Management Framework in late 2025. The Framework identified pumping limits as one of the demand management measures. It establishes the foundational structure through which the GSA could implement pumping allocations consistent with its authorities and groundwater sustainability objectives.

Building on this technical and policy foundation, SVBGSA is initiating development of a Deep Aquifers pumping allocation program and has outlined a 3-year work plan to complete it. This effort will follow the structure laid out in the Demand Management Framework and be conducted in coordination with partner agencies, stakeholders, and the public.

3.1.2 Work Plan (2026-2029)

The Deep Aquifers Allocations work plan includes the technical, economic, legal, and administrative analyses necessary to support development of a pumping allocation program for the Deep Aquifers. Initial efforts will focus on development of the technical and economic baselines, evaluation of sustainable pumping targets, and formulation of allocation approaches. Throughout the process, the project team will engage partner agencies and conduct public workshops to share findings, solicit input, and refine recommendations for consideration and approval by the SVBGSA Board of Directors.

Task 1. Establish Objectives, Scope, and Process

Development of a Deep Aquifers allocation program will begin with defining the goals and objectives of the program, working together with partner agencies. This task will provide foundational direction for the approach and design of the program, including the role of managing pumping within the broader SGMA implementation efforts. The task will also clarify the technical, legal, geographic, and temporal scope of the analysis and identify how stakeholder engagement and Board decision-making will be incorporated throughout the process.

Task 2. Characterize Baseline Deep Aquifers Extraction and Conditions

This task will establish the technical and economic baseline for the Deep Aquifers allocations program. A clear understanding of current and historical pumping, groundwater conditions, groundwater level trends, and user characteristics is essential for determining the need for demand management and for designing a legally and economically defensible allocation framework. The work will also evaluate the relationship between extraction in the Deep Aquifers and pumping from the 180-Foot and 400-Foot Aquifers, both given hydraulic connectivity and the ability of overlying landowners to pump from other aquifers.

Task 3. Develop Sustainable Pumping Target

This task will estimate the long-term pumping level that can be sustained in the Deep Aquifers without causing undesirable results and while supporting SGMA objectives. The sustainable pumping target will serve as the technical foundation for future allocation development and will be informed by groundwater modeling, current and projected extraction, water balance conditions, and potential projects and management actions. Because groundwater conditions in the Deep Aquifers are influenced by conditions in adjacent and overlying aquifer systems, this task will develop the initial sustainable pumping target, which can be adaptively managed over time as hydrologic conditions change. The analysis will evaluate groundwater conditions under existing conditions as well as under potential future conditions.

Task 4. Develop the Allocation Program Framework and Allocation Methodology

This task will evaluate and develop the framework through which sustainable pumping will be implemented and distributed among groundwater users. Building on the sustainable pumping target, the project team will assess alternative approaches for establishing an allocation program and assigning allowable groundwater extraction limits to individual users. The analysis will consider legal, hydrogeologic, economic, and administrative factors to develop a program that is effective, equitable, adaptable, and consistent with SGMA and groundwater rights under common law. Program development will recognize that GSAs have the authority to establish and enforce pumping limits but may not alter underlying groundwater rights. The task will evaluate how the aggregate sustainable pumping target is apportioned among groundwater users and identify allocation rules that balance sustainability objectives, common-law groundwater rights considerations, fairness, administrative feasibility, and regional economic impacts.

Task 5. Develop Monitoring, Accounting, and Enforcement Approaches

An allocation program requires a robust and transparent system for measuring, estimating, tracking, and enforcing groundwater use. Currently, groundwater extraction is primarily self-reported through the MCWRA Groundwater Monitoring Program (GMP). While the GMP provides an important foundation, additional verification and accounting procedures will be needed to improve confidence in reported data, support program administration, and maintain stakeholder trust.

This task will define the accounting and monitoring framework needed to administer the program, including defining approved extraction measuring devices and methods, reporting methods, data management, compliance tracking, and enforcement pathways. The work will ensure that the allocation system is operationally feasible, cost effective, and supported by a reliable accounting structure capable of tracking aggregated and parcel- or user-level allocations over time.

Task 6. Develop Program Rules, Administrative Policies, and Adaptive Management Framework

This task will translate the technical and policy recommendations into a complete administrative framework for future implementation. Program rules will directly follow from the work completed under Tasks 1–5 and will document how allocations are set, managed, adjusted, and enforced over time. The task will also establish adaptive management procedures to ensure the program can respond to changing groundwater conditions, new information, and implementation of future projects.

Task 7. Stakeholder Engagement and Adaptive Management

Stakeholder engagement and agency coordination will be integrated throughout all phases of program development. The project team will work with partner agencies, landowners and the public, and the SVBGSA Board to present interim findings, solicit input, and refine the pumping limits program as technical analyses progress. This task will ensure that the program reflects local conditions, is informed by affected parties, and is developed through a transparent and iterative process.

3.2 SEAWATER INTRUSION RESPONSE PLAN

The Seawater Intrusion Response Plan (SIRP) is added as a new management action in GSP Amendment 2. The SIRP will establish triggers and identify response measures if seawater intrusion is detected in new locations or if increased chloride concentrations render currently operable wells unusable. SGMA requires the seawater intrusion SMC be based on a chloride isocontour and undesirable results defined as any progression of seawater intrusion beyond the minimum threshold (2017 mapped seawater intrusion extent).

However, the minimum threshold is not necessarily directly tied to recent impacts to supply wells. Within the mapped seawater intrusion area there is variability in chloride levels and some wells remain operable. In addition to undesirable results from progression of SWI past the minimum threshold, within the mapped SWI area there is potential for increased chloride concentrations over time. The SIRP has been identified as a necessary management action in response to DWR’s concerns that SVBGSA mitigate the impacts of active seawater intrusion on beneficial users, which happens incrementally over time.

3.2.1 Overview

The SIRP will establish a structured, adaptive framework to monitor incremental changes in the seawater intrusion conditions and manage risks and impacts to beneficial users with operational responses. Building upon existing groundwater monitoring programs, hydrogeologic studies, and regional groundwater flow and seawater intrusion models, SIRP will integrate technical information with governance, funding, and stakeholder engagement to support coordinated decision-making on seawater intrusion impacts, in combination with Management Action 2 - Deep Aquifers Allocations.

The purpose of the SIRP is to provide a proactive management framework that enables detection, evaluation, and responses to incremental seawater intrusion impacts while projects are being developed, and to mitigate the immediate effects of pumping before significant degradation of groundwater resources occurs. It establishes baseline conditions, identifies indicators and trigger levels, potential response measures, defines agency roles, and provides a framework for response strategies and operational protocols.

This SIRP will establish response measures to mitigate seawater intrusion. This may include:

- Pumping management actions, such as relocating pumping, redistributing pumping loads, or seasonal pumping restrictions
- Reducing groundwater extraction or other demand management measures
- Drought restrictions
- Well destruction to reduce risk of downward vertical migration

The SIRP will identify operational response protocols and defined actions to occur when trigger levels are exceeded and for an actionable framework. Shown below is an example protocol structure:

- Trigger Level 1 – Early Warning: Increased monitoring, agency coordination, public notification, and voluntary conservation
- Trigger Level 2 – Significant Risk: Pumping reductions, temporary restrictions, pumping redistribution, drought actions, intensified public communication, and activation of alternative supplies
- Trigger Level 3 – Emergency Condition: Mandatory curtailments, well shutdowns, emergency water supply actions, mutual aid, and intensified public communication

Ongoing funding requirements for the SIRP may include costs such as SWI monitoring network improvements, modeling, maintaining data systems, and additional costs for activation of responses.

3.2.2 Work Plan (2026-2028)

The Seawater Intrusion Response Plan (SIRP) develops a structured process for managing incremental impacts from seawater intrusion in the aquifers of the Salinas Valley and being prepared to respond effectively to changing seawater intrusion conditions. It will be alongside Management Action 2 - Deep Aquifers Allocations. Because these are near term activities, the SIRP work plan is described in greater detail than for project.

Task 1. Project Management and Agency Coordination

Project management will continue throughout the 2-year period and will include developing and maintaining the detailed work plan, schedule, and budget; coordinating technical consultants, partner agencies, and committees; conducting regular progress meetings; preparing Board and committee updates; and coordinating data requests and technical reviews.

Task 2. Define the Problem and Planning Area

Define the geographic and technical scope of the SIRP, including aquifers and geographic areas at risk; historical and current seawater intrusion extent; production, monitoring, and abandoned wells within the planning area; wells and water users potentially threatened by intrusion; groundwater pumping within and near seawater-intruded areas; and agencies, water systems, agricultural representatives, and other interested parties.

Task 3. Characterize and Establish Seawater Intrusion Baseline

Compile and describe the hydrogeologic conditions that influence seawater intrusion. Develop a current assessment of groundwater and seawater intrusion conditions using available monitoring, pumping, water quality, and modeling information. The baseline assessment will identify which wells and water users face the greatest risk.

Task 4. Refine the Seawater Intrusion Monitoring Network

Evaluate the existing MCWRA seawater intrusion monitoring network and identify improvements needed to support the SIRP.

Task 5. Conduct Risk Evaluation

Using the Salinas Valley Seawater Intrusion Model and Salinas Valley Operational Model, develop scenarios to evaluate potential inland and vertical seawater movement and compare the effectiveness of potential responses. Complete risk assessment to evaluate areas and aquifers most vulnerable to future intrusion and wells and water systems at greatest risk, potential rates and pathways of seawater migration, effects of drought and changes in pumping, effectiveness and timing of potential response measures, and monitoring data needed to confirm or refine modeled conditions.

Task 6. Identify Indicators and Trigger Levels

Develop measurable indicators and trigger levels that provide early warning and activate appropriate responses. Trigger levels should distinguish between early warning conditions, significant risk, and emergency conditions.

Task 7. Evaluate Interim Response Strategies

Evaluate measures that could be implemented before major capital projects are operational. Potential strategies include redistributing pumping among wells or aquifers, seasonal pumping restrictions, reducing groundwater extraction, drought pumping restrictions, wellhead treatment, destruction of abandoned or damaged wells that may provide vertical migration pathways, and increased monitoring.

Task 8. Develop Operational Response Protocols

Develop protocols that specify the actions to be taken when trigger levels are reached.

Task 9. Establish Governance Framework and Develop Funding Plan

Define the institutional structure needed to implement the SIRP, including responsible agencies, roles and responsibilities, decision-making authority, enforcement powers, compatibility with existing policies and plans, and funding responsibilities, among other considerations. Prepare a funding plan for ongoing implementation of the SIRP, including any improvements to the monitoring network as identified in Task 4.

Task 10. Prepare Draft and Final SIRP

Compile the technical analyses, monitoring recommendations, indicators, triggers, response measures, governance framework, stakeholder input, and funding plan into a comprehensive SIRP. The final phase will include agency and technical review, public review, and adoption or acceptance by participating agencies.

Task 11. Stakeholder and Public Engagement

Stakeholder engagement will occur throughout the process and will include public workshops, Advisory Committee or subbasin committee meetings, meetings with affected water systems, agricultural representatives, and other interested parties.

3.3 DEMAND MANAGEMENT 10% AGRICULTURAL PUMPING REDUCTION

As described in the April 2026 Response, SVBGSA's Demand Management Framework was accepted by the Board in fall 2025, and the current fiscal year work plan has prioritized demand management measures for further development. The Demand Management Framework includes triggers that are used to place subbasins in stages according to their observed and projected groundwater levels. According to the triggers established in the Framework, the 180/400 Subbasin is in the highest, most severe stage. GSP Amendment 2 updates Management Actions 1-3 that are related to demand management.

Groundwater modeling indicates that the selected portfolio's performance depends in part on agricultural demand management producing an aggregate pumping reduction equal to 10% of total baseline pumping within the defined northern Salinas Valley program area. The program area includes the 180/400 (excluding the CSIP area where alternative supplies are available) and Eastside Subbasins, the Corral de Tierra Management Area of the Monterey Subbasin, and a portion of the Langley Subbasin.

The 10% objective is a portfolio-scale reduction target. It is not a predetermined 10% requirement for every agricultural user, parcel, or well. The decisions on how the reduction will be distributed, or which specific demand management measures are deployed require additional technical, economic, legal, administrative, and public review, followed by separate consideration and action by the SVBGSA Board of Directors.

Demand management alone is not expected to stop seawater intrusion. The expected benefits are higher groundwater levels, reduced hydraulic gradients that contribute to seawater intrusion, and reduced potential for downward migration of saline water between confined aquifers. Benefits will be assessed as part of the combined portfolio rather than attributed to this management action in isolation.

3.3.1 Overview

The first implementation step is to determine a feasible, equitable, and verifiable combination of measures that can achieve the aggregate 10% reduction. The evaluation will include voluntary and incentive-based measures, regulatory measures, and combinations of the two. Early voluntary measures may begin while the broader program is being developed, but pumping reductions will be credited toward the target only when they are additional, measurable, and not counted under another project or program.

Voluntary and incentive-based options will include on-farm water use efficiency and targeted land repurposing through the California Multi-Benefit Land Repurposing Program prioritized for development in FY 2027. Potential regulatory backstops will include pumping limits or allocations, enforceable efficiency or reporting requirements, and fees or penalty charges where legally and administratively appropriate. The evaluation will not assume in advance that any one measure can or should provide the full reduction.

Program development will begin by defining the baseline pumping period, geographic boundary, participating wells and users, and the accounting metric. The analysis will distinguish total pumping reductions from reductions in net groundwater use where that distinction is material. It will also address climatic and cropping variability, prior water efficiency investments, irrigation return flows, additionality, durability of savings, potential shifts in pumping between wells or aquifers, and double counting with supply projects or other demand management programs.

Alternative program packages will be compared based on expected groundwater benefit, cost per acre-foot, administrative and legal feasibility, enforceability, funding needs, effects on individual users and the regional agricultural economy, and distributional and community considerations. The recommended program will include a monitoring and accounting system, annual performance reporting, and an adaptive management process. If voluntary measures do not produce sufficient verified savings, the Board may consider activating or expanding mandatory measures after the required analysis, notice, and public process.

3.3.2 Work Plan

The work plan is structured to move from a portfolio-level target to an implementable program, while allowing early voluntary actions to proceed. The schedule is preliminary and will be refined as the Board selects program alternatives and funding becomes available.

Task 1. Confirm Objectives, Program Area, Governance, and Decision Process

Confirm the purpose of the management action, the northern Salinas Valley program boundary, the relationship to other portfolio components, agency and partner roles, and the sequence of technical recommendations, public review, and Board decisions.

Task 2. Establish Pumping Baseline and Accounting Method

Compile and validate well, pumping, irrigated acreage, crops, and existing conservation data. Recommend a baseline period and methods to normalize climate and cropping, account for transfers among wells and aquifers, distinguish total pumping from net groundwater use, and prevent double counting. Translate the 10% objective into an annual acre-foot reduction target for the defined program area.

Task 3. Evaluate Demand Management Measures and Achievable Savings

Evaluate the potential participation, water savings, cost, durability, and geographic applicability of on-farm efficiency, land repurposing, temporary fallowing, conservation agreements, pumping limits or allocations, performance requirements, and financial measures. Identify data gaps and field studies needed to verify savings.

Task 4. Implement Early Voluntary Activities

Continue and expand grant-supported land repurposing, technical assistance, irrigation evaluations, and selected on-farm demonstration projects. Establish participation agreements and verification requirements so qualified reductions can be credited toward the aggregate target.

Task 5. Develop and Compare Program Packages

Develop alternative combinations of voluntary, incentive-based, and mandatory measures that can achieve the full reduction. Evaluate each package using groundwater modeling, economic impact analysis, legal review, administrative capacity, funding needs, and equity considerations. Define how the reduction could be phased and distributed without assuming an identical requirement for each user.

Task 6. Develop Monitoring, Accounting, Verification, Incentives and Compliance

Build on the MCWRA Groundwater Monitoring Program and other available data to define reporting, quality assurance, verification, water accounting, compliance tracking and dispute resolution procedures. Identify incentives, technical assistance, and other resources to support participation. Establish annual performance metrics for both pumping reductions and groundwater response.

Task 7. Develop Funding and Administrative Plan

Estimate development, incentive, monitoring, and ongoing administration costs. Identify available grant and financing opportunities and evaluate local funding options. Define staffing, contracting, data management, and coordination responsibilities.

Task 8. Prepare Draft and Final Program Recommendation

Prepare draft program alternatives and a recommended implementation package for technical, partner-agency, stakeholder, and public review. Complete any required legal procedures and environmental review. Present the final recommendation, including program rules and a phased implementation schedule, to the Board for separate action.

Task 9. Phase-In Program and Reach Aggregate Reduction

Begin enrollment, contracting, monitoring, and any approved regulatory measures during 2029. The preliminary milestone is to have the full aggregate 10% reduction in effect by October 1, 2030, consistent with the portfolio modeling assumption. Verify performance annually and adjust incentives, participation levels, program rules, or regulatory backstops as needed to maintain the reduction through 2040 and 2042.

Task 10. Stakeholder Engagement and Agency Coordination

Engage agricultural groundwater users, landowners, farm operators, agricultural organizations, disadvantaged communities, partner agencies, technical experts, and the public throughout program development and implementation. Provide regular updates to the Advisory Committee and Board and document how input is incorporated.

Preliminary milestones are: completion of the baseline and accounting method by Q2 2027, completion of program-package evaluation by Q2 2028, Board consideration of a recommended program by Q2 2029, initial implementation during 2029, and full activation of the aggregate reduction by October 1, 2030. Annual reporting will compare verified pumping reductions and groundwater conditions with portfolio modeling and will support adaptive management.

3.4 RURAL RESIDENTIAL DEMAND MANAGEMENT – WATER USE EFFICIENCY

SVBGSA recognizes that demand management should include opportunities for all groundwater user groups to improve water use efficiency. Rural residential users, many of whom rely on individual domestic wells or small water systems, often do not have access to the services and incentives offered by urban water suppliers. Although this sector represents a relatively small share of total groundwater pumping, targeted efficiency measures can reduce localized demand, lower household costs, and improve resilience to drought and declining groundwater levels. Building on SVBGSA's Water Efficiency Pilot Program, the preferred portfolio therefore includes a voluntary, incentive-based program focused on rural residential users.

3.4.1 Overview

Rural residential groundwater use represents a smaller share of total pumping than agriculture, but many rural households rely on individual domestic wells or small water systems and have limited access to utility-sponsored conservation programs. This management action will provide a near-term, equitable, and relatively low-cost complement to the other portfolio actions by expanding voluntary water use efficiency services and incentives for these users. GSP

Amendment 2 includes MA1 Demand Planning and Management Action 3 Consideration and Agricultural BMPs that incorporate demand management measures for domestic uses.

The initial program will build on lessons from SVBGSA's Water Efficiency Pilot Program and existing regional water efficiency programs. It will focus on rural households and small systems that are not otherwise well served and supported. No uniform mandatory household reduction or fixed percentage target is proposed at this stage. A quantifiable program target will be established after the user inventory, baseline, and pilot evaluation are completed.

Potential measures include home water-use assessments, leak detection and repair, direct installation or rebates for efficient fixtures and appliances, outdoor irrigation audits and equipment, turf or high-water-use landscape replacement, and technical assistance. Program design will prioritize measures with verifiable savings and will address barriers faced by low-income households, renters, and non-English-speaking residents.

Because many private wells and small systems do not have readily available customer-level use records, SVBGSA will consider a tiered measurement approach. Participation and installation will be documented for all measures; standardized or deemed savings may be used for well-established devices; and pre- and post-installation metering or monitoring could be used for higher-cost measures.

Expected benefits include reduced local pumping, lower household water and energy costs, greater drought resilience, and reduced vulnerability of domestic wells to declining groundwater levels. The program will be evaluated annually and adjusted by changing outreach methods, eligible measures, incentive levels, and priority areas. Voluntary and incentive-based approaches will remain the initial focus.

3.4.2 Work Plan

The work plan emphasizes early implementation, learning from the existing pilot, and expansion based on demonstrated participation and savings.

Task 1. Define Objectives, Priority Areas, Partners, and Target Users

Confirm the program purpose and identify initial priority areas based on groundwater conditions, domestic well vulnerability, access to existing utility programs, and community needs. Establish roles for SVBGSA, partner agencies, small water systems, community organizations, and service providers.

Task 2. Establish the Rural Residential Baseline

Inventory private domestic wells, rural residential parcels, and small water systems in the priority areas. Compile available water-use, parcel, well, demographic, and existing program data. Estimate baseline pumping and identify information gaps while protecting confidential household and well information.

Task 3. Evaluate the Pilot Results and Select Demand Management Measures

Evaluate participation, costs, implementation experience, and estimated savings from the program. Screen potential indoor and outdoor measures for water savings, cost-effectiveness, ease of verification, customer benefit, and suitability for private wells and small systems.

Task 4. Design the Expanded Voluntary Incentive Program

Define eligibility, priority criteria, incentive amounts, application procedures, contractor requirements, outreach methods, payment terms, and quality assurance. Develop an accessible program that minimizes upfront costs and administrative barriers for vulnerable households.

Task 5. Develop Measurement, Verification, and Funding Plan

Establish deemed-savings values, site-verification procedures, and a monitoring approach. Set a preliminary annual pumping-reduction target and reporting method. Prepare program cost estimates, pursue grant and partner funding, and identify an ongoing local funding strategy.

Task 6. Approve and Implement an Expanded Program

Present the program design and preliminary savings target to the Board, then implement an expanded program in the initial priority areas. Coordinate multilingual outreach, home assessments, direct installations, rebates, and follow-up verification. Track participation and costs by measure and location.

Task 7. Evaluate, Refine, and Scale

Evaluate verified savings, cost per acre-foot, participation, geographic coverage, and equity outcomes. Revise the list of measures, incentive levels, delivery methods, and priority areas and expand the program where the results support doing so.

Task 8. Ongoing Implementation and Adaptive Management

Continue annual enrollment and program delivery, integrate verified savings into portfolio performance accounting, and report results with GSP annual reporting. Update the program as technology, funding, groundwater conditions, and community needs change. If the program underperforms, first adjust incentives, outreach, eligible measures, and delivery methods before considering other approaches.

Task 9. Community Engagement and Coordination

Engage rural residents, small water systems, community-based organizations, and disadvantaged communities throughout design and implementation. Use accessible, multilingual materials and multiple participation channels, and coordinate with existing county and water-purveyor programs.

Preliminary milestones are completion of the user inventory and pilot evaluation by Q3 2027, Board consideration of the expanded voluntary program by the end of 2027, expanded implementation during 2028, evaluation and scaling during 2029, and ongoing annual implementation and adaptive management beginning in 2030.

3.5 CASTROVILLE SEAWATER INTRUSION PROJECT OPTIMIZATION

GSP Amendments 1 and 2 include P2: CSIP Optimization. As discussed in numerous SVBGSA reports, the Castroville Seawater Intrusion Project (CSIP) distribution system, along with the related facilities that provide recycled and surface water sources, has slowed the rate of seawater intrusion for almost 30 years. Continued operations of these Monterey County Water Recycling Projects are key to the overall strategy for seawater intrusion mitigation in the Salinas Valley.

As noted in Response 1, the first phase of CSIP Optimization has been implemented. The next phase includes both near-term and long-term improvements. The goals of these improvements include reducing reliance on supplemental groundwater wells during peak summer irrigation demand, improving hydraulic reliability, and enhancing system redundancy in support of seawater intrusion management.

3.5.1 Overview

CSIP Optimization is included in the preferred portfolio of contingency projects to continue to meet the needs of beneficial uses and users impacted by seawater intrusion. The next phase of CSIP Optimization includes 3 Capital Improvement Projects (CIP):

- **CIP 1 – FF0 Loop Check Valve and Pressure Relief Valve**: Allows more efficient use of existing pumps and increases deliverable flow under both gravity and pumped conditions.
- **CIP 2 – Second CSIP Storage Pond Outlet Pipeline**: Increases conveyance capacity across the Salinas River and provide operational redundancy
- **CIP 3 – In-System Storage Tank and Booster Pump Station**: Represents the most effective long-term solution for eliminating supplemental well use.

MCWRA may continue to identify and evaluate additional improvements to CSIP and the Monterey County Water Recycling Projects for future CSIP Optimization phases.

3.5.2 Work Plan

The Basis of Design Report prepared by MCWRA in 2025 recommends that the 3 recommended CIPs be implemented in sequence because each project builds on the hydraulic improvements of the previous project. CIP 1 is identified as the highest priority near-term project and CIP 2 is intended to either follow CIP 1 or be implemented concurrently. CIP 3 is identified as the long-term project that provides the largest increase in operational flexibility and reduction in supplemental groundwater pumping. CIP 3 may be re-evaluated prior to proceeding with final design, depending on whether Project 2 - BGRP Small provides direct delivery to CSIP.

This recommended sequence for CSIP Optimization in the next 5-year GSP Implementation cycle is:

CIP 1 (2028): Construct the Rodgers Loop Check Valve, Pressure Relief Valve, and Bypass Vault to eliminate hydraulic short-circuiting and immediately improve distribution efficiency.

CIP 2 (2029): Construct the Second Pond Outlet Pipeline and diversion structures to increase conveyance capacity, operational redundancy, and reliability. The report specifically assumes CIP 2 is implemented after or in conjunction with CIP 1.

CIP 3 (2030–2031): Complete the In-System Storage Tanks and Blackie Road Booster Pump Station after the conveyance improvements are in place, providing approximately 12.5 MG of operational storage and significantly reducing reliance on supplemental groundwater wells during peak irrigation demand.

However, this schedule depends on key next steps, including identification of funding and financing authorization, environmental compliance, easement acquisition, final design, and procurement. SVBGSA will coordinate with MCWRA, the lead agency for this project, and will support these efforts if necessary and appropriate.

3.6 BRACKISH GROUNDWATER RESTORATION PROJECT (SMALL)

Through the SVBGSA Advisory Committee’s consideration of project portfolios conducted since submitting Response 1, the Brackish Groundwater Restoration Project (BGRP) scenarios were reconsidered in conjunction with the other projects included in the portfolios. The BGRP Small scenario has been included in the PMA portfolio, rather than the BGRP Injection Only Scenario discussed in Response 1. GSP Amendment 2 includes P5: Brackish Groundwater

Restoration Project, combining P5: Seawater Intrusion Extraction Barrier and P6: Regional Municipal Supply that were included in Amendment 1.

3.6.1 Overview

BGRP Small, as configured in the BGRP Phase 1 Scenarios Analysis TM (October 2025)[1], considered the minimal amount of groundwater extraction that would enable the extraction and injection wells to effectively inhibit the progression of seawater intrusion inland. This scenario was based on modeling using SWIM v3. It includes 12 groundwater extraction wells with 6 in each of the 180-Foot and the 400-Foot Aquifers, and 9 potable water inland injection wells with 5 in the 180-Foot Aquifer and 4 in the 400-Foot Aquifer.

Reverse Osmosis (RO) treatment is used due to its proven performance and efficiency in treating brackish and ocean water for potable water purposes. The RO concentrate (ROC, or brine), is discharged through the Monterey One Water (M1W) outfall. The Small Project also includes a ROC storage pond that is used to store 1 day of ROC when the outfall is offline or is unable accept additional flows during significant wet weather events. Although treatment facility locations still need to be evaluated, it is assumed that it requires a 10-acre site.

[1] BGRP reports available at https://svbgsa.org/brackish-groundwater-restoration-project/

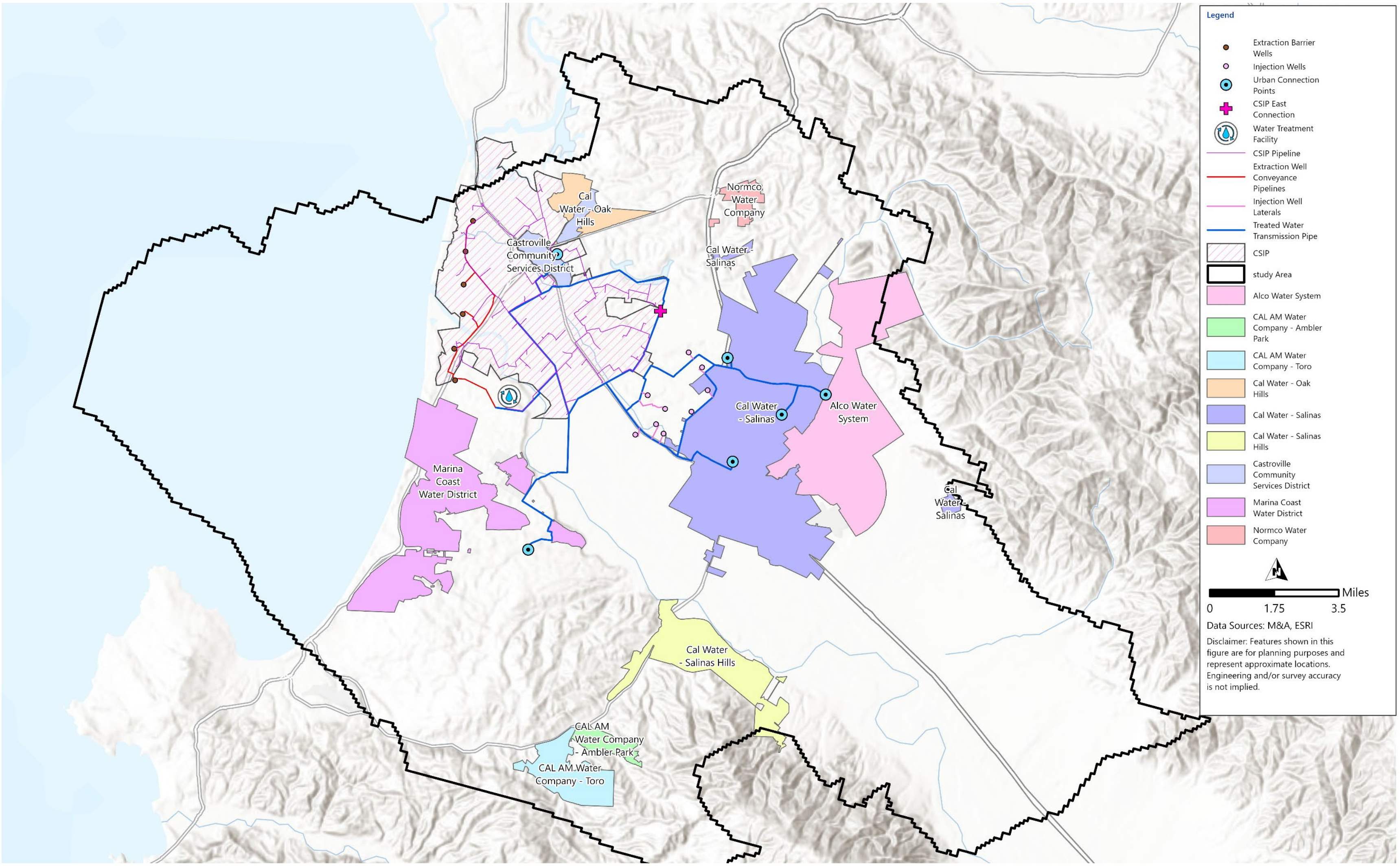


Figure 1. BGRP Small Project Scenario

Table 1 lists the extraction volume by aquifer, which totals 24,600 gallons per minute (gpm) or about 39,700 acre-feet per year (AFY). Assuming a 70% RO recovery for product water development at the water treatment facility, the total available water volume for distribution would be approximately 28,000 AFY.

Table 1. Small Project Supply Volumes

Supply Volume	
Total Extraction Capacity in 180-Foot Aquifer	14,500 gpm
Total Extraction Capacity in 400-Foot Aquifer	10,100 gpm
Total	24,600 gpm
Total Extracted Volume	39,700 AFY
Total Treated Potable Volume @ 70% Recovery (1)	28,000 AFY

Notes:
(1) Percent of total treated extracted water used for injection was estimated using a 70% treatment recovery for the total potable water supply.
Rates rounded to the nearest 100.

The BGRP scenarios analysis coupled the volume of treated water with potential end user demands, with injection of the remaining treated water considering end user demand seasonality. End users that could be served by direct deliveries of treated water from the project include urban users, including the CPUC-regulated utilities that serve the City of Salinas, California Water Service, and Alisal Water Company, Castroville Community Services District, MCWD, and CSIP (to offset supplemental well usage).

The BGRP Small scenario could provide sufficient treated water supply to offset annual average end user pumping, with 2,333 AF/month produced. However, treated water deliveries to each end user does not completely offset peak demands. The supply available is sufficient to be able cover the average day demand, however the Small scenario assumes existing wells remain operational to be able to cover peak day and peak hour demands as needed on a day-to-day basis, as well as a backup source of supply should in-lieu delivery from the BGRP be interrupted under emergency conditions.

Figure 2 shows the BGRP Small potential offset of end user demands using seasonality factors. Since the extraction wells would be operated constantly throughout the year, supply produced in excess of the demands would be used for inland injection wells. The volume injected will vary year to year based on hydrologic conditions and end user demands/commitments, which are yet to be determined.

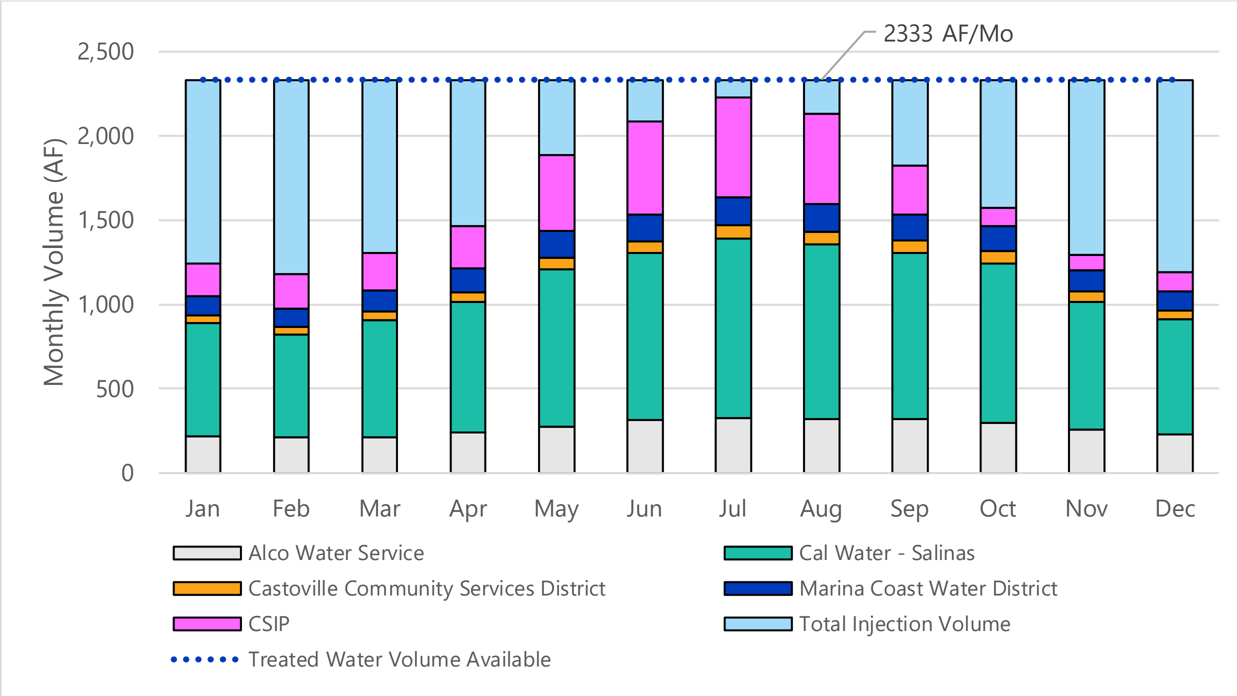


Figure 2. Analysis of BGRP Small Monthly Demand of End Users and Injection Volume

BGRP Small provides an opportunity to diversify urban water supply portfolios in Subbasins with recurring undesirable results, like the need for a portfolio of projects to mitigate seawater intrusion. However, significant additional urban end user coordination and analysis is needed in the next phase of project development. This will be critical for being able to reach agreements to add the BGRP treated water to their sources of supply. Urban water suppliers have clearly expressed in SVBGSA's public meetings that they should not have to bear a disproportionate project cost burden given their current share of groundwater extraction relative to agricultural pumping. Further funding analysis is needed to develop fair and equitable cost allocation structure for BGRP Small to distribute costs to all users in the basin, not just the urban suppliers, reflecting that all users of the basin will benefit.

To clarify Response 1 regarding the project's CEQA status, an Initial Study of BGRP Injection Only was prepared as a grant deliverable in March 2026. However, it has not been completed for public review, and the CEQA process has not been initiated. The Initial Study will need to be updated to assess BGRP Small, concurrent with end user and other agency coordination activities, prior to formal start of the environmental review process.

During the IS update, SVBGSA will work with MCWDGSA and others to conduct project modeling using SWIM v4 and further evaluate groundwater effects in the Monterey Subbasin Marina-Ord Management Area. MCWDGSA has requested that SVBGSA conduct an early assessment of potential cumulative effects of the BGRP with California American Water's

(CalAm) Monterey Peninsula Water Supply Project (MPWSP). The MPWSP project is within and near the BGRP extraction alignment, but is a separate project intended for a different purpose and need by CalAm. The MPWSP slant wells are planned at the CEMEX property, which is located in the Monterey County GSA area of jurisdiction. SVBGSA will coordinate with the GSAs on these activities as near-term next steps.

BGRP is expensive, both from a capital and an operations and maintenance perspective. The overall project cost and how costs may ultimately be allocated to local landowners and residents is the greatest concern expressed by SVBGSA's Board, Advisory Committee and interested parties. Although it is a competitive opportunity, SVBGSA has studied BGRP with a potential funding strategy to make the project eligible for a 25% federal cost share. A BGRP Feasibility Study has been prepared based on the requirements the U.S. Bureau of Reclamation's Title XVI funding program for large scale recycled water and desalination projects. Based on the approved portfolio, the USBR Feasibility Study completed in March 2026 will need to be updated to evaluate the BGRP Small scenario as the preferred project, including an updated economic analysis. This work and potential end user and other agency coordination are critical path next steps for this project.

3.6.2 Work Plan

The Brackish Groundwater Restoration Project (BGRP) will be implemented in phases beginning in 2027, following completion of SVBGSA's GSP periodic evaluations and amendment. The next 5 years will focus on project development, environmental review, pilot testing, permitting, land acquisition, and funding. These activities establish the technical, regulatory, and financial foundation necessary for final design and construction. Final design, procurement, and construction are anticipated to occur between 2030 and 2035, followed by project startup, optimization, and long-term operations.

Phase 1 – Project Development (2027–2029)

The initial phase of project development will focus on advancing the project from concept to implementation readiness. Major activities include project management, governance, stakeholder coordination, pilot testing, preliminary engineering to 30%, CEQA/NEPA environmental review, permitting, land acquisition, and development of funding and financing strategies.

As an initial step, SVBGSA will develop a Memoranda of Understanding with essential implementation partners, including MCWRA, County of Monterey, Monterey One Water, MCWDGSA, California Water Service, Castroville Community Services District, Alisal Water Company, and agricultural representatives, to outline the decision-making process through project development and identify potential offramps if project constraints or flaws are identified. The MOU may be phased with project development milestones and decision points.

Pilot testing and pilot projects are key steps to advance the project and validate treatment and recharge performance while refining facility design, operating parameters, and project costs. Piloting activities include new monitoring wells, injection testing, extraction testing and reverse osmosis demonstration facilities. SVBGSA will coordinate peer review throughout the piloting phase of the project to verify findings and technical efficacy.

Phase 2 – Final Design and Procurement (2030–2032)

Following completion of environmental review and major permitting milestones, engineering progresses from 30% to final Plans, Specifications, and Estimates (PS&E). Property acquisition and remaining permits are finalized while construction financing is secured. Procurement activities include identification of delivery methods and project packages, preparation of bid documents, contractor prequalification, potential pre-procurement of long-lead equipment, and selection of construction contractor teams.

Phase 3 – Construction and Start Up (2032–2035)

Construction includes installation of coastal extraction wells, conveyance pipelines, reverse osmosis treatment facilities, injection wells, monitoring wells, potable distribution pipelines, storage facilities, pump stations, electrical and control systems, and Monterey One Water outfall improvements. Following construction, the project enters startup and commissioning, including system testing, performance verification, operator training, and regulatory compliance monitoring.

Phase 4 – Operations and Optimization (2035–)

Operations through 2040 and beyond include optimization of treatment and recharge performance, monitoring of groundwater levels and water quality, adaptive management, routine maintenance, reporting to regulatory agencies, and evaluation of system expansion opportunities as regional water demands evolve.

3.7 EASTSIDE RECHARGE BASINS (100 CFS DIVERSION)

As described in Response 1, the Castroville and Eastside Canals and Alternatives Preliminary Feasibility Study[2] (C&E Study, M&A, *et al.*, 2026) advanced scoping of a potential river diversion project to help address 4 potential groundwater goals and developed 4 corresponding project concepts. Diversion of available Salinas River water could capture surface water that would otherwise flow to the ocean and provide additional water supplies to areas with low groundwater levels or seawater intrusion. MCWRA holds Water Right Permit 11043 (Permit

[2] Available at: https://svbgsa.org/castroville-and-eastside-canals-and-alternatives/.

11043, or Permit), which provides a conditional right to divert excess Salinas River flows for irrigation and municipal use. GSP Amendment 2 includes P9: Castroville and Eastside Canals and Alternatives, updating the Eastside 11043 Diversion projects identified in Amendment 1.

3.7.1 Overview

The preferred portfolio includes the C&E Study Eastside Recharge Basins 100 cfs scenario (Eastside Recharge Basins). Salinas River surface water is diverted near the Castroville Canal Intake (South of Salinas) and conveyed to recharge basins in the central Eastside Subbasin. Analyses of historical and projected flows show that divertible water is available primarily during the winter wet season (January through April) and that diversion opportunities are highly variable from year to year. However, using a selected diversion size of 100 cfs, the average volume available to divert is estimated to be 9,100 AFY.

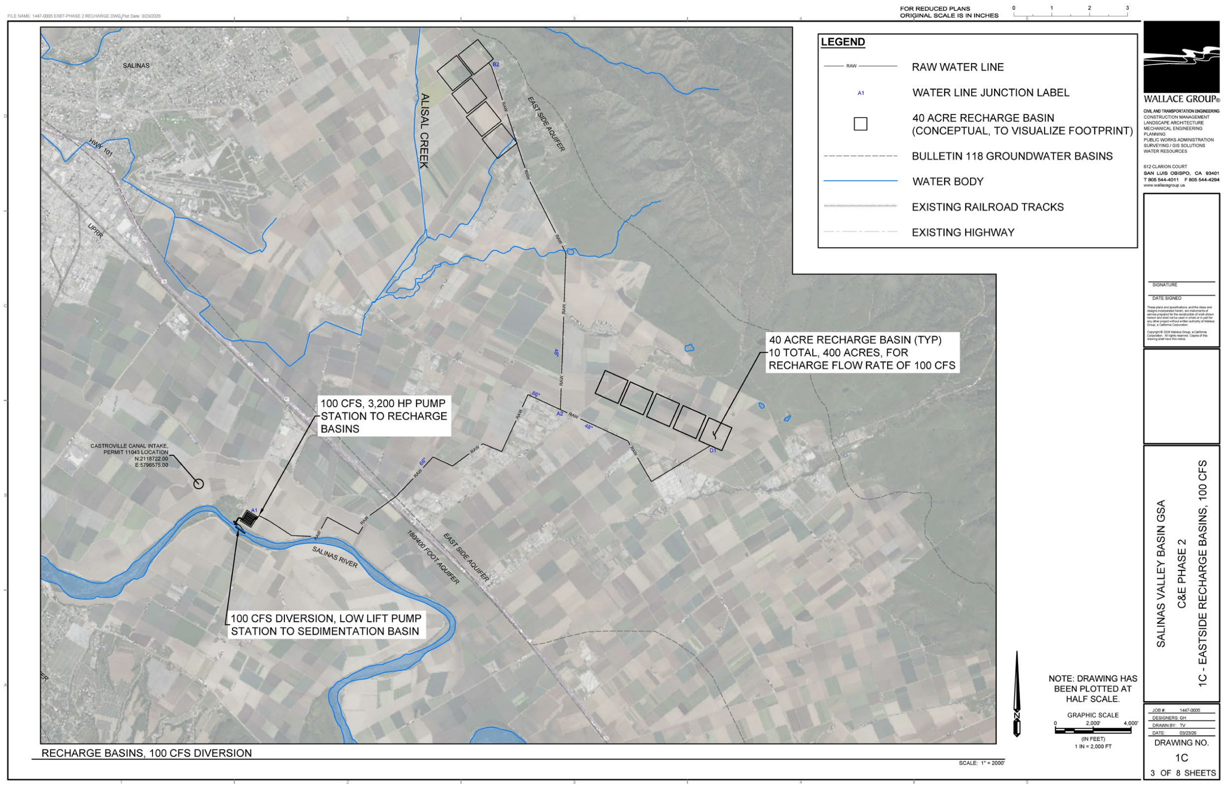
The parameters currently defined in Permit 11043 do not include storage of diverted water, so amendments to existing petitions are likely needed, as well as additional amendments and regulatory approvals. Under the assumption of MCWRA's successful amendments of the Permit, the Eastside Recharge Basins project uses ten 40-acre basins to percolate and recharge the diverted water (Figure 3). Locations are for Conceptual Design Purposes only.

The diversion facility consists of a river intake diversion that would include a fish screen, pump station forebay, low lift pump station, sedimentation basin, and high-lift transfer pump station. The series of fish intake screens would be installed along a concrete wall constructed along the right bank of the river separating river flows from the forebay of the low-lift pump station. The low lift pump station transfers the screened, diverted river flow to the sedimentation basins located adjacent to the diversion facility. The sedimentation basins receive diverted flows from the river pump station and convey water to the downstream transfer pump station at low velocities to promote sedimentation. Flow from the sedimentation basins is then conveyed to the recharge basins located on the east side of the Valley via the high-lift transfer pump station.

Diverted waters are conveyed from the diversion facility in a 48”-66” pipeline (transmission main) routed along existing private, agricultural roads, and public rights of way. The pipeline would be approximately 4 miles long before branching into mains of smaller diameter serving the distributed recharge basins. Recharge basin design assumed an infiltration rate of 0.5 foot per day and were sited in areas where soils have been rated as having “moderately good” to “excellent” recharge potential based on UC Davis Soil Agricultural Groundwater Banking Index (SAGBI) aquifer recharge potential maps and out of areas underlain by an identified aquitard.

For conceptual design purposes, the recharge basins were assumed to be rectangular, 40-acre basins with up to 4 feet of water depth. These conceptual scenarios assume that the basins could be constructed with berm heights under the jurisdictional limits set by the California Division of

Safety of Dams (DSOD). Geotechnical and hydrogeologic investigations need to be completed, including borehole tests for recharge suitability testing.



(C&E Study, M&A, *et al.*, 2026)

Figure 3. Infrastructure Layout for Recharge Basins, 100 cfs Scenario

3.7.2 Work Plan

A preliminary feasibility study was completed in 2026. The subsequent planning steps and timeline include the following:

Phase 1 – Planning, Investigation & Preliminary Engineering (2027-2030)

Phase 1 of the Eastside Recharge Basins work plan includes the development of the Recharge Basin Master Plan, completion of 10–30% engineering design, thorough field investigations and pilot testing of groundwater recharge potential, refined groundwater modeling, initiation of CEQA/NEPA compliance and permitting, and advancement of water rights amendments.

The Recharge Basin Master Plan will include siting, detailed hydrogeologic investigations, and pilot recharge testing. Engineering and design components include the diversion facility, pipeline alignments, and recharge facilities, and operational modeling. Major tasks related to water rights include updated or new petitions for change to authorize underground storage, among other things, and environmental documentation to support the petition amendment. Environmental review documents will require several additional studies, including biological and cultural resource surveys, wetland delineations and aquatic habitat assessments, and related regulatory consultations.

Phase 2 – Final Design and Project Development (2031-2032)

Phase 2 advances the project to approximately 60% design, completes constructability and value engineering reviews, and prepares phased construction packages for implementation. This project will require land and easement acquisition for recharge basin sites, pipelines, diversion facility property, temporary construction staging areas, and permanent maintenance and access roads.

This phase will culminate in substantially completed environmental review, secured land and easement interests, completed water rights modifications, final hydrogeologic investigations and pilot recharge testing, updated groundwater modeling, and 60% engineering design. These efforts will position the project to proceed into final design and construction upon securing construction funding.

Phase 3 – Secure Financing, Procurement, and Construction (2032-2034)

Upon completion of design, permitting, and funding, the project will proceed with phased construction of the river diversion facility, transmission pipelines, recharge basins, monitoring wells, electrical and control systems, and associated site improvements. Construction will be sequenced to allow portions of the project to become operational as they are completed. Following construction, the project will undergo testing and commissioning before transitioning to long-term operations and maintenance.

Phase 4 – Operations & Adaptive Management (2035-)

Once constructed, activities include operating the diversion facility during high-flow events, monitoring recharge basin performance and groundwater response, removing accumulated sediment, maintaining pumps, pipelines, electrical and control systems, and performing periodic inspections and repairs. Operational data will be used to optimize recharge operations, support groundwater management, and ensure compliance with water rights and environmental permit requirements.

4 PORTFOLIO GROUNDWATER MODELING RESULTS

SVBGSA evaluated the expected accrual of benefits from the selected portfolio of projects by simulating a realistic portfolio implementation schedule with the Salinas Valley Seawater Intrusion Model (SWIM). The SWIM is a 3-dimensional variable density groundwater flow model that simulates groundwater levels, the movement of seawater intrusion, and the time dependent location of the 500 milligrams per liter (mg/L) chloride isocontour.

Significant assumptions incorporated into the SWIM include:

- A realistic permitting, design, and implementation schedule as discussed in Section 4. The projects and management actions in the selected portfolio begin showing results at different dates. However, the BGRP, which is the primary project for controlling seawater intrusion, becomes fully operational in 2035.
- Land use remains constant throughout the simulation. The average groundwater demands from the last 5 years of the historical SWI Model (WY 2016-2020 monthly average) are carried forward.
- Model boundary conditions are a continuation of recent hydrologic conditions (WY 1996-2018) in the Salinas Valley.
- Climate change and sea level rise are not simulated.
- Two management actions that are part of the selected portfolio were not included in the simulations: MA1 - Deep Aquifers Allocations and MA4 - Rural Residential Demand Management. SWIM v3 does not simulate groundwater levels in these 2 areas accurately enough to provide reliable estimates of project benefits. The portfolio, including all management actions, is currently being simulated with an updated SWIM v4. Results from these simulations will be included in the GSP amendments. Because these simulations include additional management actions, we anticipate these will show additional benefits that are not discussed here.

Figure 4 shows the accrual of benefits to seawater intrusion in both the 180-Foot and 400-Foot Aquifers, as simulated by the SWIM. The red dots on this figure are simulated extraction wells, and the blue dots are simulated injection wells. The solid orange line is the simulated extent of seawater intrusion in 2022. Dashed lines show the progression of the seawater intrusion front in 10-year increments.

In the 180-Foot Aquifer, seawater intrusion continues inland through 2030 as demonstrated by the yellow dashed line. This represents continued seawater intrusion until the BGRP is constructed. After the BGRP is constructed in 2035, seawater intrusion retreats toward the coast as shown by the green, blue, and black dashed lines. This sequence of dashed lines illustrates the time-dependent accrual of benefits from the selected portfolio.

Figure 5 shows the accrual of benefits to seawater intrusion in the 400-Foot Aquifer as simulated by the SWIM. Similar to Figure 4, this figure shows how seawater intrusion continues inland before the BGRP is constructed. After BGRP construction, seawater intrusion retreats toward the coast in places and is held stable in other places as demonstrated by the green, blue, and black dashed lines. Areas where the seawater intrusion is held stable are behind the minimum threshold line.

Figure 6 and Figure 7 further demonstrate the seawater intrusion benefits of the selected portfolio. These 2 figures compare the simulated 2040 chloride concentrations if no action is taken (baseline) and if the selected portfolio is implemented. Figure 6 shows the comparison for the 180-Foot Aquifer and Figure 7 shows the comparison for the 400-Foot Aquifer. Red areas indicate the highest chloride concentrations that are at, or close to full strength seawater. Blue and purple areas indicate low chloride concentrations. These figures show that the selected portfolio significantly reduces the chloride concentrations in both aquifers by 2040 compared to the baseline.

More dramatic benefits from the selected portfolio are shown on Figure 8 and Figure 9. These figures compare the simulated 2070 chloride concentrations if no action is taken (baseline) and if the selected portfolio is implemented. These 2 figures demonstrate that the salinity in the aquifers continues to improve after 2040 as additional benefits accrue from ongoing project operation.

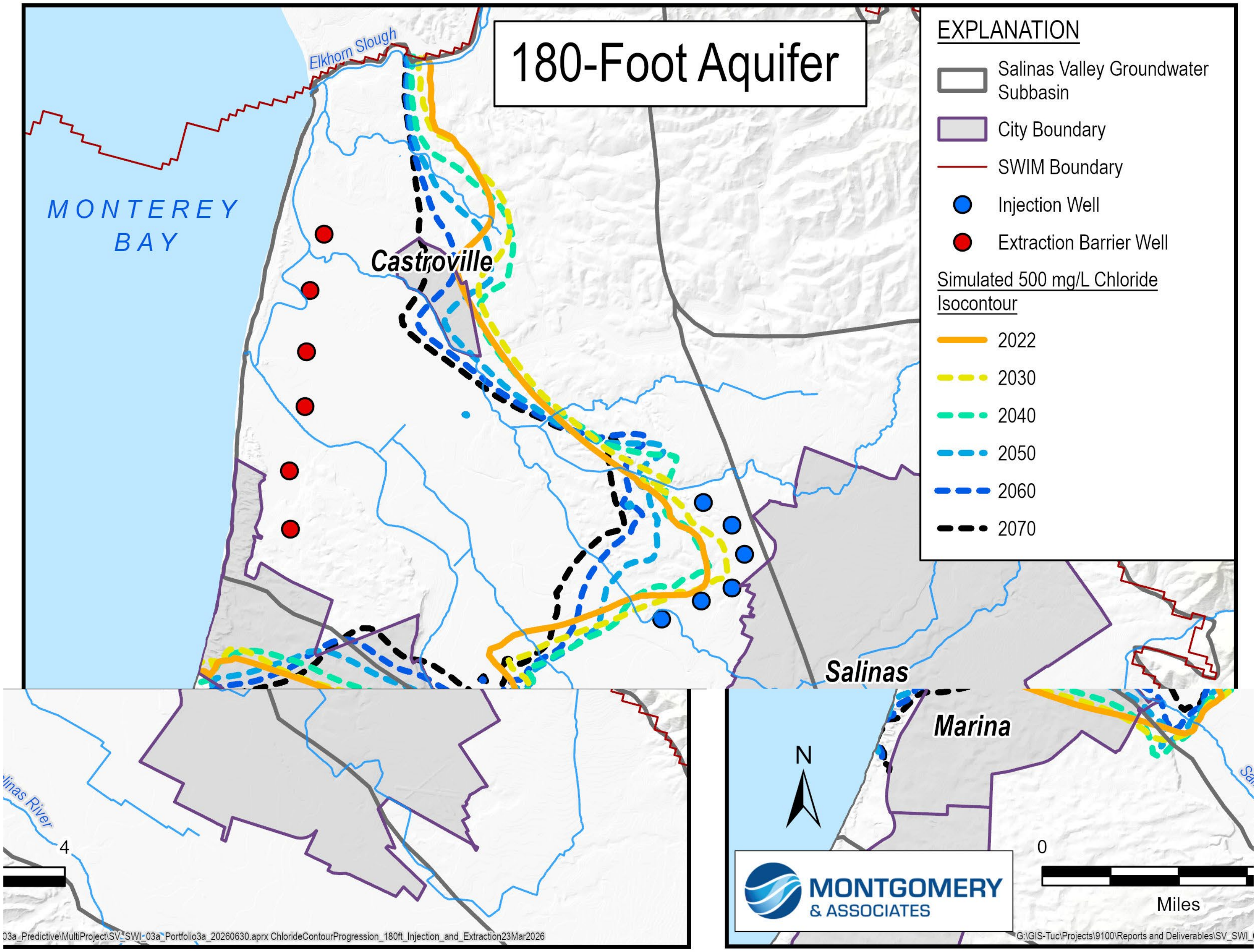


Figure 4. Simulated Future Progression of the 500 mg/L Chloride Isocontour in the 180-Foot Aquifer

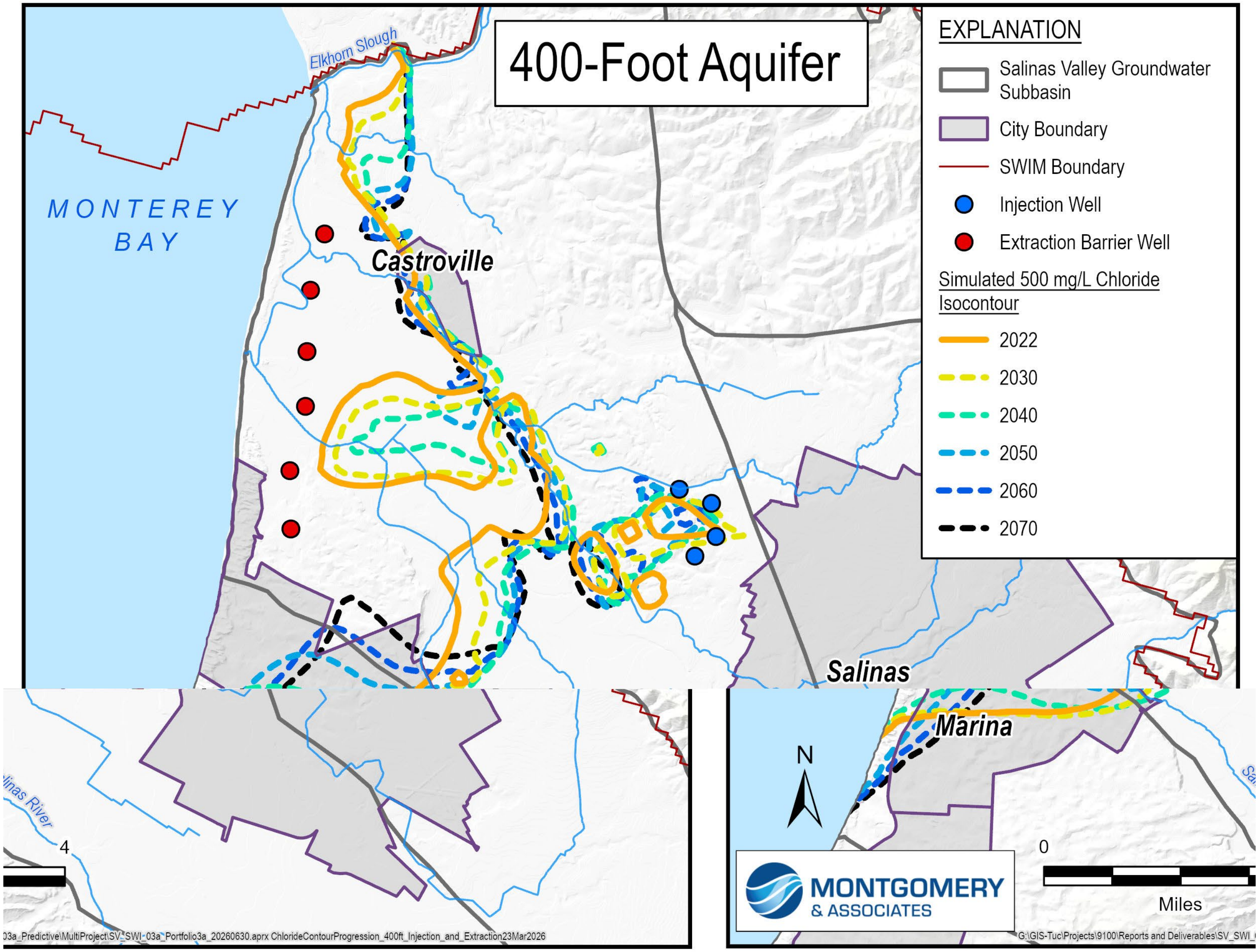


Figure 5. Simulated Future Progression of the 500 mg/L Chloride Isocontour in the 400-Foot Aquifer

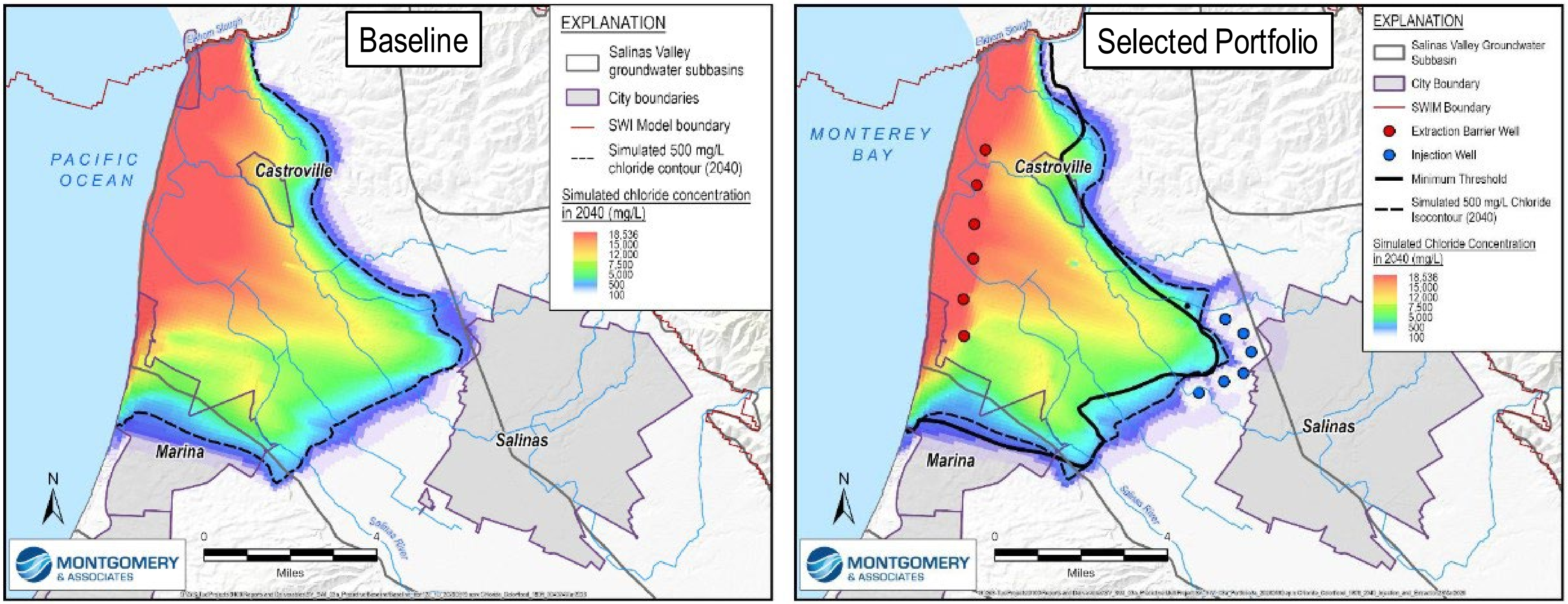


Figure 6. Comparison of 2040 Baseline and Selected Portfolio Chloride Concentrations in the 180-Foot Aquifer

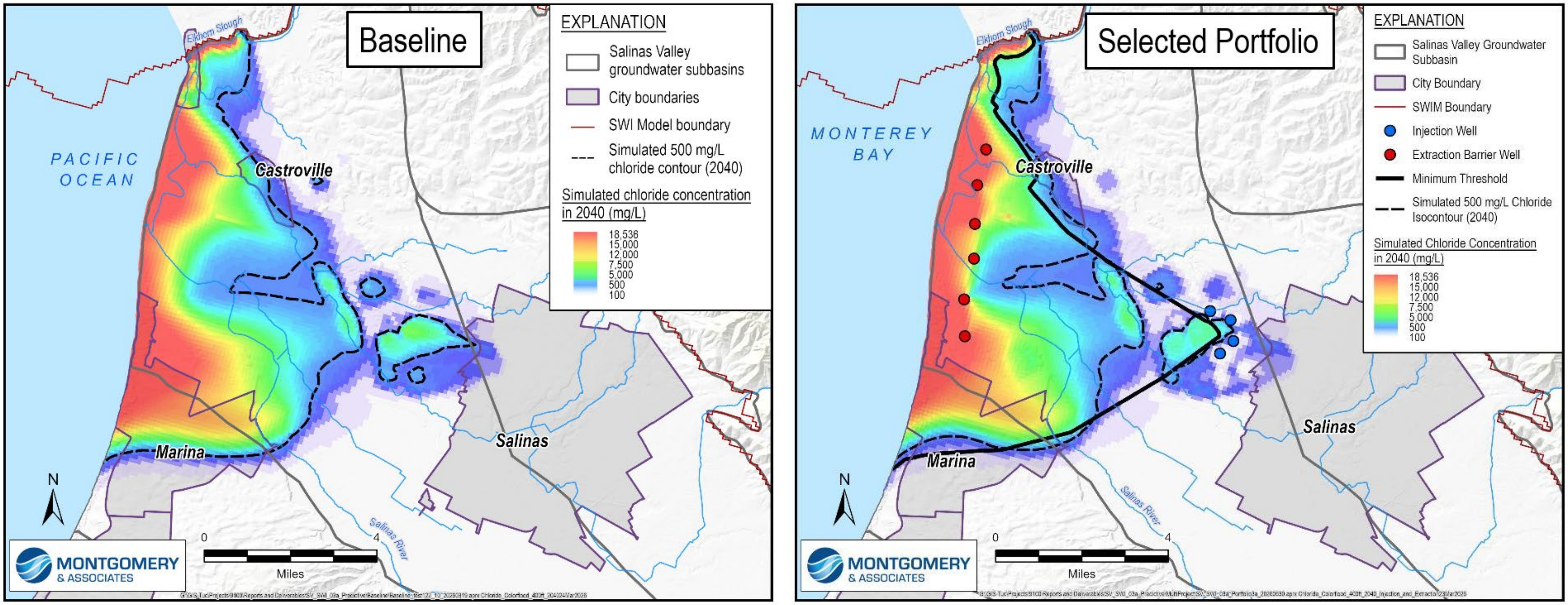


Figure 7. Comparison of 2040 Baseline and Selected Portfolio Chloride Concentrations in the 400-Foot Aquifer

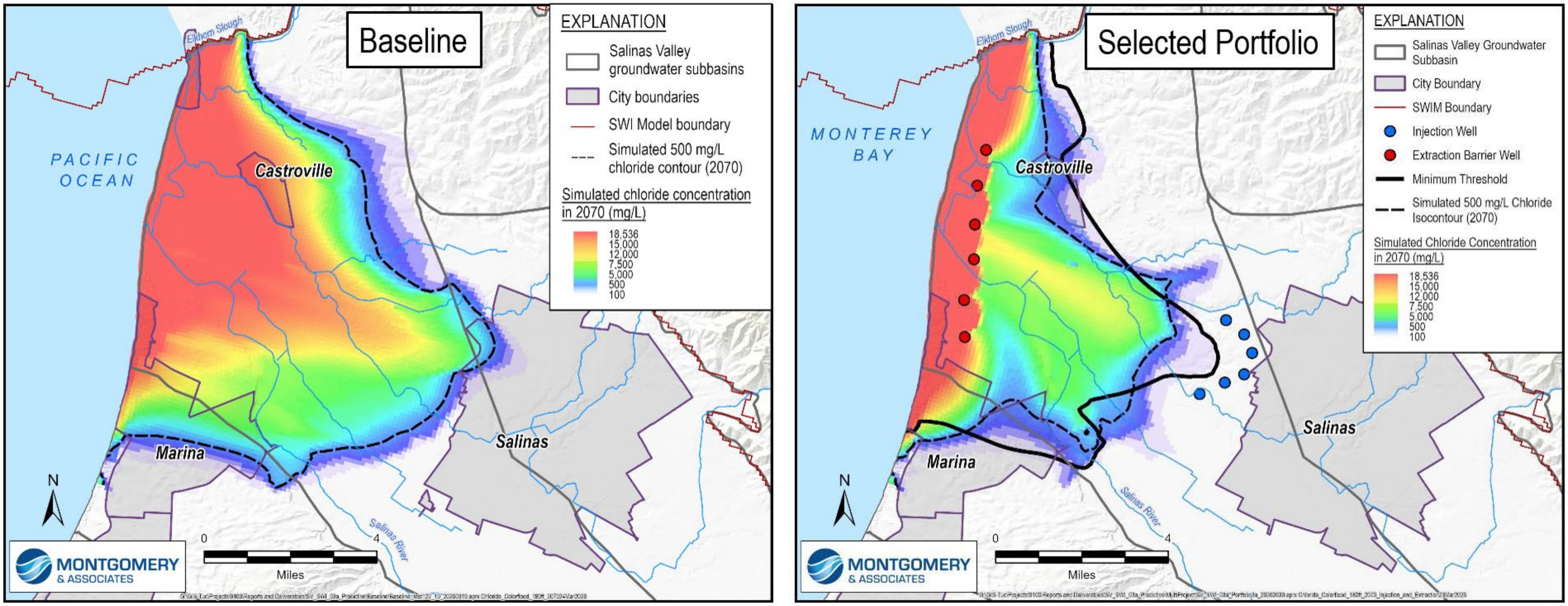


Figure 8. Comparison of 2070 Baseline and Selected Portfolio Chloride Concentrations in the 180-Foot Aquifer

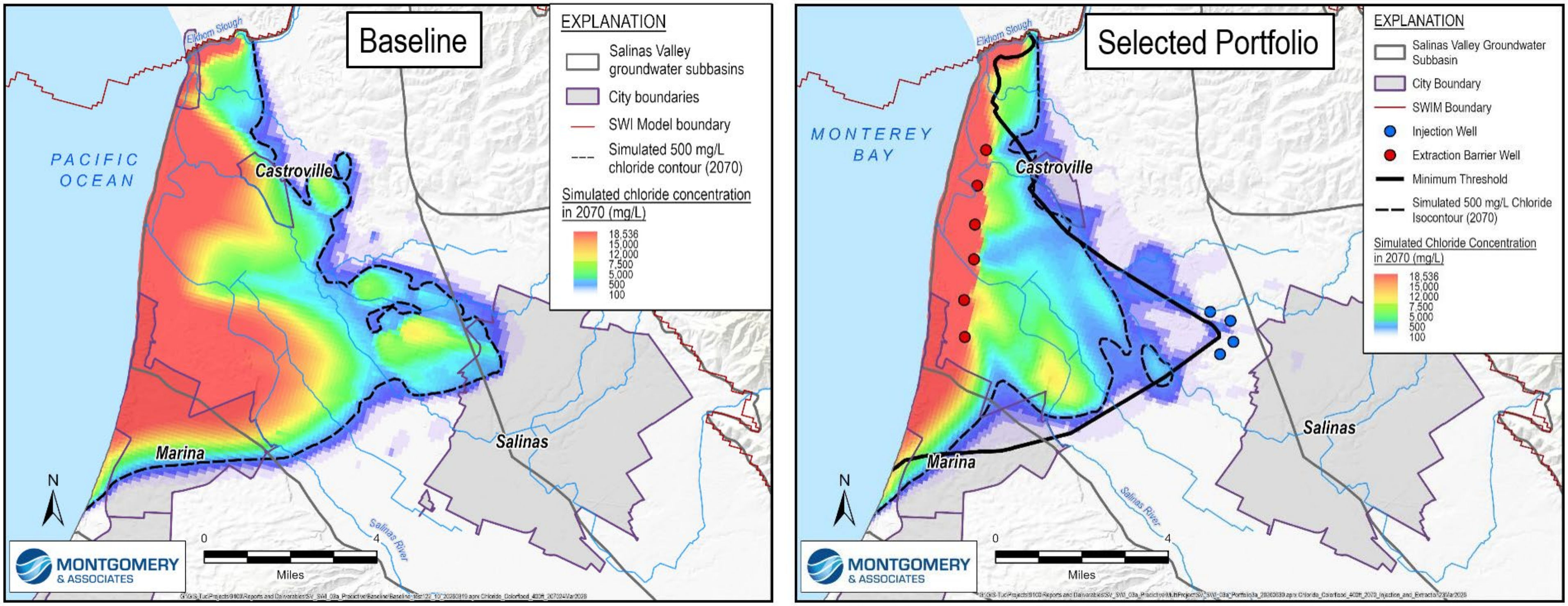


Figure 9. Comparison of 2070 Baseline and Selected Portfolio Chloride Concentrations in the 400-Foot Aquifer

Figure 10 shows the anticipated accrual of benefits to groundwater levels in the 180/400 Subbasin and the Eastside Subbasin based on the SWIM simulation results. This figure graphs the percentage of groundwater level RMS wells that exceed the minimum threshold in any year. Undesirable results occur if more than 15% of groundwater level RMS wells exceed their minimum thresholds. The area of undesirable results is shown in red, the area of no undesirable results is shown in green. The 2040 to 2042 timeframe is denoted with a gray bar.

The time-dependent percentage of RMS wells exceeding minimum thresholds in the 180-Foot Aquifer is graphed with a black line. Undesirable results for groundwater levels in the 180-Foot Aquifer are only fully avoided in 2043. Small modifications may be necessary to the portfolio to avoid groundwater level undesirable results by 2040.

The time-dependent percentage of RMS wells exceeding minimum thresholds in the 400-Foot Aquifer is graphed with a blue line. Undesirable results for groundwater levels in the 400-Foot Aquifer are fully avoided by approximately 2037, well before the 2040 SGMA compliance date.

The time-dependent percentage of RMS wells exceeding minimum thresholds in the Eastside Subbasin is graphed with a green line. Undesirable results for groundwater levels in the Eastside Subbasin are fully avoided by approximately 2041, almost exactly at the 2042 Eastside Subbasin SGMA compliance date.

Groundwater levels in the 400-Foot Aquifer and Eastside Subbasin show significant improvements beginning in 2030. Groundwater levels in the 180-Foot Aquifer begin to show significant improvements in 2035. This demonstrates the differing impacts various projects and management actions have on various aquifers. The management actions that begin in 2030 have a much greater influence on the 400-Foot Aquifer and Eastside Subbasin then on the 180-Foot Aquifer.

It is likely that benefits from PMAs will accrue more rapidly than demonstrated on Figure 4 through Figure 10 for 2 reasons:

- The current SWIM v3 simulations do not include Deep Aquifers demand management actions. As mentioned above, these will be simulated with the updated SWIM v4 and will show additional, and potentially earlier, benefits
- Many of the PMAs will be implemented in a phased approach, allowing the SVBGSA to test and refine project designs. These early phases will occur prior to final design and will result in early benefits before full project buildout.

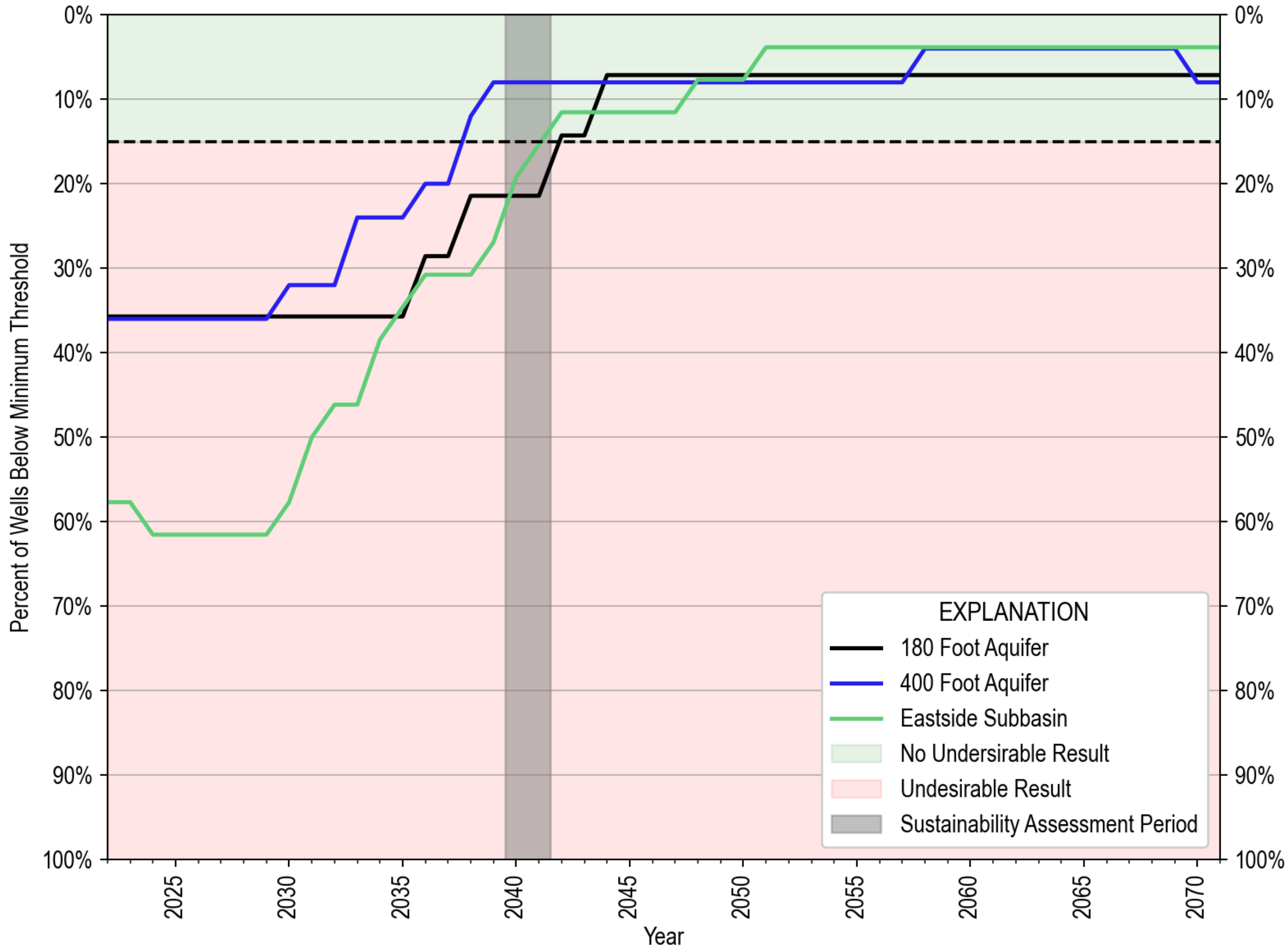


Figure 10. Anticipated Time Dependent Accrual of Benefits to Groundwater Levels

5 PMA SCHEDULES

5.1 Management Actions

Management Actions will be developed and operationalized in the next 3 years, with the schedule shown in yearly quarters.

Table 2. Demand Management Deep Aquifers Allocations Schedule

Task	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2	2028 Q3	2028 Q4	2029	2030
Establish Objectives, Scope, and Process												
Characterize Baseline Deep Aquifers Extraction and Conditions												
Develop Sustainable Pumping Target												
Develop Allocation Program Framework and Allocation Methodology												
Develop Monitoring, Accounting, and Enforcement Approaches												
Develop Program Rules, Administrative Policies, and Adaptive Management Framework												
Prepare Draft and Final Allocation Program												
Stakeholder Engagement and Agency Coordination												
Ongoing Implementation and Adaptive Management												

Table 3. Seawater Intrusion Response Plan Schedule

Task	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2	2028 Q3	2028 Q4	2029	2030
Project Management and Agency Coordination												
Define the Problem and Planning Area												
Characterize and Establish Seawater Intrusion Baseline												
Refine the Seawater Intrusion Monitoring Network												
Conduct Risk Evaluation												
Identify Indicators and Trigger Levels												
Evaluate Interim Response Strategies												
Develop Operational Response Protocols												
Establish Governance Framework and Develop Funding Plan												
Prepare Draft and Final SIRP												
Stakeholder and Public Engagement												
Ongoing Implementation and Adaptive Management												

Table 4. Demand Management 10% Ag Pumping Reduction Schedule

Task	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2	2028 Q3	2028 Q4	2029	2030
Confirm Objectives, Program Area, Governance, and Decision Process												
Establish Pumping Baseline and Accounting Method												
Evaluate DM Measures and Achievable Savings												
Implement Early Voluntary Activities												
Develop and Compare Program Packages												
Develop Monitoring, Accounting, Verification, Incentives, and Compliance												
Develop Funding and Administrative Plan												
Prepare Draft and Final Program Recommendations												
Phase in Program and Reach Aggregate Reductions												
Stakeholder Engagement and Agency Coordination												

Table 5. Rural Residential Demand Management – Water Use Efficiency

Task	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2	2028 Q3	2028 Q4	2029	2030
Define Objectives, Priority Areas, Partners, and Target Users												
Establish Rural Residential Baseline												
Evaluate the Pilot Results and Select DM Measures												
Design the Expanded Voluntary Incentive Program												
Develop Measurement, Verification, and Funding Plan												
Approve and Implement an Expanded Program												
Evaluate, Refine, and Scale												
Ongoing Implementation and Adaptive Management												
Stakeholder Engagement and Agency Coordination												

5.2 Projects

Projects will take 5-10 years to develop, construct and become operational.

Table 6. CSIP Optimization Schedule

Activity	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Program management, coordination and planning														
Environmental review, permitting and easements														
Funding and grant administration														
CIP 1 — Rodgers Loop check valve, PRV and bypass vault														
CIP 2 — Second pond outlet pipeline and diversion structures														
CIP 3 property acquisition, final design and procurement														
CIP 3 — Storage tanks, booster station, electrical and SCADA														
Commissioning, operator training and operational acceptance														
Operations, Monitoring, Maintenance, & Optimization														

Table 7. Brackish Groundwater Restoration Project Schedule

Activity	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Project Management														
Agency & Interested Party Coordination														
Pilot Projects & Evaluation														
Preliminary Engineering & Environmental Review														
Permitting														
Property Acquisition														
Grant Funding & Financing														
Final Design & Engineering														
Procurement														
Project Construction														
Commissioning & Startup														
Operations, Monitoring, Maintenance, & Optimization														

Table 8. Eastside Recharge Basins Project Schedule

Activity	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Recharge Basin Master Plan														
Preliminary Engineering (10–30%)														
Groundwater Modeling														
Water Rights Amendments														
Environmental Compliance (CEQA/NEPA)														
Land Acquisition & Easements														
Funding Strategy & Grant Applications														
Engineering (30–60%)														
Construction Package Development														
Construction Readiness														
Bid and Construct														
Project Start Up														
Operations and Maintenance														

6 ADDITIONAL CONSIDERATIONS

Through the PMA portfolio work plan and further development of the IIS, SVBGSA, with partner agencies and interested parties, will continue to improve analyses and planning that will translate into improvements in groundwater conditions in the next phase of GSP implementation. Following are several additional considerations for DWR in its review of SVBGSA's Responses.

6.1 GSP Amendments and Periodic Evaluations

Concurrently with this submittal to DWR, SVBGSA is starting the 90-day review period of Draft GSP Amendment 2 for 180/400 Subbasin. This review is being done concurrently with GSP Amendments for the Langley, Eastside, and Upper Valley Subbasins, the Forebay Subbasin jointly with the Arroyo Seco GSA, and the Monterey Subbasin jointly with the MCWDGSA. The GSP amendments and corresponding periodic evaluations will be submitted to DWR in January 2027.

The amendments to the GSPs Chapter 9 PMA will retain a range of PMAs that have been identified over time, with updates to the project descriptions and scenarios based on the feasibility studies or other work completed. The comprehensive list of PMAs in the GSPs is maintained for contingency projects if the prioritized projects in the portfolio hit implementation roadblocks or if additional projects are determined to be needed during the next phase of GSP implementation. It will also recognize that new projects may be added without the need for a GSP amendment, if a new project emerges that provides groundwater benefits or could better achieve sustainability.

6.2 Contingency PMA

SVBGSA acknowledges that after additional analyses and refinements, some PMAs may prove infeasible. Flaws and limitations may be discovered in the permitting, effectiveness, funding, or environmental assessments. Furthermore, alternative projects with equal or better effectiveness, lesser cost or a shorter timeframe to PMA implementation may be identified. SVBGSA remains open to considering alternatives as long as substituting the portfolio PMAs does not jeopardize the goal of achieving sustainability by 2040.

During the SVBGSA Advisory Committee and Board deliberations on PMA portfolios, 2 new project concepts were brought forward. The Salinas Basin Water Alliance is investigating an additional contingency project that pumps groundwater from the southern, un-intruded area of the 180/400 Subbasin and transfers the pumped water to the northern, intruded areas of the Subbasin. In addition, OceanWell and San Jose Water Company have identified an interest in working with SVBGSA on a deep water desalination project that could potentially benefit the

Salinas Valley as well as other areas. Other contingency projects or alternatives may also be introduced in GSP amendments or during the project's environmental review processes.

6.3 Funding Strategies and Finance Planning

The preferred portfolio includes a combination of capital projects, management actions to reduce groundwater pumping, and ongoing administrative, operating, maintenance, and replacement expenses. SVBGSA has carefully evaluated the project costs, financing for capital, ongoing operations and maintenance, and administrative costs to establish the expected annual cash costs and annual costs with financing. Funding the components of the preferred portfolio will be a significant undertaking. SVBGSA is evaluating various strategies for successfully funding the entire preferred portfolio—including evaluating state and federal grant funding as well as local funding sources—and assessing economic and financial feasibility. The preferred PMA portfolio represents a balanced implementation strategy that combines smaller-scale supply projects with demand management activities to improve groundwater sustainability while reducing overall capital costs.

From a capital investment perspective, the preferred portfolio requires an estimated $1.07 billion in planning and construction expenditures between 2027 and 2035. This includes approximately $120 million in planning costs, $36 million in construction soft costs, and $910 million in construction costs. Long-term equipment replacement costs are estimated at approximately $11 million beginning around 2056. Annual operations and maintenance costs after project completion are estimated at approximately $74 million per year, including treatment and non-treatment operating costs. These estimates represent direct cash expenditures before financing or external grant funding are considered.

The preferred portfolio was selected, in part, because it has strong potential to leverage currently known outside funding opportunities. Based on representative grant scenarios, external funding sources—including USBR Title XVI, the Water Infrastructure Finance and Innovation Act (WIFIA), the State Revolving Fund, DWR desalination grants, WaterSMART, and Sustainable Groundwater Management implementation grants—could substantially offset planning and construction costs for the BGRP, recharge facilities, and CSIP optimization. Project construction costs would be financed, and other funding opportunities may become available in the future as SVBGSA continues to evaluate additional funding sources.

The preferred portfolio provides direct economic benefits to groundwater users as well as additional regional benefits for local communities by reducing groundwater-related impacts. The portfolio is estimated to generate approximately $7.1 million (present value) in avoided groundwater pumping lift costs and approximately $728 million (present value) in avoided agricultural salinity impacts relative to baseline groundwater conditions. However, the assumed

10 percent agricultural demand management program also results in estimated direct agricultural impacts with a present value of approximately $1.08 billion.

SVBGSA developed a preliminary financial analysis of the preferred portfolio. The financial analysis assumes that planning costs are paid as they occur, construction costs are financed through phased bond issuances, and external, currently known, grant opportunities are pursued. Since projects are only evaluated at programmatic level, the sizing, capacities, siting, end users and other project specific criteria are still to be determined, it is premature to develop a detailed financial plan for any of the components in the portfolio.

In preparation for the future projects, SVBGSA has contracted with ERA Economics to assist in creating a holistic funding strategy. This effort includes development of a SVBGSA financial model that considers existing fees and assessments and potential future project costs for the preferred portfolio. The analysis evaluates different funding scenarios, financing approaches, and supports assessment of the financial feasibility of the preferred portfolio.

As the IIS process advances and potential projects are refined, the financial model will be updated to evaluate alternative funding and financing approaches and help inform future policy decisions by the Board of Directors.

6.4 Board and Interested Party Considerations

In its review of PMA portfolios, the SVBGSA Board identified the following considerations for the next phase of PMA activities:

At its August 13, 2026, meeting, the Board of Directors selected Portfolio 3A as the preferred IIS portfolio of PMAs, together with the Advisory Committee's list of considerations and the considerations submitted by the 180/400-Foot Aquifer and Eastside Subbasin Committees, to guide further development and refinement of the preferred implementation pathway. The motion carried with 9 ayes of the 11-member Board.

At its July 16, 2026, meeting, the Advisory Committee did not identify a single preferred portfolio. Its outcome was to continue evaluating Portfolio 3A and Portfolio 4, or a hybrid of the 2, with particular focus on alternative source options, pilot testing, and developing a cost allocation framework, and subject to a list of conditions compiled by Committee members.

The 180/400-Foot Aquifer and Eastside Subbasin Committees met jointly on August 6, 2026, received an overview of the draft DWR Response 2 based on Portfolio 3A, expressed general support for the Advisory Committee's conditions, and added further considerations of their own.

Staff recommended Portfolio 3A to the Board on August 13, 2026, subject to those conditions and considerations. Staff's rationale was that Portfolio 3A is the only remaining portfolio that substantively addresses seawater intrusion—the most critical and irreversible sustainability challenge facing the basin—and that it includes a drought-proof supply component that the climate-dependent Portfolio 4 cannot match, while costing approximately $240 million less in capital than Portfolio 1. The Board acted on that recommendation, and both sets of considerations are incorporated into the selection.

Selected Portfolio

Portfolio 3A consists of a smaller Brackish Groundwater Recharge Project (BGRP) with partial direct delivery to end users and partial injection; Eastside Recharge Basins with a 100 cfs diversion; CSIP optimization; 10% agricultural demand management in the north Valley; and demand management in the Deep Aquifers and Corral de Tierra. Estimated yield is approximately 37,700 AF/year, with capital costs of approximately $1.07 billion and annual O&M of approximately $74.3 million. Modeling indicates the portfolio addresses seawater intrusion nearly—but not fully—to the current minimum threshold, and it does not address Monterey Subbasin seawater intrusion.

For reference, the 2 portfolios not selected were Portfolio 1 (Medium BGRP, Injection Only)—approximately 56,000 AF/year, $1.31 billion capital, and $117.6 million annual O&M, the only portfolio that fully addresses seawater intrusion to the current minimum threshold—and Portfolio 4 (Low-Cost Projects)—approximately 10,200 AF/year, $612 million capital, and $8.0 million annual O&M—relying on 20% agricultural demand management and a climate-dependent C&E supply, and not addressing seawater intrusion.

Subbasin Committee Contributions to the IIS Process

The 6 subbasin committees have been integral to the development of the Integrated Implementation Strategy. Their role is to foster robust discussion, informed deliberation, and collaborative engagement around the implementation of Groundwater Sustainability Plans within each subbasin. Throughout the IIS process, subbasin committees have provided input to staff during preparation of project feasibility studies, helped develop the demand management framework, and identified local priorities and conditions that have shaped the design of candidate projects. As the process advanced to the portfolio evaluation stage—where combinations of projects and management actions are assessed together rather than individually—the primary deliberative role shifted to the Advisory Committee, which is charged with evaluating portfolios across all subbasins and recommending a preferred implementation pathway to the Board. Subbasin committee input continued to reach the Board directly, most notably through the joint considerations adopted by the 180/400-Foot Aquifer and Eastside Subbasin Committees on August 6, 2026, which the Board incorporated into its selection.

Advisory Committee Considerations Carried Forward

The following conditions compiled by Advisory Committee members on July 16, 2026, accompany the Board's selection:

- All portfolios are too expensive in their current configuration.
- Eliminate Portfolio 1 for being too large, thus carrying a larger risk of uncertainty.
- Not having cost allocation poses too much uncertainty.
- Explore other potential supply sources in conjunction with any project that moves forward, including SBWA and OceanWell (previously DeepWater Desal).
- Need better understanding if/how injection works in all aquifers. Consider piloting and phasing.
- More information about specifics is needed, including cost of demand management in Corral de Tierra and Deep Aquifers.
- Continue evaluating alternative solutions.
- Evaluate changing seawater intrusion minimum threshold after preferred projects are selected. Deadline for meeting minimum thresholds is too strict—need more time to achieve them.
- Overarching problem: limited options for addressing seawater intrusion (only BGRP).

180/400-Foot Aquifer and Eastside Subbasin Committee Considerations Carried Forward

Meeting jointly on August 6, 2026, the 180/400-Foot Aquifer and Eastside Subbasin Committees expressed general support for the Advisory Committee's conditions and added the following, which the Board also incorporated into its selection:

- Use best science and data for demand management. 10% demand management is contentious if applied only to the north; more analysis is needed across all 6 subbasins and subbasin boundaries, including whether reductions in the north result in increased demands in other locations.
- Voluntary demand management is preferred. Potential incentives include allowing land use changes, conservation funding to pay to take land out of production and encouraging fallowing as a voluntary measure; focus demand reductions where they provide the best benefit and further refine simulations by location and scalability.
- Make clear to DWR that demand reductions will not be done with a blanket approach and provide information about reductions already accomplished.

- Demand management programs should consider seasonal and interannual variation, including what happens in wet years.
- Further evaluate the ability to change the seawater intrusion minimum threshold based on the portfolio results.
- The Board needs to be aware of the funding that will be required for project development.
- Additional work on the BGRP must plan for sufficient well sites and alternative well sites.
- Better understanding is needed of who is responsible for project loans if a project fails.
- Implement proof-of-concept pilot projects for both recharge and injection.
- Prioritize multi-benefit projects and conduct additional analysis of other types of project benefits.
- Take a multi-agency approach to all projects.

Next Steps

Selection of a preferred portfolio identifies the long-term implementation pathway for further development and refinement. It does not lock the Agency into a fixed project configuration, authorize individual projects, or commit funding. Each project and management action will continue to require separate planning, environmental review, permitting, financing, and future Board approvals before implementation. The Agency will continue to refine projects and evaluate alternative source options—including those identified by the Advisory Committee and the subbasin committees—as the analysis matures.

Following the Board's selection, staff are:

- Continuing to refine project components, including exploring alternative water sources and contingency projects.
- Further developing a phased implementation schedule with clear decision points and off-ramps.
- Developing cost allocation scenarios for Board consideration as the next phase of the IIS process.

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