Salinas Valley Basin
Groundwater Sustainability Agency

MEMORANDUM

DATE: November 3, 2026

SUBJECT: 2027 GSP Amendments: Estimated GSP Implementation Costs and Implementation Schedule

DISCUSSION:
Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) and partner agencies are preparing amendments to the Groundwater Sustainability Plans (GSPs) for 6 subbasins for submittal to the California Department of Water Resources (DWR) in January 2027. Chapter 10 of each GSP describes how the GSP will be implemented. Two parts of Chapter 10 are summarized in this memo: Section 10.6, GSP Implementation Cost and Funding, including Table 10-3, Estimated GSP Implementation Costs; and Section 10.7, Schedule for Implementation, including Figure 10-2, GSP Implementation Schedule. The draft 2027 GSP Amendments were released for public review in mid-September 2026. At that time, the estimated cost and schedule tables, which are required elements of Chapter 10, were not yet available. Staff have since prepared this information, which will be included in the final draft 2027 GSP Amendments.

Implementation Costs
The draft 2027 GSP Amendments present estimated implementation costs in aggregate for all 6 subbasins rather than allocated to individual subbasins, and the same Table 10-3 is used in each. SVBGSA has chosen an Integrated Implementation Strategy (IIS) for the subbasins in its jurisdiction to provide maximum efficiencies and to ensure cohesive and adaptive management of groundwater across all subbasins. Governance, staffing, monitoring, data management, modeling, reporting, and outreach are shared across subbasins. Projects and Management Actions (PMAs) in the preferred Integrated Implementation Strategy (IIS) portfolio were evaluated and selected as a Valley-wide approach. Although individual PMAs may affect specific areas, the portfolio was developed to help avoid undesirable results across the entire Salinas Valley.

In addition, most PMAs are still in the planning phases. Project sizing, capacities, siting, end users, and implementation partners have not yet been determined, so it is not yet possible to identify the exact beneficiaries of each PMA or to develop a final cost allocation methodology. Costs will be allocated to geographic areas and beneficiaries as PMAs are refined, through a cost allocation process that will be brought to the Board for approval.

Table 10-3 shows the estimated costs of GSP implementation as an annual cost, a 5-year cost for FY 2027 through FY 2031, and a cost through 2042. It has 2 parts:

- SGMA implementation: SVBGSA's ongoing administration, data and monitoring, SGMA compliance, outreach, and PMA development, funded through the Tier 1 and Tier 2 Groundwater Sustainability Fees. The FY 2027 budget of about $4.5 million is escalated at 3% per year. PMA development costs end after FY 2031, when SVBGSA moves to construction and program implementation.

- Preferred IIS portfolio PMAs: Planning, construction, operations and maintenance, and demand management program administration for the preferred portfolio, scheduled and financed as described in the Funding Strategy. Costs are shown in nominal (escalated) dollars and assume no grants or other external funding.

Total estimated costs are about $143 million for FY 2027 through FY 2031 and about $1.44 billion through 2042. Most of the 5-year cost is project planning, design, environmental review, and permitting (about $115 million). Costs increase after 2031 as construction financing begins, and reach about $156 million per year in 2036, the first year all projects are expected to be in operation.

Table 10-3. Estimated GSP Implementation Costs

Cost Category	Period	Annual Cost	5-Year Cost FY 2027–2031	Cost Through 2042 FY 2027–2042
SGMA Implementation				
General administration	FY 2027–2042	$2,210,000	$11,735,000	$44,554,000
Data, monitoring, and SGMA compliance	FY 2027–2042	$820,000	$4,355,000	$16,537,000
Interested parties coordination and outreach	FY 2027–2042	$165,000	$878,000	$3,335,000
Projects and management actions development and evaluation	FY 2027–2031	$1,285,000	$6,825,000	$6,825,000
Subtotal SGMA Implementation		$4,480,000	$23,793,000	$71,251,000
Preferred IIS Portfolio PMAs				
Planning, design, environmental review, and permitting (pay-go)	2027–2030	$28,739,000	$114,956,000	$114,956,000
Construction debt service (5 bond series issued 2031–2035)	2032–2065	$61,938,000	—	$553,784,000
Operations and maintenance, including treatment	2036 onward	$88,719,000	—	$679,803,000
Demand management program administration (agricultural, domestic, and Deep Aquifers)	2028 onward	$1,672,000	$4,674,000	$23,701,000
Subtotal Preferred IIS Portfolio			$119,630,000	$1,372,244,000
Total Estimated Implementation Costs			$143,423,000	$1,443,495,000

Notes:

1) SGMA implementation costs are SVBGSA FY 2027 Amended Budget expenditures for Tier 1 (Fund 100) and Tier 2 (Funds 111–116) combined, excluding reserves, escalated at 3% per year after FY 2027.
2) Projects and management actions development and evaluation costs apply only through FY 2031; after that, construction and program implementation are included in the preferred IIS portfolio costs.
3) Preferred IIS portfolio costs follow the capital funding schedule in the SVBGSA Funding Strategy: costs in 2030 dollars are escalated at 3% per year; planning, design, environmental review, and permitting are paid as incurred over 2027–2030 (annual cost shown is the 4-year average); construction is financed with five equal bond series issued 2031–2035 (30-year term, 4% interest, 2% issuance cost), with level debt service starting the year after each issue and continuing through 2065; and operation and maintenance, including treatment, begins in 2036.
4) Demand management program administration is the Funding Strategy minimum estimate of $1.4 million per year in 2030 dollars ($400,000 agricultural, $500,000 domestic, and $500,000 Deep Aquifers), beginning when each program moves into implementation under the SVBGSA Response 2 schedules (domestic in 2028; agricultural and Deep Aquifers in 2029); actual costs will depend on program design.
5) Annual cost shown for debt service, O&M, and demand management administration is the 2036 value. Portfolio costs assume no external funding; with the Funding Strategy high external funding case, 2036 debt service would be about $43.9 million instead of $62.0 million.
6) Equipment replacement (about $10.6 million in 2030 dollars, 2056–2059) is not included.
7) All values are rounded up to the nearest $1,000.

The Funding Strategy estimates the preferred portfolio's planning and construction costs at about $1.07 billion in 2030 dollars, with operations and maintenance of about $74 million per year after the projects are built. Table 10-3 follows the Funding Strategy's schedule for paying these costs:

- Planning, design, environmental review, and permitting (2027–2030) are paid as they are incurred, about $29 million per year.
- Construction (2031–2035) is financed through 5 bond series. Debt service begins in 2032 and reaches about $62 million per year in 2036, continuing through 2065.
- Operations and maintenance, including water treatment, begin in 2036 at about $89 million per year.
- Demand management program administration (at least $1.4 million per year in 2030 dollars) begins when each program starts: the rural residential program in 2028, and the agricultural pumping reduction and Deep Aquifers pumping allocations in 2029.

Grants and other external funding, such as USBR Title XVI, WIFIA, and the State Revolving Fund, could substantially reduce these costs. Under the Funding Strategy's external funding scenarios, 2036 debt service would drop to about $53 million (low funding) or $44 million (high funding). These are initial, planning-level estimates that will change as PMAs are refined, and project-specific funding strategies will be developed for individual PMAs.

Implementation Schedule

Figure 10-2 shows the schedule for implementing the preferred IIS portfolio, based on the PMA work plans in Response 2 to DWR. Key milestones include:

- Management actions will be developed and put in place over the next 3 years. The Seawater Intrusion Response Plan will be completed by mid-2028, the Deep Aquifers Pumping Allocation Program will begin implementation at the end of 2028, and the 10% agricultural pumping reduction will be fully in effect by October 1, 2030.
- CSIP Optimization improvements will be constructed in sequence from 2028 through 2031, with full operation beginning in 2032.
- Brackish Groundwater Restoration Project and Eastside Recharge Basins will complete planning and design through 2032, be constructed from 2032 through 2035, and begin operating in 2035.
- Annual reports will continue each April, and the next 5-year periodic evaluations of the GSPs are scheduled for 2032 and 2037.

Figure 10-2. GSP Implementation Schedule

	2027-2031 Implementation Phase					Implementation through 2040								
PMA or Activity	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
GSP Implementation and SGMA Compliance														
Administration, monitoring, data management, and outreach	I	I	I	I	I	I	I	I	I	I	I	I	I	I
Annual reports	●	●	●	●	●	●	●	●	●	●	●	●	●	●
GSP amendments and 5-year periodic evaluations	▼					▼					▼			
Management Actions														
MA4: Demand Management – Deep Aquifers Pumping Allocation Program	P	P/I	I ◆	I	I	I	I	I	I	I	I	I	I	I
MA6: Seawater Intrusion Response Plan	P	P/I ◆	I	I	I	I	I	I	I	I	I	I	I	I
MA1–MA3: Demand Management – 10% Agricultural Pumping Reduction	P	P	P/C ◆	C ★	I	I	I	I	I	I	I	I	I	I
MA1, MA5: Rural Residential Demand Management – Water Use Efficiency	P ◆	C	C	I	I	I	I	I	I	I	I	I	I	I
Projects														
P2: CSIP Optimization – CIP 1	P	C	O	O	O	O	O	O	O	O	O	O	O	O
P2: CSIP Optimization – CIP 2	P	D	C	C	O	O	O	O	O	O	O	O	O	O
P2: CSIP Optimization – CIP 3	P	P	D	D/C	C	O	O	O	O	O	O	O	O	O
P4: Brackish Groundwater Restoration Project	P	P	P	D	D	D/C	C	C	C/O	O	O	O	O	O
ES2: Eastside Recharge Basins (100 cfs)	P	P	P	P	D	D/C	C	C	O	O	O	O	O	O
Preferred IIS Portfolio construction financing					F	F	F	F	F					

P Planning, development, environmental review, and permitting D Final design and procurement C Construction and startup, or program phase-in O Operations and maintenance I Program implementation and adaptive management F Construction financing (bond series issued) ◆ Final program or Board consideration ★ Full 10% aggregate reduction in effect (October 1, 2030) ● Annual report (April 1) ▼ GSP amendment or periodic evaluation (January)

Where 2 phases occur in the same year, both codes are shown and shading shows the earlier phase. Schedule is shown by calendar year.

Table 10-3, Figure 10-2, and the related text in Sections 10.6 and 10.7 will be included in the final draft 2027 GSP Amendments for all 6 subbasins, which will be submitted to DWR in January 2027. Staff will continue to refine PMA costs, develop project-specific funding strategies, and develop a cost allocation approach.

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