

Ramirez, Janelle

From: Bill Lipe <william.o.lipe@gmail.com>
Sent: Wednesday, January 21, 2026 4:28 PM
To: Clerks
Cc: Piret Harmon; Gallogly, Reed; MC Water; ClerkoftheBoard
Subject: 180/400 Subbasin Economic Risk Analysis
Attachments: 20260121 - General Public Comment - The Economic Kill-Switch of State Intervention.pdf

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Dear Clerks,

Please find the attached public comment letter regarding the **180/400-Foot Aquifer Subbasin** and the risks of state intervention. I request that this document be entered into the official public record.

Additionally, please forward this correspondence to the **Board of Directors**, the **Executive Committee**, and the **Advisory Committee** for their review.

Thank you,

Bill Lipe

Public Member, residing and drinking water in the 180/400

21 January 2026

To: Chair and Directors, Salinas Valley Basin Groundwater Sustainability Agency (GSA)

From: Bill Lipe, member of the Public, residing and drinking water from the 180/400

Re: Supplemental Public Comment: The Economic "Kill-Switch" of State Intervention for the 180/400-Foot Aquifer Subbasin

Chair Brennan and Directors:

I am writing to supplement the formal comments submitted by Thomas Virsik regarding the incomplete \$180/400\$ periodic evaluation and the looming threat of state intervention. While Mr. Virsik's correspondence masterfully identifies the procedural and transparency failures of GSA staff, the Board must also confront the specific, quantified "Fiscal Death Spiral" that a transition to State Water Resources Control Board (SWRCB) probation represents for this region.

The Department of Water Resources (DWR) has explicitly stated that implementation of Projects and Management Actions (PMAs) specific to the \$180/400\$ must take precedence. The following analysis outlines the catastrophic economic delta between "Local Control" and "State Probation" that has, until now, been missing from the public narrative.

1. The \$2 Billion Annual Economic Loss Scenario

If the \$180/400\$ Subbasin is designated as "Inadequate" and triggers SWRCB intervention, the "No Action Alternative" is not merely a regulatory status change—it is an economic kill-switch for Monterey County.

- **Commodity Collapse:** The Salinas Valley produces over **\$3.4 billion** in annual agricultural gross value. Approximately **\$2.3 billion** of that value is centered in the vegetable production sector directly threatened by seawater intrusion (SWI). Under state-mandated pumping limits—the SWRCB's primary tool—we face a projected **\$1 billion annual loss** in agricultural commodities as acreage goes fallow.
- **The Wage and Tax Drain:** This loss is not confined to the farm gate. A collapse of this magnitude would result in over **\$1 billion per year** in lost wages and payroll taxes. This would hollow out the general funds of the County and the cities of Salinas and Marina, which rely on these revenues for essential public services.
- **Job Losses:** Over **33,000 jobs** (direct, indirect, and induced) depend on a sustainable \$180/400\$ Aquifer. State intervention would effectively export these livelihoods to other regions or states.

2. The Forfeiture of State Subsidies

Staff's delay in disclosing DWR's concerns has already shortened by **40%** the time available for the Board to respond. This delay endangers more than just the current **\$7.6M SGM Round 1 Grant**.

- **Grant Disqualification:** DWR has a pattern of withholding or recouping grant funds for non-performance. If we enter probation, the GSA loses its "High Priority" standing for future SGM Round 2 and federal USBR Title XVI funding.
- **The 100% Local Burden:** Without state/federal offsets, the beneficiaries of the eventual PMA (such as the **\$954.6 million** Brackish Groundwater Restoration Project) will be forced to bear **100% of the cost** through Tier 2 fees. This shifts a billion-dollar burden onto local landowners that could have been mitigated by active, transparent grant management.

3. The "Missing Math" of State Fees

The Board has not been presented with a side-by-side comparison of local costs versus the **SWRCB Probation Fee Schedule**.

- **Intervention Baseline:** At **\$300 per well** and **\$40 per acre-foot**, the \$120,000\$ AFY extraction in the \$180/400\$ would cost local extractors over **\$4.8 million annually** in volumetric fees alone.
- **Zero Return:** Unlike local Tier 2 fees, which fund infrastructure to solve SWI, **100% of state fees** go to Sacramento to fund the SWRCB's administrative oversight. This is capital leaving the Salinas Valley with zero hydrologic return.

Requested Actions

I urge the Board to immediately direct staff to:

1. **Monetize the Risk:** Publish a formal "Fiscal Baseline" comparing the costs of local PMAs against the \$2 billion total economic loss (commodities + wages) of state intervention.
2. **Hybrid Scaling Analysis:** Calculate how much capital can be saved on the **\$954.6M BGRP** by implementing quantified Demand Management (DM) targets immediately.
3. **Adopt Transparency Protocols:** Enact a "Public Access First" policy to ensure no future DWR directives are withheld from the Board or the public.

The fate of the \$180/400\$ depends on the Board's willingness to demand precise math over staff narrative.

Sincerely,

Bill Lipe