

Triage and Transition: Alternative Implementation Packet

Executive Summary for formal Board Submittal

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DATE: January 4, 2026

SUBJECT: Numeric Implementation Strategy for the 180/400-Foot Aquifer Subbasin

Overview

This packet provides a ready-to-adopt, numeric implementation roadmap designed to move the 180/400-Foot Aquifer Subbasin from a high-risk qualitative "Framework" to an accountable, data-driven management posture. Current administrative narratives provide no credible management signal for a Critically Overdrafted (COD) basin and risk triggering State Water Resources Control Board (SWRCB) intervention.

The following six-step strategy daylights critical data gaps, establishes a definitive fiscal baseline for the "cost of inaction," and optimizes the **\$954.6 Million** infrastructure investment through integrated scaling.

Packet Components

1. **The Evidentiary Foundation (Review & Critique):** Establishing that the Agency possesses granular data—including harvested acreage and a **\$3.4 Billion** agricultural asset valuation—but has intentionally avoided numeric analysis in its public frameworks.
2. **The Corrective Action Table:** A precision mapping of "missing math" items (e.g., establishing the **\$4.8 Million annual volumetric state fee**) directly to mandated **SGM Round 2 Grant** deliverables.
3. **DWR Determination Simulation:** A diagnostic finding of "**Approved with Corrective Action**" that identifies the regulatory leverage needed to mandate numeric accountability.
4. **Board Resolution No. 2026-XX:** A formal decree adopting numeric intervention baselines, quantified **\$AFY\$ pumping targets**, and "Public Access First" transparency protocols to protect the **\$2.3 Billion** vegetable sector.
5. **Board Staff Report & PowerPoint:** Administrative tools to visualize the "**Hybrid Scaling Analysis**"—showing how quantified Demand Management can lower the capital expenditure (**\$CAPEX\$**) of the **\$954.6 Million BGRP**.
6. **Stakeholder Fact Sheet:** A distillation of the choice between local control and State probation, highlighting the **\$4.8M+ entry cost** of intervention.

The "Missing Math" Value Proposition

The Dec 2025 Project Update Report admits that Demand Management is a tool to **"appropriately scale supply projects"**. This packet enables the Board to identify the "sweet spot" where specific pumping reductions minimize the required capacity and cost of the **Brackish Groundwater Restoration Project (BGRP)**.

Recommendation

It is recommended that the Board of Directors direct staff to integrate this **Corrective Action Table** into all SGM Round 2 feasibility studies immediately to secure regional water security and avoid the unmitigated costs of State Intervention.

Step 1: The Evidentiary Foundation (Review & Critique)

This component formally establishes that the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) possesses the technical means and granular data required for numeric performance standards but has intentionally opted for a qualitative narrative approach. This choice obscures critical financial risks to stakeholders and misaligns the Agency with the requirements for a Critically Overdrafted (COD) basin.

I. Data Availability vs. Narrative Choice

The Agency currently possesses a robust technical baseline that has not been translated into management signals:

- **Granular Baseline Data:** The Agency has documented harvested acreage by major crop type across all subbasins.
- **Monetized Asset Value:** The gross annual value of Salinas Valley agricultural commodities exceeds **\$3.4 Billion**.
- **Probation Cost Knowledge:** The Agency's own reports accurately recite **State Water Resources Control Board (SWRCB)** probation fees of **\$300 per well** and **\$40 per acre-foot**.
- **The "Missing Math":** Despite having these figures, the Agency has failed to perform the simple arithmetic required to inform 180/400 stakeholders of the cumulative annual fiscal "cost of inaction" under state intervention⁷.

II. The Component 6 Failure: Qualitative Obscurity

The "Demand Management Framework" deliverable for the Round 1 Grant (Component 6) fails to meet the standard of care required for the 180/400 Subbasin:

- **Narrative Rankings:** The Framework presents demand management costs using qualitative "low/moderate/high" rankings rather than the quantified numeric projections requested by the public and required for effective triage.
- **Lack of Quantification:** The deliverable is not tied to quantified pumping reductions (\$AFY\$ or percentage goals).
- **SWI Disconnect:** The Framework was initially presented as "SWI ignorant," failing to provide triggers or pathways linked to seawater intrusion thresholds in the 180/400 basin.
- **Scaling Inefficiency:** By failing to quantify demand management, the Agency cannot determine the "sweet spot" where pumping reductions could reduce the **\$954.6 Million** capital cost of the Brackish Groundwater Restoration Project (BGRP).

III. Process Integrity and Procedural Deficiencies

The administrative record reflects a documented trend of undermining transparency and board-level decision-making:

- **Conflicting Intent:** On March 25, 2025, the Agency assured DWR of its "intent" for all subbasins to make recommendations. Within 24 hours, internal communications between the facilitator and staff confirmed a pivot to a single document without individual subbasin work.
- **Committee Manipulation:** Internal directives from March 2025 instructed consultants to craft narratives so it "doesn't look like staff and the consultants are driving the bus" and to get committees to "embrace ideas as their own".
- **Non-Public Policy-Making:** Since at least October 2024, staff and consultants utilized "bcc" email functions to set the stage for committee meetings behind the scenes, withholding preparatory materials from the public in violation of the Brown Act and the **Contracted Staffing Policy**.

Step 2: The "Missing Math" (Corrective Action Table)

This table serves as the primary technical directive to the SVBGSA Board and its technical consultants. It maps the analytical gaps identified in **Step 1** directly to the deliverables mandated by the **SGM Round 2 Implementation Grants**. The objective is to replace the current qualitative "Framework" with a numeric, record-ready implementation strategy for the 180/400-Foot Aquifer Subbasin.

Missing Math / Deficiency	Required Technical Correction	SGM R2 Grant Deliverable Mapping	Deadline
Probation Fiscal Baseline	Apply the established \$40/AF extraction fee and \$300/well charge to the 180/400 extraction volume (~120,000 \$AFY\$).	Economic & Financial Feasibility Study: Must include a numeric side-by-side comparison of State Intervention costs vs. local project assessments.	Spring 2026
Quantified DM Targets	Supersede the qualitative "low/mod/high" rankings with specific \$AFY\$ pumping reduction targets derived from SVIHM/SVOM modeling.	Demand Management Program Rules: Define specific rules, measurement methods, and quantified reduction goals expressed in volume or percentage.	Feb 2026
Infrastructure Scaling Analysis	Quantify how varying levels of Demand Management (10%, 20%, 30%) reduce the required capacity and \$954.6M capital cost of the BGRP.	PMA Selection Process & Criteria: Analysis to identify the optimal cost-effective mix of demand management and supply augmentation.	Spring 2026

Missing Math / Deficiency	Required Technical Correction	SGM R2 Grant Deliverable Mapping	Deadline
Monetized Asset Risk	Calculate the actual fiscal risk to the \$2.3 Billion vegetable sector specifically attributable to Seawater Intrusion (SWI) degradation.	Economic Impact Analysis of DM: Refinement of crop budgets and financial models to determine regional "Willingness to Pay" (WTP).	June 2026
Transparency & Procedural Cure	Address documented discrepancies in reported "intent" and non-public committee communication protocols.	Governance & Outreach Protocols: Formal adoption of "Public Access First" standards for all R2-funded technical sub-committees.	Jan 2026

Implementation Requirements

- **Modeling Integrity:** All calculations must be grounded in the **Salinas Valley Operational Model (SVOM)** and **Seawater Intrusion Model (SWIM)**.
- **Proportionality standard:** Data sets must be developed to withstand legal challenge under the *Patz v. City of San Diego* standard, ensuring fees do not exceed the proportional cost of service.
- **Record-Safe Communication:** All spreadsheets, preparatory guidance, and data tables provided to a committee quorum must be simultaneously made available to the public.

Step 3: Regulatory Leverage (DWR Simulation)

This **DWR Reviewer Simulation** evaluates the **180/400-Foot Aquifer Subbasin GSP Amendment 1**. It identifies the specific regulatory risk of an "**Inadequate**" determination if the SVBGSA continues to rely on narrative frameworks rather than the numeric fixes specified in the **Corrective Action Table**.

I. Simulated DWR Determination Summary

- **Likely Status:** Inadequate / Approved with Corrective Actions.
- **Core Finding:** While technical progress is noted regarding the **Brackish Groundwater Restoration Project (BGRP)**, the **Demand Management (DM) Framework** is found insufficient for a **Critically Overdrafted (COD)** basin because it fails to provide a "credible management signal".
- **Primary Risk:** Failure to address these numeric deficiencies will lead to a referral to the **State Water Resources Control Board (SWRCB)** for potential **State Intervention and Probation**.

II. Deficiency Drivers (23 CCR §354 Series)

1. Technical Inadequacy: Lack of Quantified Demand-Side Goal Setting

- **Regulator View:** The **Fifth Amendment to the Grant Agreement** requires "demand-side goal setting".
- **GSP Violation:** The current Framework relies on qualitative "low/moderate/high" cost assessments.
- **Consequence:** DWR generally rejects "performative optimism" in COD basins. Without **AFY pumping targets**, the management action is not "measurable" or "enforceable" as required by **23 CCR §354.44**.

2. Economic Feasibility: Failure to Quantify the No Action Alternative (NAA)

- **Regulator View:** A defensible NAA must clearly define the "regulatory and financial consequences of inaction".
- **GSP Violation:** The GSA correctly identifies **Probation Fees** (\$300/well + \$40/AF) but fails to apply the math to the subbasin's **120,000 AFY** extraction volume.
- **Consequence:** The absence of this **\$4.8 Million annual volumetric baseline** renders the "Willingness to Pay" analysis for the **\$954.6 Million BGRP** conceptually weak.

3. Integrated Strategy: Lack of Infrastructure Scaling Analysis

- **Regulator View:** GSAs must identify the "cost-effective combination" of projects and management actions.
- **GSP Violation:** The Agency admits DM can "appropriately scale supply projects" but has not modeled how pumping reductions reduce the capital cost of the BGRP.
- **Consequence:** This represents a failure in **integrated implementation strategy**, risking over-investment or financial insolvency.

III. The "Intervention Track" Trigger

DWR will signal that the subbasin is at **Stage 3 or 4 (At Risk / Likely Probation)** if the GSA does not pivot to numeric accountability by the February 2026 deadline.

- **SWRCB Triggers:** If the GSP is found "Inadequate" and not corrected, the state backstop becomes unavoidable.
- **Direct Impact:** Stakeholders lose local control, and the state may mandate an "engineered solution" paid for by landowners without the benefit of local grant offsets.

Step 4: The Formal Decree (Board Resolution 2026-XX)

This resolution formalizes the policy pivot from qualitative "frameworks" to numeric performance standards. By adopting this decree, the Board establishes an authoritative mandate for technical consultants and Agency staff to provide the "missing math" necessary for regulatory compliance and fiscal transparency.

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SALINAS VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY ADOPTING NUMERIC PERFORMANCE STANDARDS, INTERVENTION COST BASELINES, AND ENHANCED TRANSPARENCY PROTOCOLS FOR THE 180/400-FOOT AQUIFER SUBBASIN

WHEREAS, the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) is responsible for the management of the 180/400-Foot Aquifer Subbasin, a critically overdrafted (COD) basin as classified by the Department of Water Resources (DWR); and

WHEREAS, the Board has reviewed the **180/400-Foot Aquifer Subbasin Project Update Report (December 2025)**, identifying the **Brackish Groundwater Restoration Project (BGRP)** as a technically viable solution to meet seawater intrusion (SWI) Minimum Thresholds (MT); and

WHEREAS, public comment and administrative review have identified a "missing math" gap regarding the fiscal comparison between local project implementation and the definitive costs of **State Water Resources Control Board (SWRCB) Intervention**; and

WHEREAS, the Board recognizes that effective triage of a COD basin requires an integrated strategy that scales infrastructure investments in direct coordination with quantified demand management targets.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the SVBGSA as follows:

1. Establishment of the "Intervention Fiscal Baseline"

The General Manager and technical consultants are hereby directed to establish a numeric fiscal baseline for the **No Action Alternative (NAA)**. This calculation shall apply the established SWRCB probation fees—**\$300 per well** and **\$40 per acre-foot**—to the 180/400 Subbasin's estimated extraction volume (~120,000 \$AFY\$) to inform stakeholders of the minimum annual cost of state intervention.

2. Transition to Quantified Demand Management (DM) Targets

The Agency shall supersede the qualitative "Low/Moderate/High" risk rankings in the Demand Management Framework. Staff is directed to utilize the **Salinas Valley Operational Model (SVOM)** to establish specific pumping reduction targets, expressed in **acre-feet per year (\$AFY\$) or percentage-based goals**, for the 180/400 Subbasin no later than **February 2026**.

3. Integrated Project Scaling Mandate

All future engineering and feasibility reports for the **\$954.6 Million BGRP** must include a "Hybrid Scaling Analysis". This analysis shall determine the degree to which quantified pumping reductions (DM) can decrease the required capacity, and thus the total capital and operational cost, of the extraction barrier and treatment facilities.

4. Adoption of "Public Access First" Transparency Protocols

To ensure procedural integrity and consistent with the **Contracted Staffing Policy (Resolution 2025-06)**, the Agency adopts the following protocols for all grant-funded committees:

- **Simultaneous Dissemination:** All written materials, including preparatory data and guidance, provided to a Committee quorum must be disseminated to the public simultaneously.
- **Prohibition of "BCC" Policy-Making:** The use of non-public email lists to set meeting narratives or provide technical guidance to Committee members is hereby prohibited.

5. Economic Risk Monetization

Technical consultants are directed to monetize the fiscal risk to the **\$2.3 Billion** vegetable production sector within the 180/400 Subbasin attributable to ongoing seawater intrusion. This data shall be incorporated into the "Willingness to Pay" (WTP) analysis required for the **USBR Title XVI Feasibility Study**.

PASSED AND ADOPTED this ____ day of January 2026.

Step 5: Implementation Documents

These documents are designed to formalize the transition to numeric standards for the SVBGSA Board of Directors. They explicitly incorporate the "Hidden Costs of Intervention" to ensure the Board and stakeholders recognize that the **No Action Alternative (NAA)** represents a catastrophic loss of regional economic control.

I. Staff Report (Board Packet Item)

ITEM: Adoption of Numeric Performance Standards and Integrated Infrastructure Scaling for the 180/400-Foot Aquifer Subbasin.

MEETING DATE: January 2026

1. RECOMMENDATION

That the Board of Directors adopt Resolution No. 2026-XX, establishing numeric fiscal baselines for State Intervention and directing the quantification of Demand Management (DM) targets to scale regional infrastructure projects.

2. BACKGROUND

The December 2025 Project Update Report confirms that the Brackish Groundwater Restoration Project (BGRP) is the only modeled solution capable of meeting the 2040 Seawater Intrusion (SWI) Minimum Threshold (MT). However, the current administrative record lacks the numeric math required for stakeholders to evaluate the \$954.6 Million BGRP price tag against the real-world costs of a "No Action" scenario.

3. ANALYSIS: THE TRUE COST OF INTERVENTION

To maintain regulatory adequacy, the Agency must move beyond narrative cost descriptions and quantify the following risks associated with State Water Resources Control Board (SWRCB) Intervention:

- **Immediate Probation Fees:** Volumetric fees of **\$40/AF** applied to the 180/400 Subbasin's **120,000 AFY** extraction volume represent a **\$4.8 Million annual bill** to local pumpers for state oversight alone.
- **Asset Risk to the \$2.3 Billion Vegetable Sector:** SWI directly threatens **100,600 harvested acres** in the 180/400 Subbasin. State-mandated pumping limits under an "Interim Plan" could bypass local economic priorities, placing over **\$2.3 Billion** in annual crop value at risk.

- **Loss of Local Control over Infrastructure:** Under intervention, the State can mandate engineered solutions. This removes the Agency's ability to leverage **USBR Title XVI** grants or optimize costs through local "Hybrid Scaling," potentially forcing landowners to bear 100% of capital costs without grant offsets.

4. FISCAL IMPACT

Adoption of these standards secures the defensibility of SGM R2 Grant reimbursements and federal funding applications. Failure to act increases the probability of DWR finding the GSP "Inadequate," leading directly to the state intervention costs described above.

II. PowerPoint Presentation Outline

Slide 1: Triage and Transition: The 180/400 Implementation Strategy

- **Objective:** Adopt numeric performance standards and formalize transparency.
- **The Goal:** Provide stakeholders with the "Missing Math" to choose between local control and State probation.

Slide 2: The \$4.8 Million "Entry Fee" for Probation

- **Known Fees:** \$300/well and \$40/AF.
- **The Baseline:** Extraction of **120,000 AFY = \$4.8 Million/year** in volumetric fees paid to the State.
- **Note:** These fees only cover "oversight" and do not contribute to local water supply projects.

Slide 3: High-Tier Intervention Risks: Beyond Fees

- **State-Mandated Pumping Limits:** The SWRCB can enforce ramp-downs that bypass Salinas Valley economic logic.
- **Asset Risk:** **\$2.3 Billion** in vegetable production at risk from advancing SWI.
- **Stranded Assets:** Risk to land values currently averaging **\$38,000–\$64,000 per acre** if the freshwater source is lost.

Slide 4: The Solution: Hybrid Scaling of the BGRP

- **Infrastructure Cost:** The BGRP Injection Only scenario is estimated at **\$954.6 Million**.
- **The Efficiency Lever:** DM can "appropriately scale supply projects".
- **The Math Required:** Evaluate how **10–30% pumping reductions** can reduce the size and capital cost of the extraction barrier and treatment plant.

Slide 5: Integrity and Transparency Protocols

- **Requirement:** Adhere to **Resolution 2025-06 (Contracted Staffing Policy)**.
- **Correction:** Adopt "Public Access First" protocols—no more "BCC" policy-making.
- **Benefit:** Increases the credibility of GSP implementation claims before DWR and the public.

Slide 6: Conclusion and Recommended Action

- **Adoption:** Move to approve **Resolution No. 2026-XX** to secure regional water security and local control.

Step 6: The Stakeholder Fact Sheet

This summary distills the complex technical and regulatory data from the **180/400-Foot Aquifer Subbasin Project Update Report** and recent administrative filings. It is designed to provide 180/400 Subbasin landowners and stakeholders with the numeric clarity needed to evaluate the true costs of local management versus State intervention.

The 180/400 Subbasin Choice: Local Control vs. State Probation

I. The Cost of Inaction (State Intervention)

If the Subbasin fails to meet Seawater Intrusion (SWI) Minimum Thresholds, the **State Water Resources Control Board (SWRCB)** has the authority to intervene.

- **Annual State Fees:** A minimum of **\$4.8 Million per year** in volumetric extraction fees (\$40/AF based on ~120,000 AFY) plus **\$300 per well**.
- **Pumping Limits:** The State can mandate immediate, non-negotiable extraction reductions that bypass local economic considerations.
- **Mandated Projects:** The State may force the construction of infrastructure, with **100% of the cost** billed to local pumbers without the benefit of local grant-offset optimization.

II. The Asset at Risk: \$2.3 Billion

The 180/400 Subbasin supports the most productive agricultural land in the Salinas Valley.

- **Vegetable Production:** Over **\$2.3 Billion** in annual gross value is directly threatened by advancing seawater intrusion.
- **Land Value:** Agricultural parcels currently average between **\$38,000 and \$64,000 per acre**; these values depend entirely on a sustainable freshwater source.
- **Regional Jobs:** Over **33,000 jobs** and **\$2.9 Billion** in labor income are tied to the continued viability of this aquifer.

III. The Local Strategy: "Hybrid Scaling"

The GSA has identified a path to meet sustainability goals, but it requires moving from narrative frameworks to numeric math.

- **Technical Solution:** An **Extraction Barrier with Injection** (BGRP) is the only project modeled to meet the 2040 Minimum Threshold.
- **The Price Tag:** The estimated capital cost is **\$954.6 Million**.

- **The Triage Opportunity:** By adopting **Quantified Demand Management Targets**, the GSA can "appropriately scale" the BGRP. Pumping reductions of 10–20% can potentially reduce the project size, saving hundreds of millions in capital expenditures and long-term O&M.

IV. Stakeholder Asks for the Board

1. **Show the Math:** Demand a side-by-side fiscal comparison of the total cost of State Intervention versus local "Hybrid Scaling" assessments.
2. **Set Numeric Targets:** Require the Agency to replace "low/mod/high" cost labels with specific **AFY reduction goals** by February 2026.
3. **Public Access First:** Ensure all technical data and preparatory guidance provided to committees are available to the public simultaneously.