

Personnel:

There has been quite a bit of change since the last Board meeting. Our Senior Secretary, Yolanda Maciel, has left the Agency and moved to Holland to care for family. Yolanda was not with the Agency long but quickly became an integral and dependable member of the Administration team, quickly picking up public meeting protocols and procedures. Yolanda was also critical to improvements in the Boat Dock Program, where she significantly increased the annual licensing compliance and was successful in collecting numerous delinquent fees. She is missed. Also moving on to pursue his post-graduate work is our Water Resources Technician, Mackaby Pennington. Mac started with the Agency as an intern in June 2024 and assumed a position as a Water Resources Technician in September 2024. From Day 1, Mac has been an integral part of executing the Groundwater Monitoring Program and has supported a range of other Agency programs and projects including ALERT maintenance, environmental compliance monitoring, and the annual River Series. We are grateful for the time that Mac has been part of the Hydrology & Environmental Resources team and wish him well on his next adventure!

Joining the team is our new Water Maintenance Worker, James Dickey. James resides in Paso Robles and began work at the dams on July 27th, reporting to our Dam Superintendent, Pat Ledo. We look forward to supporting James as he progresses through dam operations training, certifications, and skill development, with the goal of increasing his responsibilities and professional growth. In addition to backfilling Yolanda and Mac's departures, the Agency has an open recruitment for two Associate Water Resources Hydrologist vacancies – one in the Operations section and one in the Hydrology & Environmental Resources section.

Annual Assessment Roll Preparation:

One of the most important annual exercises the Agency undertakes each year is the update and verification of the County's tax roll data, which is the basis for the Agency's "zone" revenues. These assessments represent approximately 46% of the Agency's total annual revenue. Rates for the various assessment zones are updated in the assessment portal and the various tax rate areas go through an annual reconciliation process and comprehensive review of parcel records within the Agency's assessment zones.

Using a geographic information system (GIS) and assessment data, the team identifies parcels requiring correction or further review and records missing key assessment information such as acreage, land use codes/factors, and Zone 2C subareas. The team then performs quality control of the updated assessment roll by cross-referencing parcel changes in the tax portal against the working assessment records, as well as all recorded Monterey County parcel data. This review helps identify discrepancies and ensure that additions, reactivations, inactivations, and deactivations are accurately reflected in the Agency's records, with any remaining issues coordinated with the County's Information Technology Department for correction. Ultimately, the Agency sends the updated tax roll to the County Assessor to be included in the upcoming tax bills.

This annual effort is supported by staff from Finance, Operations, and Hydrology. In particular, I want to recognize Tanya Lewis, Mallory Roberts, and Amanda Cusenza for their successful collaboration and significant contributions to this year's exercise.

Groundwater Monitoring Program:

Our hydrology team is getting a workout with the first round of water quality sampling for seawater intrusion and sampling of the deep aquifers wells now complete. The second round of SWI sampling started off strong in August and will continue through September, thanks to support from Amanda Cusenza, Rocio Bravo, and Ricardo Carmona, while the August Trough will be performed on Sunday, August 23rd. Also, the annual Salinas River Series will be conducted at the end of August.

Regarding De Minimis well owners subject to the Groundwater Monitoring Program, we now have two options regarding their cost burden. The issue of direct billing De Minimis well owners in FY'27 has been resolved through funding made available by the County Board of Supervisors from the Measure AA fund. The alternative is County sponsored state legislation that is currently in play, AB 2728 (Soria), that would allow the Agency to exempt De Minimis well owners from the costs of the GMP, which would be the case under SGMA if the GMP was administered by the SVBGSA. Prior to the legislative break, the State Senate Local Government and Natural Resources and Water committees advanced the legislation on consent. Now, the State Assembly will begin its consideration. Depending upon the timing and fate of AB 2728, we may look to amend our GMP budget and rates in the Sep-Oct timeframe.

Salinas Valley Basin Groundwater Sustainability Agency:

The SVBGSA Board of Directors is set to meet August 13th to consider recommendations regarding the formulation of portfolios of actions expected to achieve the SVBGSA's minimum thresholds for groundwater sustainability. The SVBGSA Advisory Committee meet on July 16th to discuss the portfolios and chose to advance Portfolios 3A and 4, with considerations. On August 6th, the SVBGSA's 180/400 and Eastside subbasins committees meet and discussed the Advisory Committee's action and developed additional considerations for the SVBGSA Board. On July 7th, Agency staff sent a letter encouraging the SVBGSA Board to narrow the focus to Portfolio 3A, with considerations, as the foundation for the SVBGSA's future analysis and potential development, so as to improve the direction and focus of the planning effort and ensure that the human and financial resources dedicated to it are applied responsibly and efficaciously. On August 10th, the August 13th Board meeting packet was circulated, which included a SVBGSA staff recommendation supporting Portfolio 3A as the preferred Integrated Implementation Strategy (IIS) portfolio of Projects and Management Actions (PMAs), together with the Advisory Committee's list of considerations.

Also set for consideration on August 13th is consideration of the SVBGSA's response to the May 2026 Civil Grand Jury report examining seawater intrusion. The report made 4 findings and recommendations targeted at the SVBGSA, the Agency, and the County. The Agency and County presented its joint response on June 25, 2026. The SVBGSA's response is aligned with our Joint response and specifically addresses the report's Findings & Recommendations 1 and 4, and generally Finding & Recommendation 3. The SVBGSA response is attached with this report.

Castroville Seawater Intrusion Program:

CSIP operations continue as expected, with minimal well production and diversions at the Salinas River Diversion Facility that are on track for another major year. Regarding the Salinas Valley Reclamation Project, Pete Vanerus managed our recently completed third-party review of the

Monterey One Water-led design for replacement of the 21kV switchgear that provides electricity to the SVRP. In general, the third-party review finds the design and cost estimates to be appropriate and offers recommendations to improve project risk and cost management. The Agency is planning to hold its next CSIP landowners meeting on October 16th to discuss funding for the 21kV project as well as other major repair needs and potential optimization projects.

Grazing Leases Program:

The Agency manages grazing leases on Agency owned lands surrounding the Nacimiento and San Antonio Reservoirs. This Program supports responsible livestock grazing while promoting watershed protection, vegetation management, wildfire fuel reduction, infrastructure stewardship, and long-term land management objectives. These lands are separated into five separate grazing lease areas that will be available, beginning on November 1, 2026, for a ten-year lease term. Grazing activities are governed by Grazing Lease Agreements, which were recently updated. The Agency just conducted its Grazing Lease bidding and live auction. The auction was well attended and ran smoothly, resulting in the successful selection of the highest qualified bidders for the available lease areas. The successful bidders are completing the required lease documentation and have been working with staff on additional requirements and process. The bidding results and lease agreements are being finalized for certification by the Water Resources Agency Board of Supervisors later this month. I have received nothing but positive feedback regarding the 2026 Lease updates and auction process. Kudos to Shaunna Murray, Jessell Fenley, Tom Shepard, and Mallory Roberts for their good and continuing work to improve the program and its outcomes.

Mussel Prevention Program:

With summer in full swing, so are efforts to prevent invasive mussels from entering our reservoirs. This work is a collaboration between the Agency, County of Monterey Parks and Rangers, the County of San Luis Obispo, and private homeowner associations around Nacimiento reservoir. July inspection activity estimates approximately 2,000 at Nacimiento, 1,372 banded and about a 10% denial rate, and about 700 inspections at San Antonio with most boats being banded. The Rangers continue to write citations for mussel prevention program violations and SLO is performing quality control checks of their Resident Vessel Program. The Oak Shores community has started performing boater exit interviews and doing Watercraft Inspection & Decontamination (WID) data sharing system exit interview training for their inspectors this year, and the Cal Shasta community is considering doing the same. Our biologist, Marinn Browne, is working with the California Department of Fish and Wildlife to complete the San Antonio Reservoir Mussel Prevention Plan, which will make it then eligible for grant funding. The group is also engaged on CDFW proposed changes to existing regulations and legislative activity that could set statewide standards for quarantine and/or decontamination processes.