



CALIFORNIA DEPARTMENT OF WATER RESOURCES

SUSTAINABLE GROUNDWATER MANAGEMENT OFFICE

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August 20, 2026

David McNair
Santa Margarita Basin – Plan Manager
2 Civic Center Drive
Scotts Valley, CA 95066
dmcnair@svwd.org

RE: Review of Annual Report for the Santa Margarita Basin, Water Year 2025

Dear David McNair,

As the basin point of contact for the groundwater sustainability plan (GSP) in the Santa Margarita Basin (Basin), this letter is to inform you that the Department of Water Resources (Department) has completed the review of the annual report for the Basin for Water Year 2025 and determined that no further information or action is required at this time.

Following the adoption of a GSP and annually thereafter, the Sustainable Groundwater Management Act (SGMA) requires that an annual report be submitted to the Department by April 1 (Wat. Code § 10728). Once an annual report has been submitted, the Department is required to notify the submitting groundwater sustainability agency (GSA) of receipt within 20 days, review the information to determine whether the basin's GSP is being implemented in a manner likely to achieve its established sustainability goal, and notify the GSA in writing if additional information is required (23 CCR § 355.8).

The submitted information appears to satisfy the requirements of the GSP Regulations (23 CCR § 356.2), so the Department does not require additional information at this time. Previously, following a comprehensive evaluation of the GSP for the Basin, the Department issued an assessment that the GSP was likely to achieve the sustainability goal for the Basin. Following review of the Water Year 2025 annual report, the Department has determined that the GSP continues to be implemented in a manner consistent with achieving the Basin's sustainability goal as described in the GSP.

The Department noted that the annual report provided an update on all the applicable sustainable management criteria for the basin, as required by GSP Regulations (23 CCR § 356.2). SGMA requires that the GSA continue to include this information in the next annual report, including a description of progress towards implementing the GSP for each of the applicable sustainability indicators.

The Department requires that the submitting agency provide implementation updates on the SGMA Portal Projects and Management Actions (PMA) Module during each water year. The Department noted that implementation updates on all the PMAs were

provided on the SGMA Portal PMA Module, as required by GSP Regulations (23 CCR § 356.2). The Department will require that the submitting agency provide implementation updates on the SGMA Portal PMA Module during each water year. Implementation updates provide a way to report and track progress such as status, accrued benefits, and funding updates on the implementation of the basin's PMAs. Reporting accurate, detailed, and measurable information in the SGMA Portal PMA Module (such as current status, a time-table for the accrual of benefits, and funding updates on implementation) clearly demonstrates any progress in implementing projects and management actions to the Department since the previous annual report.

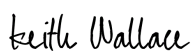
The Department's review of this and other annual reports noted that information contained in the annual report may not precisely match the schedules, projections, or estimates reported in the initial GSP as approved by the Department due to numerous factors over which a GSA has varying levels of knowledge and control (e.g., annual hydrology, actions of other private or public entities, unforeseen delays or events, and unexpected physical or geologic processes, etc.).

It is State policy that sustainable groundwater management is best achieved locally through the development, implementation, and updating of plans and programs (Wat. Code §113, §10720.1). Accordingly, for this Basin, the Department concluded that any discrepancies between information in the annual report and the GSP as approved by the Department did not, at this time, create an appreciable concern regarding GSP implementation and its continued likelihood of achieving the Basin's sustainability goal.

The Department anticipates conducting a review of GSP implementation as part of its periodic review of the GSP, which, in contrast to annual report reviews that consider information about only one year, will look at the periodic evaluation and the collective annual reports that provide the Department with numerous years of reporting data to better assess trends, issues, or conditions of concern in the basin, and whether GSP implementation remains on track to achieve sustainability.

Please contact the assigned Department basin point-of-contact or sgmps@water.ca.gov if you have questions about this notice or the annual reporting process. The Department looks forward to receiving your Water Year 2026 Annual Report by April 1, 2027.

Thank You,



Keith Wallace, P.E.
Assistant Deputy Director
Sustainable Water Management