NOTICE OF PREPARATION

FROM: Stefan Galvez-Abadia
Director of Environmental Services
California High-Speed Rail Authority
770 L Street, Suite 620
Sacramento, CA 95814

SUBJECT: Notice of Preparation of a Project-Level Supplemental Environmental Impact Report (SEIR) for the Gilroy to Central Valley Wye Project Segment of the San Jose to Merced Project Section of the High-Speed Rail (HSR) System - State Clearinghouse # 2009022083 (CEQA Guidelines §15082(e))

The California High-Speed Rail Authority (Authority), as the Lead Agency for the California Environmental Quality Act (CEQA) for the proposed California High-Speed Rail (HSR) system, is issuing this Notice of Preparation (NOP) of a Project-Level Supplemental Environmental Impact Report (SEIR) for the Gilroy to Central Valley Wye Project Segment (G-Y Project Segment), which is part of the San Jose to Merced Project Section of the HSR system, to initiate the CEQA process and preparation of the SEIR.

The Authority is issuing this NOP to solicit public and agency input on the development of the scope of the SEIR and to advise the public that outreach activities will be conducted by the Authority and its representatives in the preparation of the SEIR.

The Authority and the Federal Railroad Administration (FRA), as the lead federal agency under the National Environmental Policy Act (NEPA), completed a Final Statewide Program EIR/EIS in August 2005 as the first phase of a tiered environmental review process for the proposed California HSR system. The Authority and the FRA completed a second Program EIR/EIS in 2008 to identify a preferred corridor for the Bay Area to Central Valley portion of the HSR system, which includes the San Jose to Merced Project Section, and selected preferred corridors across most of the system for further study. The Bay Area to Central Valley HSR Final Program EIR/EIS, and the 2012 Partially Revised Final Program EIR, identified a preferred corridor following the Caltrain rail right-of-way, between San Francisco and San Jose along the San Francisco Peninsula, through Pacheco Pass and via Henry Miller Road, between San Jose and the Central Valley. The Authority and FRA selected the preferred corridor between the Bay Area and Central Valley to advance for further study.

The Authority completed a project level EIR/EIS for the San Jose to Merced Project Section of the HSR system in 2022, tiering from the two program EIR/EISs (Statewide and Bay Area to Central Valley). The Authority approved the Alternative 4 alignment (Previously Approved Alignment) for the San Jose to Merced Project Section that would connect San Jose to the Central Valley portion of the HSR system at the Central Valley Wye in Merced County. The Previously Approved Alignment included 15.1 miles of the alignment in a bored tunnel configuration and crossing the Diablo Range within the G-Y Project Segment. The costs of delivering this Project Segment, including the originally proposed tunnels in Alternative 4, are substantial. Current revenue forecasts cannot accommodate the costs for Alternative 4 in the timeframe specified in the 2026 Business Plan for the HSR system. Information on the 2026 Business Plan is provided in the Supplementary Information section below. As a result, the Authority is considering alternative ways to deliver the G-Y Project Segment within the cost and funding constraints described in the 2026 Business Plan, which includes recent diminished reliability for federal funding.

The Authority intends to prepare a separate Supplemental Environmental Impact Statement (SEIS) under NEPA for the G-Y Project Segment. Pursuant to U.S. Code (U.S.C.) Title 23 Section 327, under the NEPA Assignment Memorandum of Understanding between the FRA and the State of California, amended July 22, 2024, the Authority is the federal lead agency for environmental reviews and approvals for all Authority Phase 1 and Phase 2 California HSR System projects, including ancillary facilities. In this role, the Authority is the project sponsor and the lead federal agency for complying with NEPA and other federal laws for the California HSR System, including the G-Y Project Segment.

The G-Y Project Segment SEIR will evaluate three new alternative (Alternative 5, Alternative 6, and Alternative 7) designs through the Diablo Mountain Range, from south of the City of Gilroy to northeast of the City of Los Banos, in order to develop a project section that is economically feasible and constructable within the timeline presented in the 2026 Business Plan. The new alternatives being considered are expected to reduce project costs by reducing tunneling configuration. Additionally, the Authority is considering a phased delivery approach, including maximizing single track alignment in the initial phase, to reduce the initial capital cost required to deliver a fully operational Project within the timeline specified in the 2026 Business Plan.

The G-Y Project Segment SEIR will describe environmental impacts, including cumulative impacts, identify specific mitigation measures to address significant impacts, and incorporate Impact Avoidance and Minimization Features (IAMFs) to avoid and minimize potential significant environmental impacts. The Authority will assess the site characteristics, size, nature, and timing of proposed G-Y Project Segment features to determine whether the impacts are potentially significant, and whether potentially significant impacts can be avoided or mitigated. The SEIR will evaluate the impacts from construction, operation, and maintenance of the G-Y Project Segment alternatives. Information and documents regarding this HSR environmental review process will be made available through the Authority's internet site: https//www.hsr.ca.gov/.

DATES: Written comments on the scope of the G-Y Project Segment SEIR should be provided to the Authority at the earliest possible date, but no later than November 13, 2026. Public scoping meetings are scheduled from November 4, 2026 through November 9, 2026 as noted below.

ADDRESSES: Written comments on the scope of this SEIR should be sent to Stefan Galvez-Abadia, Director of Environmental Services, ATTN: G-Y Project Segment HSR Project SEIR Scoping Comment, California High-Speed Rail Authority, 770 L Street, Suite 620, Sacramento, CA 95814, or via email with subject line “G-Y Project Segment HSR Scoping Comment" to: gilroy_wye@hsr.ca.gov. Comments may also be provided orally or in writing at the scoping meetings.

FOR FURTHER INFORMATION, CONTACT: Stefan Galvez-Abadia at the above-noted address.

SUPPLEMENTARY INFORMATION: The California High-Speed Rail Authority (Authority) was established in 1996, and is authorized and directed by statute to undertake the planning and development of a proposed statewide HSR network that is fully coordinated with other public transportation services. The California State Legislature has granted the Authority the powers necessary to oversee construction and operation of a statewide HSR network once financing is secured. As part of the Authority’s efforts to implement an HSR system, the Authority adopted a Business Plan in June 2000, which reviewed the economic feasibility of an 800-mile-long HSR system capable of speeds in excess of 200 miles per hour. The Authority released its latest updated Business Plan in June 2026. The 2026 Business Plan outlined its commitments for delivery of the system within a constrained timeframe and funding scheme.

In 2005, the Authority and FRA completed a Final Program EIR/EIS for the Proposed California High Speed Rail System (Statewide Program EIR/EIS), as the first phase of a tiered environmental review process. The Authority certified the Final Program EIR under CEQA and approved the proposed HSR System, and FRA issued a Record of Decision under NEPA on the Final Program EIS. This statewide program EIR/EIS established the purpose and need for the HSR system, analyzed an HSR system, and compared it with a No Project Alternative and a Modal Alternative. In addition to certifying and approving the statewide program EIR/EIS, the Authority and the FRA selected the HSR Project Alternative, selected certain corridors/general alignments and general station locations for further study, incorporated mitigation strategies and design practices, and specified further measures to guide the development of the HSR system at the site-specific project level of environmental review to avoid and minimize potential adverse environmental impacts. In conjunction with the subsequent Bay Area to Central Valley HSR Final Program EIR/EIS and Partially Revised Final Program EIR, the Authority and FRA selected the Caltrain/Union Pacific Railroad (UPRR) corridor between San Jose and Gilroy to connect with the San Francisco to San Jose section; and from Gilroy to Merced, the Authority selected the Pacheco Pass and Henry Miller

Road corridor to connect with the Central Valley section of the HSR system as the preferred alternative to advance for further study.

The San Jose to Merced Project Section EIR/EIS was a second-tier environmental review for the HSR system. The Authority Board certified the Final EIR/EIS and approved Alternative 4 in 2022. The Previously Approved Alignment includes the San Jose Diridon Station, existing rail corridor upgrades between San Jose and Gilroy, a downtown Gilroy station, the South Gilroy maintenance-of-way facility, dedicated high-speed rail infrastructure through Pacheco Pass, and dedicated high-speed rail infrastructure continuing across the San Joaquin Valley to connect to the Central Valley Wye. The EIR/EIS tiered from the certified Final Statewide Program EIR/EIS and the Final Bay Area to Central Valley HSR Program EIR/EIS in accordance with State CEQA Guidelines (14 California Code of Regulations [CCR] Section15168[b]).

The San Jose to Merced Project Section must be funded in its entirety to feasibly deliver and operate the full HSR Project from San Francisco to Anaheim, in conjunction with the approved and under construction Merced to Fresno and Fresno to Bakersfield project sections. Since the environmental clearance of this project section in 2022, costs of delivering infrastructure have substantially increased. Current revenue forecasts cannot accommodate the substantial increases in costs of delivering this project as envisioned in the timeframe specified in the 2026 Business Plan. Therefore, it is not practicable to secure funding to deliver the project section as currently designed and approved. As a result, the Authority is exploring optimized design solutions for the San Jose to Merced Project Section that maximize cost effectiveness and reduce delivery schedule, while maintaining premium and frequent high-speed operations.

Project Objectives/Purpose and Need: The Project Objective/ Purpose and Need of the G-Y Project Segment remains the same as the Project Objective/ Purpose and Need included in Chapter 1, Section 1.2 of the 2022 Final EIR/EIS. The purpose of the statewide HSR system is to provide a reliable high-speed electric-powered train system that links the major metropolitan areas of the state, and that delivers predictable and consistent travel times. A further objective is to provide an interface with commercial airports, mass transit, and the highway network, and to relieve capacity constraints of the existing transportation system as increases in intercity travel demand in California occur, in a manner sensitive to and protective of California's unique natural resources. The need for a HSR system is directly related to the expected growth in population and increase in intercity travel demand in California over the next 20 years and beyond. With growth in travel demand, there will be an increase in travel delays arising from the growing congestion on California's highways and at airports. In addition, there will be negative effects on the economy, quality of life, and air quality in and around California's metropolitan areas from transportation systems that will become less reliable as travel demand increases. The intercity highway system, commercial airports, and conventional passenger rail serving the intercity travel market are currently operating at or near capacity, and will require large public investments for maintenance and expansion to meet existing demand and future growth.

Alternatives: The G-Y Project Segment SEIR will include the Previously Approved Alignment from the 2022 Final EIR/EIS as the No Project Alternative and three new alternatives within the G-Y study area.

No Project Alternative (Previously Approved Alignment, Alternative 4): The Previously Approved Alignment as included in the 2022 San Jose to Merced Project Section Final EIR/EIS will serve as the No Project Alternative for the G-Y Project Segment SEIR, inclusive of adopted mitigation measures. The previously Approved Alignment extends east from Gilroy through Pacheco Pass, generally following State Route (SR) 152, and then along Henry Miller Road. The previously Approved Alignment includes 15.1 miles of double-track in a bored tunnel configuration, 13.8 miles in an elevated guideway configuration, and 17.2 miles in an embankment configuration, for a total of 46.1 route-miles within the G-Y Project Segment. The Previously Approved Alignment would be delivered in a fully double-track alignment in one construction period.

Proposed Alternatives for Study: The Authority has developed three new alternatives under consideration for the G-Y Project Segment, Alternatives 5, 6, and 7. These new alternatives present different routes and alignment configurations through the Pacheco Pass and the Diablo mountain range (**Error! Reference source not found.**). The three new Alternatives under consideration share the same project limits and converge with the approved SJ-M Project Section Alignment at the same locations, including at Carnadero Avenue south of Gilroy on the west, and at Henry Miller Road and Mud Slough just northeast of Los Banos. Alternative 5 follows the same horizontal alignment as the Previously Approved Alignment, Alternative 4, travelling parallel to SR 152, north of San Luis Reservoir. Alternatives 6 and 7 are two variations of a new horizontal alignment south of San Luis Reservoir.

- **Alternative 5:** Alternative 5 follows the same horizontal alignment as the Previously Approved Alignment, Alternative 4, but has a different vertical profile with reduced tunnel configuration. The alignment travels south of Gilroy, then east across the Pajaro River floodplain and Soap Lake. The alignment then proceeds north at Casa de Fruta, and generally follows SR 152 through Pacheco Pass and north of San Luis Reservoir. It then curves south to Volta, then east to Henry Miller Road. Alternative 5 would include approximately 10.7 miles of the alignment in a bored tunnel configuration, 16.3 miles in an elevated guideway configuration, and 19.1 miles in embankment configuration, for a total of 46.1 route-miles within the G-Y Project Segment.

- **Alternative 6**: Alternative 6 travels south of the San Luis reservoir in a new corridor not previously considered. The alignment travels south of Gilroy and diverts from the Previously Approved Alignment across Soap Lake toward the unincorporated Dunneville area, then east across SR 156 and across the Inner Coast Range south of the San Luis Reservoir. The alignment then heads northeast of Los Banos to then converge back with the Previously Approved Alignment along Henry Miller Road east of the community of Volta. Alternative 6

would include approximately 4 miles of the alignment in a bored tunnel configuration, 11.1 miles in an elevated guideway configuration, and 30.4 miles in an embankment configuration, for a total of 45.5 route-miles within the G-Y Project Segment.

- **Alternative 7:** Alternative 7 travels south of the San Luis reservoir in a new corridor not previously considered, similar to Alternative 6. Alternative 7 has two alignment variations from Alternative 6. One variation travels across Soap Lake north of Alternative 6, then follows the same alignment as Alternative 6 along Comstock Road. A second variation on the East side of the Diablo Mountain range diverts from Alternative 6 further south between the San Luis Reservoir and the Los Banos Reservoir. Alternative 7 would include approximately 4 miles of the alignment in a bored tunnel configuration, 13.6 miles in an elevated guideway configuration, and 28.1 miles in an embankment configuration, for a total of 45.7 route-miles within the G-Y Project Segment.

Common Project Alternative Features:

- **Phased Implementation:** Alternatives 5, 6, and 7 would be delivered in multiple phases during two separate construction periods. The first phase would deliver a mostly single-track alignment with passing sidings in limited locations to facilitate operations identified in the 2026 Business Plan. The second phase would include the construction of a second track in a parallel alignment to the first track, resulting in a double track alignment for the entire G-Y Project Segment.
- **Grade Separation:** Alternatives 5, 6, and 7 would be entirely grade-separated, similar to the previously Approved Alignment in the G-Y Project Segment.
- **Stations:** There are no stations in the G-Y Project Segment.
- **Maintenance Facility:** Alternatives 5, 6, and 7 include the same maintenance-of-way facility as the Previously Approved Alignment south of Gilroy. Alternatives 6 and 7 modify the siting of the facility location slightly.
- **Other Elements:** The new alternatives also include traction power facilities, train control and communication facilities, and access roads.

Maps of the G-Y Project Segment Study Area and Alternatives are presented below in Figure 1 and Figure 2.

Probable Effects: The purpose of the SEIR process is to explore the effects of the proposed project on the environment. The Authority will build on the previous San Jose to Merced tiered evaluation of all significant environmental impacts of the construction and operation of the HSR system for the G-Y Project Segment. Impact areas to be addressed include transportation; air quality and greenhouse gases; noise and vibration; electromagnetic fields and interference; public utilities and energy; biological and aquatic resources; hydrology and water resources; geology, soils, seismicity, and paleontological resources; hazardous materials and wastes; safety and security; land use and development; community impacts such as division of communities, displacements, and relocations; agricultural farmland; parks, recreation and open space; aesthetics and visual quality; cultural resources; regional growth; and cumulative

impacts. Measures to avoid, minimize, and mitigate significant impacts will be identified and evaluated, including potentially new or different measures than those previously adopted.

Scoping and Comments: The Authority encourages broad participation in the SEIR process during scoping and review of the resulting environmental documents. Comments and suggestions are invited from all interested agencies and the public to ensure the full range of issues related to the proposed project, all reasonable alternatives are addressed, and all significant issues are identified. In particular, the Authority is interested in determining whether there are areas of environmental concern where there might be a potential for significant site-specific impacts. In response to this NOP, public agencies with jurisdiction are requested to advise the Authority of the applicable permit and environmental review requirements of each agency, and the scope and content of the environmental information that is germane to the agency's statutory responsibilities in connection with the proposed project.

The Authority has scheduled public scoping meetings as an important component of the scoping process for the state environmental review. The scoping meetings described in this NOP will be advertised locally and included in additional public notification. Scoping meetings are scheduled for the following dates, and are open to participants from any geographic area of the G-Y Project Segment:

- Casa de Fruta, Orchard Room, 10021 Pacheco Pass Hwy, Hollister, California, November 4, 2026 from 5:30 p.m. to 7:00 p.m.
- City of Los Banos Community Center, Grand Ballroom, 645 7th Street, Los Banos, California, November 5, 2026 from 5:30 p.m. to 7:00 p.m.
- Virtual Meeting, November 9, 2026 from 5:30 p.m. to 6:30 p.m.
    - Virtual Meeting registration link: https://kearnswest.zoom.us/webinar/register/WN_DttFk2WzRWennZKVXSsKSw

Due to the time limits mandated by state law, public agencies and members of the public are requested to send their comments on the scope of the SEIR in responses to this NOP to the Authority between October 14, 2026 and November 13, 2026.

Please send your response and direct any comments or questions regarding the G-Y Project Segment to Stefan Galvez-Abadia of the California High Speed Rail Authority at the following mailing and email addresses:

Mailing Address

Stefan Galvez-Abadia
Director of Environmental Services
ATTN: G-Y Project Segment HSR Project SEIR Scoping Comment
California High-Speed Rail Authority
770 L Street, Suite 620
Sacramento, CA 95814

Project Email Address

gilroy_wye@hsr.ca.gov

Comments may also be provided orally or in writing at the scoping meetings.

Date: 10/07/2026 Signature: [signature]

Figure 1: Gilroy to Central Valley Wye Study Area and Alternatives, Regional Context

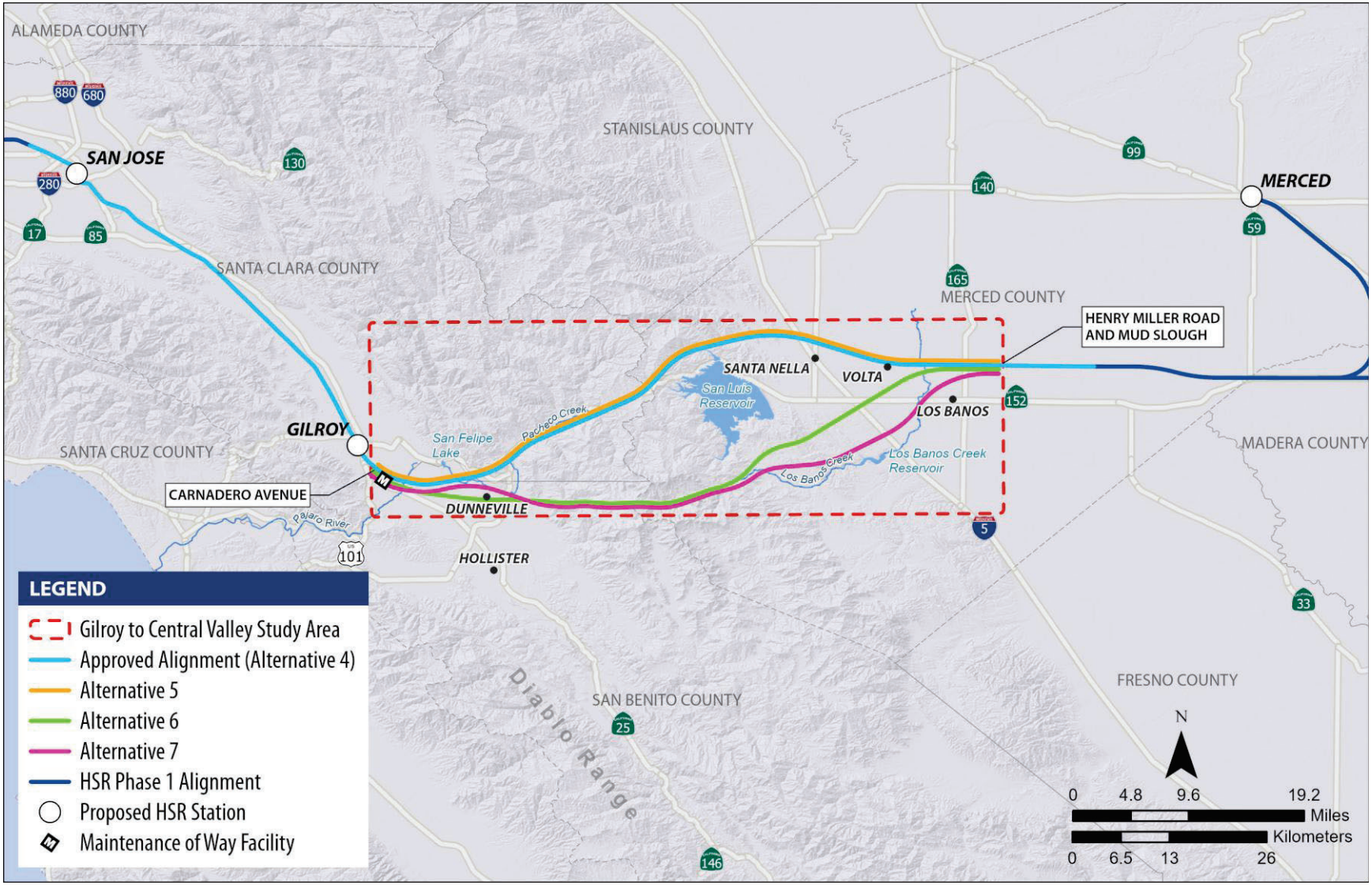
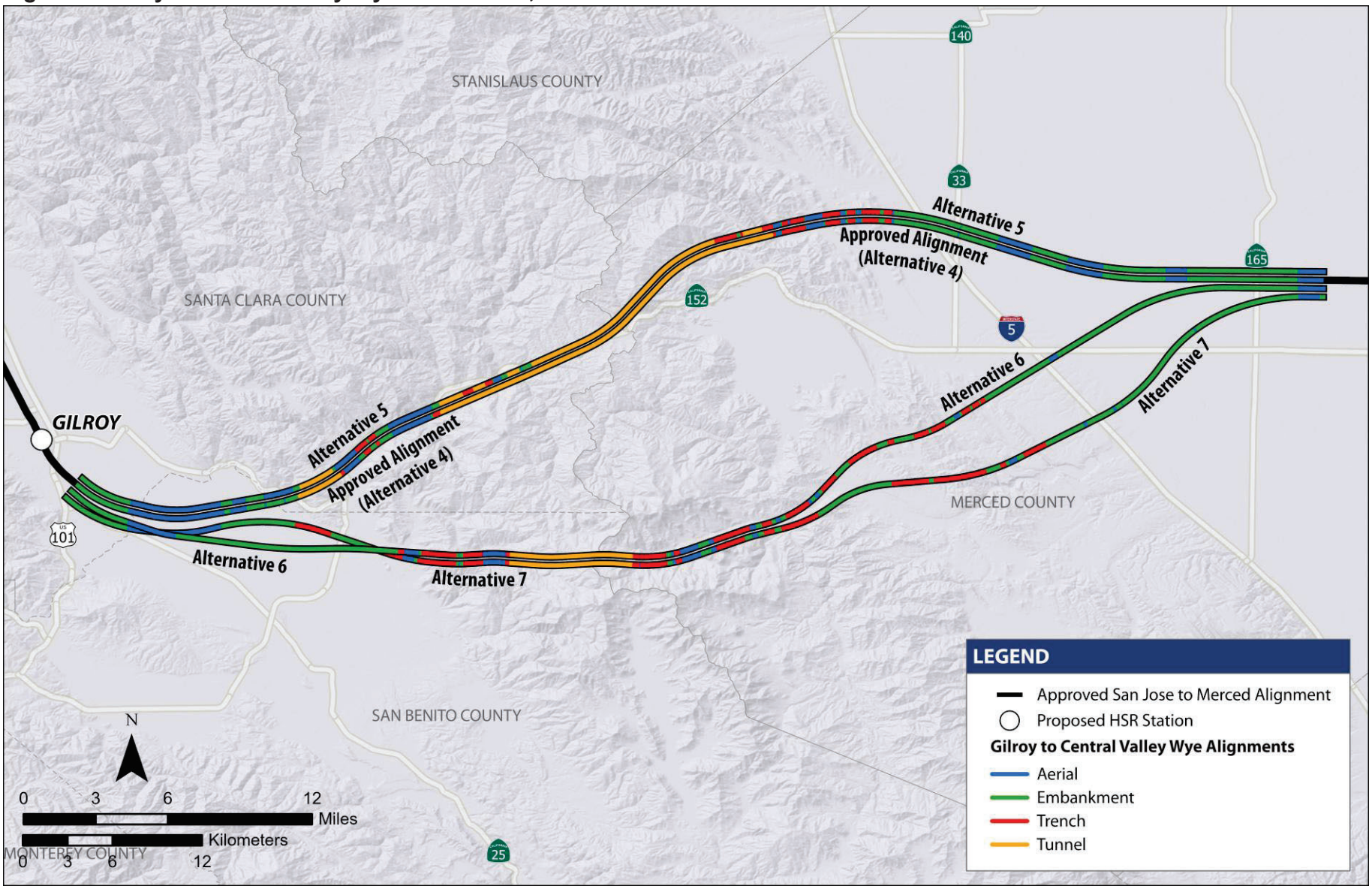
Figure 2: Gilroy to Central Valley Wye Alternatives, Vertical Profile