

The Sierra Club Loma Prieta Chapter would like to follow up on the letter we sent last night about the 2016-2017 Budget.

This year it became clear to us that a lot of decisions are made through the budget.

The areas of the budget we are most concerned about are the escalating costs for large water supply capital projects and, on the other hand, the lack of funds allocated to stream restoration capital projects for fisheries.

Given the recent controversies over the ~~Water~~ Fix project, we also ask for complete transparency on all budget allocations related to this project.

lastly, we are pleased to see funds in the budget for an interagency urban runoff program. We encourage additional funds be allocated to this project, especially to increase local supply reliability through storm water capture.

Please read our letter for more information.

Thank you for your consideration.



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Sierra Club Loma Prieta Chapter
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May 9, 2016

Santa Clara Valley Water District Board of Directors
5750 Almaden Expressway
San Jose, CA 95118

Re: Proposed Fiscal Year 2016-2017 Budget

Dear Chair Keegan and Members of the Board,

Sierra Club California Water Committees are following the extensive changes underway in water planning and infrastructure and we continue to develop policy papers to help guide these changes in an environmentally positive direction. We studied the Proposed Fiscal Year 2016-2017 Budget with our policies in mind resulting in the following comments we hope you will consider.

The budget we are referring to is available on the Santa Clara Valley Water District (SCVWD) website at <http://www.valleywater.org/About/Finance.aspx>. We assume approval of this budget is included in agenda item 2.8 2017-2021 Five-Year Capital Improvement Program and agenda item 2.9 Groundwater Production and Other Water Charges for Fiscal Year 2016-2017.

Our concerns regarding the budget are as follows:

1. We question the level of funds allocated to supply projects when demand has decreased significantly and can be managed at current levels for the foreseeable future.
 - a. Costs for water recycling projects continue to escalate. The amount allocated for all recycling projects in the 2016-2017 budget is about \$373 million based on our calculations. That's a 150% increase from \$138 million in the 2014-2015 budget.
 - b. It is unclear how much is allocated in this budget to support the even more expensive Water Fix project. We think the public has a right to answers to the following questions related to State Water Project expenditures.
 - i. Why has the State Water Project Dept Service (Property Taxes, page 4-13) increased about 50% since 2014? The public needs to know if this is related to Water Fix project expenditures or why these costs have increased so substantially.
 - ii. Overall, how much is currently allocated for the Water Fix project in this budget? The public should know exactly how much will be spent on the project from different line items such as the \$11 million allocated to the Imported Water Program (91131004), up 40% since 2014, and the \$34.5 million State Water Project Costs (91131008), up 27% since 2014.

2. We are encouraged that the State Water Project (SWP) Reserve has been eliminated. Any funds spent on the Water Fix project should include analysis of alternatives, including decreasing Delta exports in the future.
3. We support any budget commitment to restore local creeks, especially to remove barriers and provide water for threatened fish species. Therefore we ask that the Almaden Dam Improvements project (91854001), include downstream measures to improve fish habitat.
4. Furthermore we are concerned that the FAHCE/Three Creeks HCP Project budget (Operations: 92041014, Proposed Operating and Capital Budget pgs. 168–170) is largely allocated to overhead and not to projects to improve the fisheries. We request that the Board request budget adjustments to actually improve fish passage by the end of 2017.
5. In addition, we support the Inter Agency Urban Runoff Program (95771011) and are hopeful this program will result in stormwater capture projects that enhance local water supply. This supports water supply alternatives the Sierra Club is promoting so we look forward to this program expanding in the future.

Thank you for your consideration.

Sincerely,



Katja Irvin, AICP
Chair, Water Committee
Sierra Club Loma Prieta Chapter