



Update on Pacheco Reservoir Expansion Project

Valley Water Board of Directors
August 26, 2025



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California Water Commission Concerns (May 21, 2025)

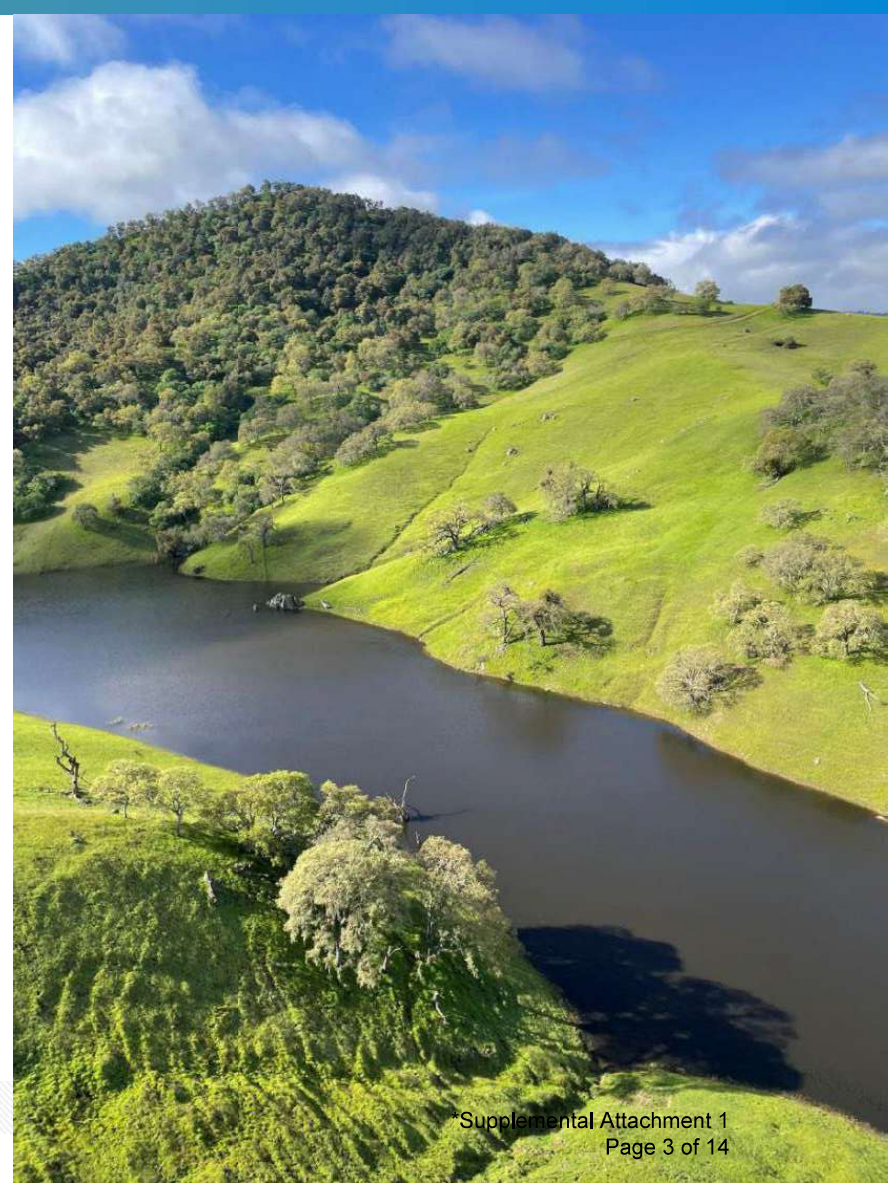
- Environmental review timeline
- Project affordability
- Securing approvals required from the Bureau of Reclamation
- Priority of the Pacheco Reservoir Expansion Project (PREP)



PREP Environmental Review Status

Planning, Permitting, and Design Update

- Draft EIR (DEIR) released in November 2021
- Recirculation due to substantial project changes and new analysis
- Recirculated DEIR (RDEIR) scheduled to be released for public comment in December 2026
- Anticipate Board Consideration of Final EIR certification by December 2027



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Permitting Overview: State and Federal Coordination

Planning, Permitting, and Design Update

- Permitting requires collaboration with state and federal regulatory agencies
- Valley Water hosted 26 interagency project workshops
- Meetings held with individual regulatory agencies
- Permit applications will be submitted after RDEIR is released and as Valley Water progresses toward Final EIR



PREP Design Completion Timeline

Planning, Permitting, and Design Update

60% Design Milestone

- Completed 30% design in August 2022
- Completion of 60% design depends on completion of Design Level Geotechnical Investigations (DLGI)
- Investigations are currently on hold pending completion and certification of DLGI EIR
- If resumed in 2025, Valley Water expects to complete 60% design milestone by late 2026



PREP Design Completion Timeline

Planning, Permitting, and Design Update

Full Design Completion

- 100% design anticipated by late 2028
- Timeline reflects extensive coordination, technical requirements, and review and approval by Division of Safety of Dams (DSOD)
- Design timeline has been shared with DSOD
- Ongoing discussions aim to explore opportunities to expedite DSOD's review once design is submitted



PREP Estimated Timing Summary

Planning, Permitting, and Design Update

Milestone	Target Date
RDEIR Release (CEQA)	December 2026
Final EIR Certification (CEQA)	December 2027
Permit Application Submissions	2027–2028 (after RDEIR release)
Permit Approvals	2028+ (dependent on agency timelines and NEPA progress)
60% Design Completion	Late 2026 (pending DLGI EIR certification and completion of investigations)
100% Design Completion	Late 2028
DSOD Approval of 100% Design	Late 2028 (concurrent with final design)
Estimated Construction Start Date	Mid 2029 (best case scenario)

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PREP Affordability Overview

Total Estimated Cost:

- \$2.732 billion (with inflation)

Secured Funding:

- \$1.4 billion **Water Infrastructure Finance and Innovation Act (WIFIA) Loan** – covers up to 49% of planning and design costs
- \$504 million conditional grant from **California Water Commission's Water Storage Investment Program (WSIP)** – includes \$24.2M early funding for planning and permitting

Additional Funding:

- Still exploring cost-sharing opportunities with external partners
- Groundwater charges – remaining cost after WSIP grant and any partner share

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Bureau of Reclamation: Required Approvals for PREP

PREP requires multiple federal approvals from Bureau of Reclamation:

- Permission to construct a turnout on Pacheco Conduit
- Permission to use Bureau facilities to convey State Water Project (SWP) or local water to and from Pacheco Reservoir
- Permission to store CVP water in Pacheco Reservoir
- Permission to construct electrical transmission facilities on Bureau Land to power newly constructed pumping plant



Commission Concern and Bureau Follow Up – July 2025

- **Valley Water Executive Outreach:** Valley Water's executive staff had two meetings with the Bureau
- **Bureau's Position:**
 - Storing CVP water in Pacheco Reservoir: NO
 - Constructing electrical transmission facilities on Bureau land: POSSIBLE, but difficult
 - Constructing a turnout on Pacheco Conduit: POSSIBLE, but likely a long process
 - Using Bureau facilities to convey SWP and local water to/from Pacheco Reservoir: POSSIBLE, but likely a long process
- **Implications for Project:**
 - Project may still proceed using non-CVP supplies, such as SWP water
 - NEPA compliance and formal contract negotiation could take over two years

PREP: Strategic Priority and Other Options

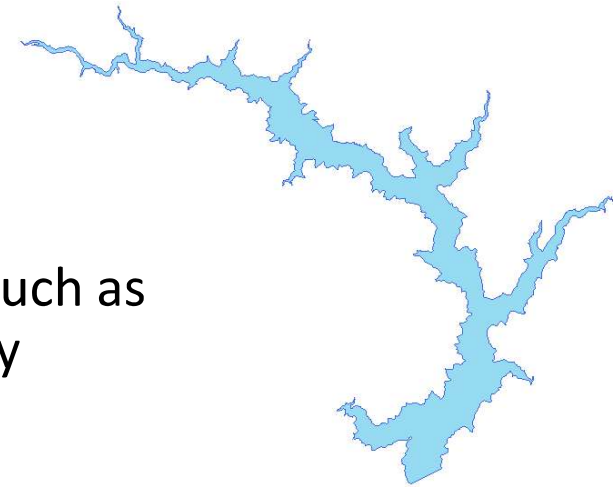
- **Long-Term Water Supply Planning:** PREP is not included in the staff-recommended Lower Cost Portfolio in the Water Supply Master Plan 2050
- **PREP's Continued Relevance:** PREP remains a valuable alternative to projects identified in the Lower Cost Portfolio as some of those projects may have uncertain outcomes
- **Options Under Evaluation:** Staff is conducting additional analysis to identify other water supply or water storage projects that could provide similar water supply benefits to PREP

Options to be Evaluated

- Expand one or more local reservoirs
- Increase participation in:
 - Sites Reservoir Project
 - Delta Conveyance Project
- Pursue a smaller-sized Pacheco Project
- Pursue PREP to store SWP/local water only

Summary

- **Progress to Date:** Advancements in environmental review, permitting coordination, and preliminary design
- **Significant Challenges:** Addressing high project costs and securing necessary approvals from the Bureau
- **Long-Term Planning Alignment:** Water storage projects, such as PREP, remain critical to ensure Valley Water's water supply resiliency
- **Next Steps:** Staff is undertaking analysis and will provide additional information on alternatives to PREP consistent with the Water Supply Master Plan's adaptive management approach



QUESTIONS



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Valley Water

Clean Water • Healthy Environment • Flood Protection

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