

## Michele King

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**Subject:** FW: Comments related to 6/11/24 agenda item 8.1 (additional material)  
**Attachments:** 051724 Item 4.5-B Public Comment, Pacheco Cost Update, Sierra Club comments.pdf

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**From:** Katja Irvin <[katja.irvin@sbcglobal.net](mailto:katja.irvin@sbcglobal.net)>  
**Sent:** Saturday, June 8, 2024 12:43 PM  
**To:** Clerk of the Board <[clerkoftheboard@valleywater.org](mailto:clerkoftheboard@valleywater.org)>  
**Subject:** Re: Comments related to 6/11/24 agenda item 8.1 (additional material)

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Dear Clerks,

I am resubmitting the comments sent to the Water Supply and Demand Management Committee on this topic. Staff's partial response to those comments was included as an attachment, but the original comment letter was not included. Please include this as an additional handout for item 8.1 on June 11, 2024.

Thank you,

Katja Irvin

On Wednesday, June 5, 2024 at 08:49:59 PM PDT, Katja Irvin <[katja.irvin@sbcglobal.net](mailto:katja.irvin@sbcglobal.net)> wrote:

Dear Valley Water Board and Staff,

Thank you for responding to the Sierra Club's request for additional information about the costs of the Pacheco Reservoir project (Item 8.1, Attachment 2: Sierra Club Response). This information is helpful for the Board and the public to better understand the costs for this project.

After studying staff's response and further consideration of the staff report, we have a few follow-up questions and comments.

Questions:

1. Are the budget numbers provided in the response to Sierra Club comments from the 30% Design Construction Cost Estimate, or are they from the Five-Year CIP Total Project Cost? (Note that the budget estimates provided in the response add up to about \$1.9 billion while 30% Design Estimate is about \$2 billion and the CIP TPC is about \$2.2 billion.)
2. To follow up on our question about expenditures to date (Item 8.1, Attachment 1: PowerPoint, Slide 4), staff's answer indicates that the difference between \$80.5 million in this report and \$129.5 million "Actual/Appropriated thru FY24" in the *CIP FY 2025-29 Financial Overview* will be spent in the final quarter of FY 24 (April-June 2024). Is our assumption correct? Otherwise, can this difference be explained in more detail?

3. The cost staff provided for the CEQA lawsuit does not include cost for the preparation and processing of the environmental document. What is the estimated/budgeted cost for that document preparation and associated CEQA process?

Comments:

1. The \$2.2 billion un-inflated project cost estimate is obviously low (almost the same as the Anderson Dam project which is much less complicated). The cost estimate is simply not believable.
2. The information on project rate impacts (Item 8.1, Attachment 1: PowerPoint, Slide 7) is not clear. Staff should clarify whether the rate increases shown for each date range are cumulative (starting from FY 29) or are separate new increases just during the period shown. It would also be helpful to explain why these estimates only start in FY 29 and not earlier.

Sincerely,

Katja Irvin  
Guadalupe Group Conservation Chair  
Sierra Club Loma Prieta Chapter

**From:** [Katja Irvin](#)  
**To:** [Stephanie Simunic](#); [Nai Hsueh](#); [Barbara Keegan](#); [Richard Santos](#)  
**Cc:** [Molly Culton](#)  
**Subject:** WSDMC May 17, 2024 agenda item 2.4, Pacheco Cost Update, Sierra Club comments  
**Date:** Wednesday, May 15, 2024 8:02:45 PM

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Dear WSDM Committee,

This staff report about costs associated with the Pacheco Dam Project provides very little new information about Project costs. Unless significant new information is provided, there is no reason for this item to be presented to the full Board of Directors in June.

Given that the next Project cost update will be provided at the completion of the 60% Design Phase (about a year from now), what new information can be provided to the Board and public now to increase understanding of Project costs? One possibility is to ask staff to drill down on the \$2.7B cost estimate. Here are some line items that would help the Board and the public understand how various activities will contribute to the Total Project Cost.

- Planning/Design: cost for environmental review, cost for permitting, cost for geotechnical investigations, cost for 60% design documents, cost for 90% design, and cost for real estate services
- Environmental: cost for mitigation and cost for monitoring (of special interest to the Sierra Club)
- Construction: cost for roads, cost for new transmission lines and connection to grid, cost for pump station, cost for pipelines, cost for demolition of current dam, cost for habitat restoration between new and old dam, cost for land acquisition, and break down of cost to construct the new dam (materials/labor/equipment and fuel/etc.)
- Contingency allocated for: unanticipated changes during construction, litigation, and weather or other natural disasters

There are certainly other line items of interest that the WSDM Committee might identify.

Regarding expenditures to date, the Final CIP Financial Overview for the recently approved CIP shows the actuals spent through prior year + planned expenditures in current year are \$129,517,000. It seems important to explain the over \$49 million difference between the number in the CIP and the \$80,466,470 expenditures to date shown in this staff report.

The following information about expenditures to date would also be useful for the Board and the public to know.

- How much was spent on the CEQA lawsuit and where it is accounted for on Slide 4
- How much was spent to acquire the WIFIA loan (\$233,948 through FY23) and where it is accounted for on Slide 4
- Full accounting of how expenditures have been funded (WSIP, water rates, parcel taxes, etc.)

Lastly, an important aspect of cost is the cost per acre-foot, which should be discussed in this presentation. The Water Supply Master Plan 2040 shows \$2,000/AF of water supplied. The Water Supply Master Plan Monitoring and Assessment Program Update 2021 shows \$18,800/AF of storage space. Some discussion about these estimates and when they will be re-evaluated should be included in this report.

Sincerely,

Katja Irvin, Sierra Club Loma Prieta Chapter  
Molly Culton, Sierra Club California