

Michele King

From: jim.kuhl@comcast.net
Sent: Monday, April 08, 2024 10:01 AM
To: Clerk of the Board; Board of Directors; John Varela; Tony Estremera; Barbara Keegan; Richard Santos; Jim Beall; Nai Hsueh; Rebecca Eisenberg
Cc: Rachael Gibson; Matt Keller; Michael Potter
Subject: Pacheco Reservoir Expansion Project (PREP) Decision Assessments Looking Back and Looking Ahead – Recommend Valley Water Board public commitment to reassess PREP be made in April Looking Back on Pacheco Reservoir Expansion Project (PREP) Decision Assessments

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To: Valley Water Board of Directors
Cc: Valley Water Staff Members
Date: Monday, 4-8-24

Subject: Pacheco Reservoir Expansion Project (PREP) Decision Assessments Looking Back and Looking Ahead – Recommend Valley Water Board public commitment to reassess PREP be made in April 9th Board Meeting

On January 22, 2021, a San Jose Spotlight article by Madelyn Reese was published titled: “**Valley Water directors move ahead with Pacheco Pass dam as price skyrockets.**” The hyperlink to the article is: [Valley Water directors move ahead with Pacheco Pass dam as price skyrockets - San José Spotlight \(sanjosespotlight.com\)](https://www.sanjosespotlight.com/valley-water-directors-move-ahead-with-pacheco-pass-dam-as-price-skyrockets) Please read the article as it provides an excellent historical perspective to consider as you look ahead towards the Tuesday, April 9th Board Meeting and consider the major issues that must be addressed in creating the 2050 Water Supply Master Plan.

After reading the article, the public impression is: **Valley Water Board and management ignored prior warnings by water experts that implementing PREP would result in unaffordable water.** In 2024, PREP is consuming a significant portion of Valley Water organization resources (i.e., \$20M/Year). This resource drain is too high to continue unless PREP is shown to be essential for water supply reliability (resiliency) plus water also remains affordable for consumers. Two years have passed. **Reassessment is overdue.**

It is suggested that in the April 9th Board Meeting, the Board publicly state a reassessment of Valley Water’s planned major project Infrastructure project mix options will be conducted with rational and made public for review in the next 3 months. A future without \$5.6B PREP will be an option considered with and without out a partner. The full reassessment goal would be to find **the ‘best’ infrastructure project mix that will make the water supply reliable and affordable** for extended deeper droughts given climate change.

To ensure **meaningful water affordability communications**, it is suggested customer water billing consumer cost be projected describing infrastructure project option mix reassessment results under the conditions and assumptions described below.

Given a Valley Water Infrastructure project option mix set, the **end consumer San Jose Water Company’s water rate^o in terms of ‘CCF Water Consumed’ and ‘Total Amount \$ Due’ shall be projected for an average single-family property owner and an average apartment dweller family using FY23 as a beginning reference baseline for**

FY23, FY28, FY31 and FY34. The future retail water cost estimates provided in the reassessment will be in constant economics. The projection will only contain Valley Water's wholesale ground water North County Zone W2 future projected change impact to FY23's retail cost of water. The water cost projections will not contain San Jose Water Company's future changes (i.e., beyond FY23) needed to operate profitably as controlled by California Public Utilities Commission criteria. Current infrastructure project cost projections will be employed inclusive of bond interest and partnership shares, unless otherwise noted. All projected urban water consumption conservation changes, planning assumptions, etc. will be unchanged from FY23.

◇ Average [e.g., 2.5] individuals per family, total 'CCF Water Consumed' in 2 months [i.e., August and September] and 'Total Amount \$ Due' for the water consumed.

Please contact me if you need additional clarification on this recommendation.

Best Regards,

Jim

Jim Kuhl, Civic Issue Activist & Environmental Advocate

(408) 398-553