



SIERRA CLUB
LOMA PRIETA CHAPTER



SIERRA CLUB
CALIFORNIA

January 9, 2023
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Via email to:

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Re: Item *2.13 Receive an Update on the Pacheco Reservoir Expansion Project, Project No. 91954002 (Santa Clara County, Merced County, District 1).

Dear Board Members,

Please consider the following comments regarding the Pacheco Reservoir Expansion Project update on the January 10, 2023 Valley Water board meeting agenda:

Cost

The update says mitigation costs are currently not included in the cost estimate. There is no information in the staff presentation update or report about when this will be included. This will have a significant impact on total project costs and seems like a big hole that makes it difficult to evaluate the viability of the project at this time. A timeline for defining mitigation and cost of mitigation needs to be added to the project schedule, so the Board at least knows when they will have more definitive cost estimates.

Also, financing costs are not included in the report (WIFIA). For transparency, Valley Water should always include financing costs when project cost numbers are presented, especially when reporting "total project cost."

In the following agenda item on rate setting, a higher total project cost for Pacheco Reservoir is reported (revised inflated TPC is \$2.781B). That agenda item also shows how Valley Water's budget and water rates will be increasing into the future in a manner that doesn't seem sustainable. It would seem prudent to closely examine Valley Water's Capital Improvement Program for projects such as Pacheco Reservoir that can be eliminated with little impact to operations, and can provide substantial relief to rate-payers.

Cost-benefit Analysis

A full independent cost/benefit study of the Pacheco Reservoir project that includes environmental costs must be completed and made public. The alternatives selection criteria under cost efficiency in the Planning Study Report includes cost/benefit ratio however no cost/benefit analysis is cited. This is not especially consequential since there is very little difference between the alternatives, but it does indicate that cost/benefit information is important.

Water Rights on Pacheco Creek

The Planning Study Report says Pacheco Reservoir "would improve M&I water supplies through ... development of local water supplies from the Pacheco Creek watershed ..." This was considered previously, but was removed from the project description. This would require a water rights application which could lengthen the approval process, and would need to be analyzed in the new EIR/EIS. For these reasons, we request that staff update the Planning Study Report to remove this from the project description.

Project Schedule

The updated schedule provided in the PowerPoint presentation is confusing and seems incomplete. It should include information about when public outreach and board approvals will occur, and should also include permitting.

Furthermore, it is unclear if mitigation monitoring and maintenance has been included in the schedule or not. A 3-year extension in schedule was recently reported for the Coyote Creek Flood Protection project for vegetation maintenance. Does the schedule for the Pacheco Reservoir project also need to be extended to account for similar activities?

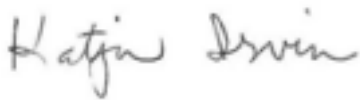
Environmental Justice Impacts

We applaud Valley Water for adding a section to staff reports on environmental justice impact. Although there may be no environmental justice impacts associated with providing an update on this project, the project will have environmental justice impacts, particularly impacts on native american tribes, whose graves and artifacts will need to be relocated or will be destroyed. We realize this is a new section in

these reports, so we would like to take this opportunity to encourage Valley Water to be more comprehensive in describing environmental justice impacts and include information such as this in the future.

Thank you for taking the time to review this letter. We look forward to receiving a response from Valley Water staff and board members.

Sincerely,

A handwritten signature in cursive script that reads "Katja Irvin".

Katja Irvin, AICP
Conservation Committee
Sierra Club Loma Prieta Chapter

A handwritten signature in cursive script that reads "Molly Culton".

Molly Culton
Senior Conservation and Digital Organizer
Sierra Club California