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March 15, 2023

SENT VIA EMAIL

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Chair Varela and Board Members
Santa Clara Valley Water District
5700 Almaden Expressway
San Jose, California 95123

**RE: March 16, 2023, Board of Directors Special Meeting,
Agenda Item 2.4 – Receive Information on Water Supply Strategy,
Water Supply Master Plan Update, and Work Study Session on the
Pacheco Reservoir Expansion Milestone Review, Project No. 91954002**

Dear Chair and Board Members:

This firm represents Stop the Pacheco Dam Coalition, an unincorporated association working with conservation and other groups to protect Santa Clara County's ratepayers and the environment, as well as working ranchlands, from the environmentally destructive, high-cost, and high-risk Pacheco Reservoir Expansion Project ("Dam Project").¹ Given the high risks, high costs, and severe environmental damage associated with the Dam Project, Santa Clara Valley Water District ("Valley Water") should not continue to pursue this project. At the conclusion of item 2.4 on the March 16, 2023, special meeting agenda, the Board should direct staff to stop pursuing the Dam Project. Removing the project from Valley Water's portfolio of water projects would allow for staff and funding to be directed at more environmentally friendly, cost-effective, and sustainable water projects.

Valley Water has already spent tens of millions of dollars, countless staff hours, and numerous board meetings pursuing the Dam Project. However, the time and resources spent so far has amounted to only an infeasible dam design and an inadequate Draft Environmental Impact Report ("DEIR"), with no other water agencies willing to financially participate in the Dam Project. While these problems have continued to grow, Valley Water has only recently begun to make the true costs of the Dam Project public.

¹ For more information, see: <https://stoppachecodam.org/>.

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Pacheco Dam Partnership Assumptions are Incorrect

During the April 14, 2021, Board meeting, the Board directed staff to assume a 35 percent partnership participation rate for the project. Therefore, every estimate provided to the Board over the past two years has assumed that 35 percent of the project would be paid for by outside partners.² To date, no entity other than Valley Water has agreed to pay for any of this disastrous project. (See March 16, 2023, PowerPoint, p. 19.) Without any evidence of partnerships, Valley Water should not be relying on this billion-dollar expectation as part of the project's baseline financing.

The funding partner assumption not only deceives the public as to the total likely cost to Valley Water, but also inaccurately describes the impact that the project would have on ratepayers. As shown in the PowerPoint for this item, for the twenty years between 2034 and 2053, the monthly increase per household would nearly double without partnerships. Without partners, this project would increase cost per household by more than \$15 a month for the next 45 years. Prior to this staff report, this fact has not been provided to the public. The Board should require all future ratepayer updates to exclude unlikely partnership assumptions.

Costs and Timeframes Continue to Expand

In 2017, the dam cost was estimated to be less than \$1 billion. In 2019, that number rose to roughly \$1.3 billion, and in 2020 it reached \$2.5 billion. Even these numbers, fail to provide the full picture. As shown in the March 16, 2022, Board Agenda Memorandum, the cost of construction and financing creates a price tag of more than \$6 billion. This would create a decades long burden for rate payers while only providing a minimal amount of water each year. Additionally, it is unclear whether this price covers the amount Valley Water would have to pay to import the water to fill the reservoir.

A fraction of this amount could be spent building infrastructure that uses readily available local water sources and creates additional water. Recycled water, stormwater capture, and groundwater replenishment are all types of projects that would provide Santa Clara Valley residents with the sustainable water infrastructure needed over the next four decades.

² For example, the 2024–2028 Capital Improvement Program states that nearly \$800 million would be covered by partnership contributions (https://s3.us-west-1.amazonaws.com/valleywater.org.us-west-1/s3fs-public/2023-03/CIP_Tab-02_022823_TB.pdf).

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Additionally, staff's PowerPoint Presentation shows that the Dam Project is requiring 17 full time employees and several contractors. Wasting this many personnel on a speculative project that has been mired by bad decisions is short-sighted. These employees' time should be spent on sustainable projects that would provide Santa Clara County ratepayers with long-term solutions to the ongoing water challenges.

Other Storage and Water Supply Improvement Projects are More Likely to Be Successful

Rather than continue the ill-fated pursuit of the Dam Project, Valley Water should participate in other storage expansion and related projects that are already moving forward. Projects such as B.F. Sisk Dam Raise,³ Los Vaqueros Expansion,⁴ and San Luis Low Point are all projects that could be pursued through additional partnership funding by Valley Water. These projects would be less impactful to the environment, already have partners that have agreed to funding, and appear to be much more likely to be completed. Therefore, Valley Water should look to increasing its participation in these alternative projects to supplement its water supply.

In addition to funding other projects that are already moving forward, Valley Water should also refocus the Dam Project's finances and personnel to other more sustainable projects. Right now, Valley Water hopes to recycle 10 percent of the County's water demands by 2025, with the hope of providing 45,000 acre-feet a year in the distant future.⁵ Within contrast, Orange County's Groundwater Replenishment System, which produces more than 100,000 acre-feet a year and has been doing so for years.⁶ The technology is available, the price per acre-foot is lower than the Dam Project, and recycled water adds water to the water supply as opposed to importing water from other parts of the state. Valley Water must move away from the archaic idea of new dams and embrace new technology that will provide a more reliable water future.

³ B.F. Sisk Dam Raise Record of Decision should be approved in 2023,
<https://www.usbr.gov/mp/mpr-news/docs/factsheets/sisk.pdf>.

⁴ Los Vaqueros Expansion has already completed the Final EIS/R
https://www.usbr.gov/mp/nepa/nepa_project_details.php?Project_ID=903.

⁵ <https://www.valleywater.org/your-water/recycled-and-purified-water>

⁶ <https://www.ocwd.com/news-events/newsletter/2018/august-2018/gwrs-sets-new-record-for-most-water-recycled-in-a-year/>

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Thank you for considering this information and please feel free to contact me
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Very truly yours,

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A Law Corporation

By: 
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