Funding for this project is way too expensive and its continually increasing price tag signals fiscal irresponsibility.

When the project was reintroduced in 2017, its estimated cost was $969M, but this amount rose up to $1.3B in 2019. The expansion is now projected to cost up to $2.12B, not including likely cost overruns for large infrastructure projects. Compared to other water projects, the Pacheco Reservoir expansion project would be substantially more expensive and far more risky than most other water projects that Valley Water is considering (see green and orange bars below).

There are less expensive water storage and conservation projects that Valley Water should prioritize instead.

Valley Water is already considering less expensive, less risky water projects, and Valley Water should prioritize those instead of Pacheco Reservoir.
PACHECO WOULD UNDULY BURDEN RATE PAYERS

The onus of paying these large-scale water projects would overwhelmingly burden ratepayers.

75% of the funding for this project must come from non-state funding, meaning that Valley Water must commit to 75% of non-state funding by the California Water Commission’s January 2022 deadline.

Valley Water admits it has not secured funding for the project, and that “any gap [in funding] will be made up through water rates.” Depending on the availability of low interest federal WIFIA loans, rates are expected to rise 1-2% per year solely due to the costs of the Pacheco Dam.

Ratepayers that pay into Santa Clara Valley Water District already funded a portion of Pacheco Reservoir through Measure S. Its passage in 2020 meant that a portion of the funds collected from ratepayers, up to $10 million, would go into planning for expanding the reservoir. Even before the renewal of the parcel tax guaranteed by Measure S, residents were opposed to the project, especially since it lacks transparency and mechanisms for public accountability.

In 2020, community members formed the No on Measure S Committee, which rallied against the ballot proposal’s lack of accountability, among other things. Increased funding-related proposals have garnered similar opposition. Environmental organizations, for example, asked Valley Water’s Board to remove funding for the Pacheco project earlier this year.

This position was predicated on the fact that upon review of their community survey, many comments related to Pacheco were critical of the project in that a portion of the revenue generated from the Safe, Clean Water program would instead be funneled to the Pacheco project.

The Pacheco Dam project just keeps getting more expensive.

In 2017 Valley Water reported that the per acre cost of water for Pacheco would be $2,700 - the second highest per acre foot option. (see table to right.)

Currently, the acre-foot cost of the Pacheco Dam is estimated to be an astonishing $18,800.

Valley Water’s recent analysis of the impacts of climate change on water supplies indicates that with climate change and future regulations, Valley Water may have difficulty in filling its existing storage capacity, and that increased evaporation and water quality problems in surface water storage in warmer temperatures are a growing concern.

The community has publicly come out in opposition to the project, citing its impacts to ratepayers.

The Mercury Editorial Board came out in opposition to the project, citing the economic and financial burdens the project will place on community members. Mayor Sam Liccardo of San Jose expressed his opposition to the project, citing the proposal’s increased cost to homeowners in the region and likening this onus to an environmental injustice. Local advocacy groups such as Solutions San Jose have also expressed growing frustration over the project’s impacts on their utility bills.