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510 8th Street · Sacramento, CA 95814

October 17, 2023

**SENT VIA EMAIL**

Chair Matthew Swanson and  
California Water Commission Members  
California Water Commission  
P.O. Box 942836  
Sacramento, California 94236-0001

RE: Agenda Item 9: Water Storage Investment Program: Pacheco Reservoir  
Expansion Project Update  
October 18, 2023, Meeting

Dear Chair Swanson and Members of the California Water Commission:

We appreciate the fact that the California Water Commission (“Commission”) has included an agenda item to receive an update on the controversial Pacheco Dam project.<sup>1</sup> This letter pertains to Santa Clara Valley Water District’s (“Valley Water”) misleading of the public regarding the flood reduction benefits of the proposed new Pacheco Dam, and the growing evidence of infeasibility of this Proposition 1 Water Storage Investment Program (“WSIP”) project.

Stop Pacheco Dam Coalition (“Coalition”) is working to protect Santa Clara County’s ratepayers and the environment, as well as working ranchlands, from this wasteful and high-risk project.<sup>2</sup> The Coalition is concerned that the Pacheco Dam project, as currently proposed by Valley Water,<sup>3</sup> would be both extremely environmentally damaging and also fails to meet public funding requirements under Proposition 1.

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<sup>1</sup> See [https://cwc.ca.gov/-/media/CWC-Website/Files/Documents/2023/04\\_April/April2023\\_Item\\_14\\_Attach\\_2\\_StopPachecoComments.pdf](https://cwc.ca.gov/-/media/CWC-Website/Files/Documents/2023/04_April/April2023_Item_14_Attach_2_StopPachecoComments.pdf).

<sup>2</sup> See <https://stoppachecodam.org/> for more information about the coalition.

<sup>3</sup> We note that while the San Benito County Water District and Pacheco Pass Water District are listed as project partners, those entities have not actively participated in the Commission’s process. As an example, only Valley Water has made a commitment to the Department of Water Resources for not less than 75 percent of the non-public benefit cost share of the project.

**1. A New Pacheco Dam Would Not Have Significant Flood Benefits**

Valley Water has callously attempted to capitalize on the flooding disaster that damaged portions of the Pajaro community earlier this year. Subsequent to the flooding in March 2023, a Board member claimed that had the dam been built, that flood occurring downstream would likely not have happened.<sup>4</sup> On April 3, 2022, the Coalition submitted a letter to Valley Water identifying that the potential flood benefits as they related to flooding in Pajaro were mistaken. (Attached as Exhibit A.) We explained that Valley Water did not obtain approval for a flood benefit from the Commission because it had failed the WSIP Technical Review which found: “The proposed dam on the North Fork Pacheco Creek will control only a small portion of the watershed above the towns of Pajaro and Watsonville; the quantifiable flood benefits would be more localized downstream and near the dam.”<sup>5</sup>

Unfortunately, Valley Water continues to claim, without basis, that the new proposed dam would have helped avoid flooding on the Pajaro River. Valley Water’s PowerPoint presentation for the Commission’s October 18, 2023,<sup>6</sup> meeting includes unfounded assertions of flood benefits. For instance, Slide 5 claims that “Reduction of Downstream Flooding” is a need addressed by the dam. Slide 17 claims that the dam would “Reduce[] Flooding in Disadvantaged Communities,” and that the “Project would have resulted in a 46 % reduction of peak flows in Pacheco Creek.”

Valley Water is incorrect in claiming that the dam would reduce flooding in downstream communities, as explained in our April 3, 2023, letter. Some of the reasons Valley Water’s claimed flood benefit is incorrect include:

- It ignores the tiny relative size of the watershed (0.05%) that could be contained by a dam on the North Fork of Pacheco Creek (one mile upstream of the existing Pacheco dam), which is insignificant in relation to the 1,300 square mile Pajaro River watershed. Notably, the dam would not hold the full flow of Pacheco Creek at the Dunneville gauge, which is miles downstream.

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<sup>4</sup> See March 16, 2023, Meeting Recording, 3:44:15 to 3:45:00, available at: [https://scvwd.granicus.com/MediaPlayer.php?view\\_id=3&clip\\_id=2078](https://scvwd.granicus.com/MediaPlayer.php?view_id=3&clip_id=2078).

<sup>5</sup> WSIP Technical Review, May 25, 2018, p. 2 of 9, available at: [https://cwc.ca.gov/-/media/CWC-Website/Files/Documents/2018/WSIP/TechReview/Pacheco\\_TechReview.pdf](https://cwc.ca.gov/-/media/CWC-Website/Files/Documents/2018/WSIP/TechReview/Pacheco_TechReview.pdf).

<sup>6</sup> [https://cwc.ca.gov/-/media/CWC-Website/Files/Documents/2023/10\\_October/October2023\\_Item\\_9\\_Attach\\_1\\_PowerPoint\\_Final.pdf](https://cwc.ca.gov/-/media/CWC-Website/Files/Documents/2023/10_October/October2023_Item_9_Attach_1_PowerPoint_Final.pdf)

- It unreasonably assumes that the dam would have sufficient freeboard to capture all of the runoff.
- It ignores that fact that in order to have a flood benefit, the dam operational criteria would have to not require spilling additional stored water for safety purposes.
- It ignores the Commission’s finding in 2018 that the limited flood reduction benefit at the proposed dam is only “quantifiable . . . localized downstream and near the dam.”
- It ignores the empirical data from gages during the January 9, 2023, flood event showed double the flows on the Pacheco Creek only showed an 8% increase in flow on the Pajaro River.
- It ignores the U.S. Army Corps of Engineers’ analyses, which stated that a dam on North Fork Pacheco Creek: “Does not meet project objectives: limited increase in flood risk management. Technically infeasible. Not Economically Justified.” “Only addresses limited volumes of water; impractical engineering; economically infeasible.”<sup>7</sup>

In summary, Valley Water’s attempt to take advantage of the Pajaro community’s tragedy should be rejected. We respectfully request that the Commission require Valley Water to correct misstatements in its update presentation regarding purported flood benefits and to abstain from further misstatements regarding significant flood benefits.

## **2. The More we Know, the More Infeasible the New Pacheco Dam Becomes**

The Coalition and other concerned groups and members of the public submitted detailed information regarding the failure of the Pacheco Dam to meet WSIP public benefit criteria preceding the Commission’s feasibility determination in December 2021.<sup>8</sup> Since that time, the infeasibility of this new dam project has become even more apparent.

Comments submitted by Dr. Jeffrey Michael to the Santa Clara Valley Water District’s Water Storage Exploratory Committee highlight the additional factors that demonstrate the economic infeasibility of the project. (Attached as Exhibit B.) In those

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<sup>7</sup> Pajaro River Flood Risk Management Project Santa Cruz and Monterey Counties California (2019), App. A., pp. 5, 8. The entire Flood Risk Management document including appendices can be accessed at:

<https://www.spn.usace.army.mil/Missions/Projects-and-Programs/Current-Projects/Pajaro-River-I/>.

<sup>8</sup> See public comments on December 15, 2021, Commission meeting, item 11. [Water Storage Investment Program: Pacheco Reservoir Expansion Project Continuing Eligibility and Feasibility Determination \(Action Item\)](#)

comments, Dr. Michael explains how Valley Water continues to obscure the true economics and ratepayer effects of the dam. For instance:

- Valley Water has not properly accounted for a “without Pacheco dam” scenario in its analysis of water rates.
- The capital costs of the project continue to rise, and the total cost is likely greater than \$5.5 billion.<sup>9</sup> Even if Valley Water could find project partners to take on the assumed 35% of the cost (which it has not yet done), the costs to the district are likely more than the \$2.78 billion referenced by Valley Water, due to rising interest rates.
- Valley Water has presented misleading information to ratepayers in the form of “lost opportunity costs” that wrongfully assume that environmental benefits increase when the dam cost increases.
- Valley Water’s economic analysis of no-partner scenarios is lacking and overly optimistic.
- A reduced water demand scenario has not been considered in light of up-to-date population forecasts and continued conservation trends.

As a result of these and other failures, Dr. Michaels concludes that ratepayers “are not being presented with clear and accurate information on the valuation of project benefits, or realistic values for partner cost sharing and future water demand. Given the enormous costs of the Pacheco Dam, which will add to the already unbearable cost-of-living in the region, it is imperative that Valley Water improve upon the project’s economic and financial analysis to properly inform its decisionmaking on the project.”

We understand that the Commission is focused on implementing the WSIP and is not working at the local level regarding WSIP funded projects. But projects funded under the program must be feasible to ultimately be successful. Valley Water’s failure to disclose important information regarding the dam in its own planning processes should be concerning. This failure is especially stark given Valley Water’s plans to partner in other WSIP funded projects, such as the Los Vaqueros Expansion project, which has a per acre foot storage cost to the district that is less than half of the cost it expects to pay for Pacheco, even with the errors noted above.

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<sup>9</sup> See Attachment 1: PowerPoint from Valley Water’s August 22, 2023, Board meeting (Slide 8), available at: <https://scvwd.legistar.com/LegislationDetail.aspx?ID=6313741&GUID=955EC4D0-5BA2-44CE-9CEC-20187E2FD299&Options=ID|Text|&Search=pacheco>

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As explained in the joint letter submitted by the Coalition, Sierra Club California, and the Sierra Club Loma Prieta Chapter on April 17, 2023, the Pacheco Dam project has become technically, environmentally and/or financially infeasible, and no further Proposition 1 funds should be spent on it. (See Cal. Code Regs., tit 23, § 6013, subd. (f).) Allowing the new Pacheco Dam project to proceed farther in the WSIP process undermines the credibility of the groundbreaking WSIP program. The Commission should urge Valley Water to withdraw its WSIP funding application and instead pursue feasible projects to meet its water supply demands.

Thank you for considering this information and please feel free to contact me ([osha@semlawyers.com](mailto:osha@semlawyers.com), 916-455-7300) with any questions.

Very truly yours,

**SOLURI MESERVE**  
A Law Corporation

By:   
Osha R. Meserve

Attachments:

Exhibit A April 3, 2023, SPDC Letter to SCVWD  
Exhibit B October 12, 2023, Comments of Dr. Jeffrey Michael to the Santa Clara Valley Water District Water Storage Exploratory Committee

Sent Via Email:

Members of the California Water Commission  
Matthew Swanson (Matthew.Swanson@cwcc.ca.gov)  
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Legal Counsel, Holly Stout (holly.stout@water.ca.gov)

# **EXHIBIT A**



tel: 916.455.7300 · fax: 916.244.7300  
510 8th Street · Sacramento, CA 95814

April 3, 2023

**SENT VIA EMAIL**

(clerkoftheboard@valleywater.org; board@valleywater.org)

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

**RE: Statements Made During the March 16, 2023, Board of Directors  
Special Meeting**

Dear Chair Varela and Board Members:

This firm represents Stop the Pacheco Dam Project 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 ("Pacheco Dam"). This letter seeks to correct the record regarding statements made during the March 16, 2023, special meeting that mischaracterized potential flood benefits of a new Pacheco Dam.

Specifically, near the end of the March 16, 2023 Special Meeting, Chair Varela referred to the tragedy of flooding that occurred in early March in the town of Pajaro to pitch unsubstantiated benefits of the Pacheco Dam. The Chair stated that "In [the Army Corps of Engineers'] words the benefit doesn't calculate for a poverty-stricken community to expedite the funding and the process to correct the Pajaro River breach, which has occurred over the past 20 years or 30 years every 5 to 10 years. So had the Pacheco Reservoir been built say maybe 5, 10, 15 years ago the probability, the probability of that flood occurring downstream would not have happened."<sup>1</sup> As explained below, this claim is unsupported by the facts and was misleading to the public.

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<sup>1</sup> See March 16, 2023, Meeting Recording, 3:44:15 to 3:45:00, available at: [https://scvwd.granicus.com/MediaPlayer.php?view\\_id=3&clip\\_id=2078](https://scvwd.granicus.com/MediaPlayer.php?view_id=3&clip_id=2078).

## **Pajaro River Levee Was Not Overtopped, It Failed**

First, the levee that failed on March 11, 2023 is located at the very bottom of the entire 1,300 square mile Pajaro River watershed. There are several creeks, streams, and a separate river that ultimately merge to become the Pajaro River prior to reaching the town of Pajaro. Further, the Pajaro River did not overtop the levee at the town of Pajaro; the levee failed catastrophically.<sup>2</sup> Thus, the flooding was generally not driven by the volume of flow, but was the result of a failure to undertake levee repair and maintenance to ensure a minimum level of flood protection.

According to Mercury News reporting, the Pajaro River only reached a level of 29.2 feet on March 11th. This is more than three feet lower than the documented flood stage, which could have caused the levee to be overtopped.<sup>3</sup> Thus, even if a new Pacheco Dam could have provided some flood benefit in this scenario, it is false and irresponsible to suggest that the town would not have flooded if the new dam was built.

In addition, high streamflow events in the lower section of Pacheco Creek (well below the proposed new dam), are not directly related to flood conditions near the town of Pajaro. For instance, on January 9, 2023, the Pacheco Creek streamflow at the Dunneville gage (well downstream of the proposed Pacheco Dam) reached 15,700 cfs.<sup>4</sup> On March 10th, that number only reached 8,910 cfs.<sup>5</sup> The Pajaro River gauge at

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<sup>2</sup> On March 12, 2023, the LA Times reported that “The levee failed around midnight. The failure is approximately 300 feet wide and workers are bringing in rocks and other materials to stabilize the breach before the next storm arrives.” This article is available at: <https://www.latimes.com/california/story/2023-03-12/central-coast-and-northern-california-prepare-for-the-next-storm>.

<sup>3</sup> The updated March 27, 2023, article from Mercury News compares the height of the river during the four historic floods that overtopped the levee and discusses the recent levee failure. This article is available at:

<https://www.mercurynews.com/2023/03/26/monterey-spent-one-fifth-what-santa-cruz-did-on-pajaro-river-flood-control-did-that-contribute-to-catastrophic-levee-break/>

<sup>4</sup> Stream gauge information for this date and location can be accessed at: <https://waterdata.usgs.gov/monitoring-location/11153000/#parameterCode=00060&startDT=2023-01-01&endDT=2023-01-10>.

<sup>5</sup> Stream gauge information for this date and location can be accessed at: <https://waterdata.usgs.gov/monitoring-location/11153000/#parameterCode=00060&startDT=2023-03-09&endDT=2023-03-15>.



Chittenden showed 11,100 cfs on January 11th<sup>6</sup> and 11,900 cfs on March 11th.<sup>7</sup> This data shows the lack of a direct correlation between flows in even the lower portion of Pacheco Creek and the flows in the Pajaro River. While the flows in Pacheco Creek on January 9th were nearly double those on March 11th, the flows in the Pajaro River only increased by seven percent. Additionally, there was no flooding in the town of Pajaro during the January high flow event.

### **The Pajaro River Watershed Is Massive and the Pacheco Dam Area Is Small**

Second, the relative size of the Pajaro watershed above the proposed dam is less than one percent of the entire Pajaro watershed. While the watershed above the proposed new Pacheco Dam is approximately 66 square miles in area, the Pajaro watershed is approximately 1,300 square miles. That is .05 percent. Thus, Pacheco Dam (if there was capacity) could likely only capture less than 1 percent of the stormwater in the Pajaro watershed. If the new dam had been in place, it would likely have only captured a small fraction of the rainfall from the storm.

Due to the small area that the Pacheco Dam could potentially control, in 2018, the California Water Commission (“Commission”) determined that any flood benefits of a new dam would be incidental. The California Water Storage Investment Program (“WSIP”) Technical Review explained that:

The Santa Clara Valley Water District could not monetize the flood benefits for Pacheco Dam because there is limited residential development in the downstream area of the dam. The most significant development is located further downstream in the city of Watsonville and the town of Pajaro. The proposed dam on the North Fork Pacheco Creek will control only a small portion of the watershed above the towns of Pajaro and Watsonville; the quantifiable flood benefits would be more localized downstream and near the dam.<sup>8</sup>

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<sup>6</sup> Stream gauge information for this date and location can be accessed at: <https://waterdata.usgs.gov/monitoring-location/11159000/#parameterCode=00060&startDT=2023-01-05&endDT=2023-01-12>.

<sup>7</sup> Stream gauge information for this date and location can be accessed at: <https://waterdata.usgs.gov/monitoring-location/11159000/#parameterCode=00060&startDT=2023-03-06&endDT=2023-03-13>.

<sup>8</sup> WSIP Technical Review, May 25, 2018, p. 2 of 9, available at: [https://cwc.ca.gov/-/media/CWC-Website/Files/Documents/2018/WSIP/TechReview/Pacheco\\_TechReview.pdf](https://cwc.ca.gov/-/media/CWC-Website/Files/Documents/2018/WSIP/TechReview/Pacheco_TechReview.pdf).

Similar to the WSIP determination of no cognizable flood benefits, the Army Corps determined that that upper watershed storage projects were not recommended for flood control on the Pajaro River in 1994 because it “Does not meet project objectives: limited increase in flood risk management. Technically infeasible. Not Economically Justified.”<sup>9</sup> The Army Corps evaluated the diversion of flood flows into upper basin reservoirs again in 2001 and determined that approach as: “Only addresses limited volumes of water; impractical engineering; economically infeasible.”<sup>10</sup> Therefore, the flood protection benefits of a larger dam at the North Fork Pacheco Creek are not substantiated and should not be provided to the public as a reason to construct the Pacheco Dam.

### **In Wet Years the Dam May Not Provide Any Relief**

During Valley Water’s March 16th meeting, Director Santos asked whether having the Pacheco Dam in place would have lessened the flood impact and likely would not flood at all? Staff stated that there could be some incidental flood protection benefits, but it would ultimately depend on the operation of the reservoir. “In the situation that we are in right now coming off three consecutive dry years there would be more space available to attenuate flows so it could have a significant impact in decreasing downstream flooding.”<sup>11</sup> As explained above, the very damaging flooding of the town of Pajaro was not caused primarily by high flows, but by the failure of a levee that had not been properly maintained to meet minimum flood protection standards.

As staff noted, there have been three consecutive dry years. Therefore, theoretically, there might be room in a new reservoir to store water, which could potentially reduce flows if the reservoir had not yet filled. This statement, however, would likely not be valid during consecutive wet years when there is no or limited additional storage available.

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<sup>9</sup> Pajaro River Flood Risk Management Project Santa Cruz and Monterey Counties California (2019), App. A, p. 5. The entire Flood Risk Management document including appendices can be accessed at: <https://www.spn.usace.army.mil/Missions/Projects-and-Programs/Current-Projects/Pajaro-River-I/>.

<sup>10</sup> Pajaro River Flood Risk Management Project Santa Cruz and Monterey Counties California (2019), App. A, p. 8.

<sup>11</sup> March 16, 2023, Meeting Recording, at 44:10:30, available at: [https://scvwd.granicus.com/MediaPlayer.php?view\\_id=3&clip\\_id=2078](https://scvwd.granicus.com/MediaPlayer.php?view_id=3&clip_id=2078).

Chair Varela and Board Members  
Santa Clara Valley Water District  
April 3, 2023  
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## **Conclusion**

Several statements made during the March 16th special board meeting were inaccurate and misleading. There has been no information provided to the public to suggest that a new Pacheco Dam would have anything more than incidental flood benefits, and it is unlikely that a new dam would have kept the Town of Pajaro from flooding. The use of this disaster as a means to promote the new dam project was inappropriate and misleading.

Thank you for considering this information and please feel free to contact me ([osha@semlawyers.com](mailto:osha@semlawyers.com), 916-455-7300) with any questions.

Very truly yours,

**SOLURI MESERVE**  
A Law Corporation

By:   
Osha R. Meserve

# **EXHIBIT B**

# Comments of Dr. Jeffrey Michael

October 12, 2023

SENT VIA EMAIL: Board@valleywater.org

Santa Clara Valley Water District  
Water Storage Exploratory Committee  
5750 Almaden Expressway  
San Jose, CA 95118-3686

RE: October 13, 2023, Water Storage Exploratory Committee Meeting  
Agenda Item 4.1 – Consider follow-up topics from the August 22, 2023, Board of Directors meeting regarding the Pacheco Reservoir Expansion Project.

Dear Committee Representatives of the Water Storage Exploratory Committee:

As an economist who has been following the economic and financial analysis of Pacheco Dam for years, I offer these comments on the updates provided by Valley Water staff on March 13, August 22, and September 19, 2023. While the March 13 meeting was a step in the right direction of more accurate and transparent estimates of economics and ratepayer effects, the August and September meetings were a step backwards towards confusing, misleading and inaccurate representations of the proposed Pacheco Dam's economics. In deciding whether to continue on with Pacheco Dam, the Board should consider these comments and request more clear and correct analysis of the project's benefits, financing, and ratepayer effects.

Below are summary comments in five major areas.

1. Dropping Pacheco Dam from the CIP Would Reduce Near-Term Rate Increases by Much More Than Staff Indicates.
  - a. March 13, 2023, staff analysis of rates states that Valley Water plans to shorten the amortization period for revenue bonds used for other projects (frontloading the cost of Anderson Dam and other projects), and backload Pacheco Dam debt to maintain more level debt service. The No Pacheco scenario displayed by staff shows no change to planned rate increases in the near term, which indicates that the financing plans are not adjusted to normal amortization periods when Pacheco is removed. The No Pacheco scenario needs to be reassessed to include the full array of financing options available for other projects once the enormous costs of financing Pacheco are removed from the plan. There is more opportunity to mitigate planned rate increases without Pacheco than the staff analysis indicates.

2. Pacheco Capital Costs are not consistently reported.
  - a. Pacheco Capital Costs in the September 19, 2023, Board presentation are listed as \$2.28 billion, not the updated figure of \$2.78 billion.
  - b. The costs with financing charges have not been updated recently and are unlikely to fully reflect the recent increases to long-term interest rates that are expected to persist further into the future.
  
3. The recasting of Pacheco Dam benefits as lost opportunity costs in the August 22, 2023, Board presentation is misleading, and the discussion of benefits contains multiple errors.
  - a. The confusing list of “lost opportunity costs” results in claimed benefits appearing in multiple ways on the list so that they are double-counted. For example, a claimed environmental benefit of Pacheco is the benefit funded by the Prop. 1 WSIP award, thus including both the value of the environmental benefits and the Prop. 1 award in the same list of “lost opportunity costs” is double-counting benefits and leads to inaccurate conclusions about the project’s potential net benefits.
  - b. The presentation of Pacheco Dam costs and benefits includes a statement that construction cost escalation of the project also raises the benefit of the project. This bizarre comment flies in the face of basic economic theory and common sense, and only serves to highlight the invalid approach used to value the project’s claimed environmental benefits as a percentage of the project’s construction costs.

The valuation of benefits of a project should be independent of changing construction costs, and it is invalid to say that benefits automatically increase when construction costs increase. The Board should request alternative valuations of the project’s environmental benefits using more conventional and accepted methodologies. While the California Water Commission used its discretion to accept this methodology (against the advice of its own technical manual, apparently because of deadlines to allocate billions in storage funding and a lack of competitive projects), that is not justification for Valley Water stakeholders to only consider this one questionable approach to valuing environmental benefits when making their own decisions about continuing with the project.

4. While Valley Water staff reports are now at least presenting numbers that represent no-partner funding, the economic analysis of partner cost-sharing is still lacking and overly optimistic. Staff and consultants have described scenarios in which a partner might invest, but have not presented any valuation of these benefits or the impact on Valley Water's potential project benefits. Placing a reasonable range of values on these potential partner benefits is certainly within the technical ability of consultants. It is invalid to continue assuming a substantial partner cost-share at this stage of the process without appropriate justification of the benefit valuation figure.
5. Valley Water demand forecast in the September 19, 2023, Board presentation is severely inflated to justify costly and environmentally damaging capital projects that are unlikely to be needed. The demand forecast fails to even consider a reduced demand scenario, even though that is the most likely outcome, given up-to-date forecasts of population growth and continued conservation trends. Valley Water has seen water demand that has been flat to decreasing for the past 25 years during a time when population and economic growth of the region has been much higher than currently forecast. In addition, the demand forecast should not be based on Bay Area Plan 2040 and city general plans, as these projections are badly outdated, and not the best possible current sources. A more updated demand projection would start with the 2023 demographic projections published by the California Department of Finance.

In conclusion, Valley Water board members and ratepayers deserve more accurate and transparent economic and financial analysis than they have been receiving from staff and consultants. Ratepayers are facing extremely stiff rate increases due to capital projects whose costs are being frontloaded on short amortization schedules to make room for the questionable Pacheco Dam project. They are not being presented with clear and accurate information on the valuation of project benefits, or realistic values for partner cost sharing and future water demand. Given the enormous costs of the Pacheco Dam, which will add to the already unbearable cost-of-living in the region, it is imperative that Valley Water improve upon the project's economic and financial analysis to properly inform its decisionmaking on the project.

Sincerely,

Jeffrey A. Michael, Ph.D.

Santa Clara Valley Water District

October 12, 2023

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Sent via email:

Board Representatives:

Director Richard P. Santos, District 3, [rsantos@valleywater.org](mailto:rsantos@valleywater.org)

Director Nai Hsueh, District 5, [nhsueh@valleywater.org](mailto:nhsueh@valleywater.org)

Director Rebecca Eisenberg, District 7, [jvarela@valleywater.org](mailto:jvarela@valleywater.org)

Committee Liaisons:

Vincent Gin, Deputy Operating Officer, Water Supply Division, [VGin@valleywater.org](mailto:VGin@valleywater.org)

Ryan McCarter, Acting-Deputy Operating Officer, Dam Safety & Capital Delivery  
Division, [rmccarter@valleywater.org](mailto:rmccarter@valleywater.org)