

February 14, 2021

Teresa Alvarado
Chair, California Water Commission and Commissioners
P.O. Box 942836
Sacramento, California 94236-0001

RE: February 16, 2022 Agenda Item 8 - Water Storage Investment Program: Second Solicitation Considerations and Other Options

Dear Chair Alvarado and Commissioners:

The Santa Clara Valley Water District (Valley Water) is one of the sponsors of the Pacheco Reservoir Expansion Project (Pacheco Project) and we urge the California Water Commission (Commission) to focus the remaining \$63.9 million in Water Storage Investment Program (WSIP) funding on the currently approved projects.

In July 2018, the Commission chose eight projects for WSIP funding through a rigorous selection process. Since then, one project has withdrawn, leaving \$171 million in orphaned funding for which the Commission made the decision to award half to the existing projects as an inflationary adjustment. The seven remaining projects have completed a years-long selection process, following the regulations, expending large sums to meet the requirements of the process, and competed fairly to qualify for WSIP funds. All seven projects have met the January 1, 2022, WSIP feasibility deadline and now are proceeding to further phases of the process. Amid these extraordinary efforts, the costs of all the projects have increased significantly, leaving the project proponents scrambling for more funds. As such, we urge the Commission to distribute the remaining \$63.9 million in WSIP funding among the seven currently approved projects, thereby helping to ensure the projects, WSIP, and the Commission will succeed.

In the event the Commission decides to move forward with a second solicitation, Valley Water urges that the current WSIP projects be permitted to compete for additional funding. The new regulations necessary to proceed with a second solicitation should include an option for proponents to request an assessment of whether additional funding is warranted to achieve the public benefits provided by the projects, potentially increasing the WSIP contribution.

The current drought has once again proven the real-world impacts of climate change. The Pacheco Project will help replace storage lost to a disappearing Sierra snowpack, reduce flood risk from intensified storms for downstream disadvantaged communities, establish new high quality habitat for an environmentally threatened fish species, and ensure a secure and resilient water supply for Silicon Valley. The regional, state, and national economies depend on the strength of our region's technology sector that has propelled the United States and California as preeminent global leaders in technology development. Maintaining an adequate

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water supply to support growth in housing as well as for our region's commercial, institutional, and industrial needs is a prerequisite to the economic success of California and our nation.

Valley Water urges the Commission to focus the remaining WSIP funds on the currently approved projects, thereby helping to ensure the success of the projects, the Water Storage Investment Program, and Commission. We thank you for your consideration of these important issues.

Sincerely,

A handwritten signature in blue ink that reads "Bart Broome". The signature is written in a cursive, flowing style.

Bart Broome
Assistant Officer for State Government Relations