

Water Storage Investment Program Quarterly Report

The Quarterly Reporting covered by this template documents applicants' progress toward complying with regulation section 6013 to receive a final WSIP funding hearing with the Commission as well as any changes to the physical quantity and type of public benefit being provided by the project.

Applicants must provide an update of the project status for the requirements and milestones listed below. Applicants may deviate from this fill-in format, however, please provide the information requested in this template.

Project Information

Project name:

Pacheco Reservoir Expansion Project

Applicant name:

Santa Clara Valley Water District (Valley Water)

Date:

October 31st, 2024

Reporting period:

2024 Quarter 3 - July 1 through September 30

Provide a brief project description:

A collaboration between Valley Water, the San Benito County Water District and the Pacheco Pass Water District, the Pacheco Reservoir Expansion Project is a strategic and long-term investment toward ensuring a more reliable supply of safe, clean drinking water in the face of climate change.

This project will boost Pacheco Reservoir's operational capacity from 5,500 acre-feet to up to 140,000 acre-feet, enough to supply up to 1.4 million residents with water for one year in an emergency. The project will consist of a new dam, conveyance facilities, and appurtenant infrastructure. Located in southeast Santa Clara County, the expanded reservoir will also reduce the frequency and severity of water shortages during droughts, protect our drinking water supply and infrastructure and improve habitat for fish.

Valley Water has taken into consideration projected future conditions with climate change to ensure that the reservoir is not only viable today but can withstand the changes expected in the future.

Provide a brief description of public benefits:

- Ensures a reliable supply of drinking water
- Provides an emergency supply of drinking water (WSIP Benefit)
- Improves habitat for fish, including federally threatened steelhead (WSIP Benefit)
- Reduces flood risk to disadvantaged communities (incidental benefit)
- Allows for environmental water management that supports habitat projects and other environmental water needs (WSIP Benefit)
- Addresses climate change

Current total project cost:

Construction Cost: \$1.996 Billion - 30% design construction cost estimate (April 2022 dollars)

General Update and Key Issues

Provide a general update and describe any **key issues** that occurred during this reporting period. You may attach additional documents or pages if more space is needed:

Additional environmental field investigations are ongoing. Valley Water continues to meet with USACE as they work towards releasing a draft Environmental Impact Statement and a recirculated draft Environmental Impact Report. Refinements to power transmission facilities (PG&E) and access road alignments are driving the need for recirculation.

Additional CEQA analysis has been performed and the permit application has been submitted for the Phase 2 geotechnical work so that the subsurface design can resume. This work was paused in 2023, pending the additional CEQA analysis and permit application. As part of the CEQA analysis, Valley Water released an Initial Study/Mitigated Negative Declaration for public comment on June 17, 2024. The public comment period closed on July 19. After reviewing these comments, Valley Water has decided that an EIR process is necessary for the Design Level Geotechnical Investigations.

The engineering team continues to perform some design analyses and are advancing parts of the 60% design documents, not subject to DSOD review. Paused design activities pending remaining geotechnical investigations were estimated to restart in the third quarter of 2024, however they continue to be on hold pending the completion of the EIR. Updates to the Basis of Design Technical Memos as part of the 60% design development are also affected by the pause in the geotechnical investigations.

Attach latest project schedule. In addition, describe below how the actual schedule is progressing in comparison to the schedule provided in the last reported schedule:

The project schedule attached at the end of this report remains unchanged from the last report. However, the Project team is currently updating the schedule to include the EIR for the Design Level Geotechnical Investigations and the related schedule impacts.

Note any milestones or accomplishments that occurred since submittal of the prior Quarterly Report:

Public comment period on the Draft Initial Study and Mitigated Negative Declaration for Phase 2 geotechnical work concluded in July. After Valley Water's review of the public comments, staff began to prepare a Notice of Preparation of an EIR for the Design Level Geotechnical Investigations.

Items Required Prior to Scheduling a Final Award Hearing

The following items must be provided prior to scheduling a final award hearing. Please describe the status and include the estimated completion date for the following items. These dates should align with any attached project schedule.

1. Contracts for non-public benefit cost share:

List all required contracts for non-public benefit cost share, and provide the amount of associated funds, the status and estimated completion date. Please note any issues or concerns that have, will, or could affect the timing of executing contracts for non-public benefit cost share.

Contract Name	\$ Amount	Status	Est Completion Date
Operating Agreement between San Benito County Water District and Valley Water	TBD	Under development	July 2027
Operating Agreement between Pacheco Pass Water District and Valley Water	TBD	Under development	July 2027

2. Contracts for administration of public benefits (CAPB):

Provide a status for each applicable administering agency Draft and Final CAPB and estimated completion date for both. The Draft CAPB completion date is when Commission receives the Draft CAPB for a subsequent Commission meeting. The Final CAPB completion date is when it will be executed. Please note any issues or concerns that have, will, or could affect the timing of executing CAPBs or could change the magnitude of the public benefits that could affect cost allocation.

CAPB Admin Agency	Status	Est Completion Date
CDFW Draft	Under development-CEQA analysis needs to be completed prior to completing this document. It is anticipated that this completion date will change with the pending schedule update.	May 2025
DWR Draft	Under development-CEQA analysis needs to be completed prior to completing this document. It is anticipated that this completion date will change with the pending schedule update.	May 2025
SWRCB Final	Not Applicable	N/A
CDFW Final	Will commence once comments are received on the Draft document. It is anticipated that this completion date will change with the pending schedule update.	July 2025
DWR Final	Will commence once comments are received on the Draft document. It is anticipated that this completion date will change with the pending schedule update.	July 2025

3. Completed feasibility studies:

Feasibility Study was completed in November 2021

4. Complete environmental documentation:

Provide the status and estimated completion date for all required environmental documentation (draft and final) for the project, including all Board resolutions adopting or certifying CEQA environmental documents, CEQA findings, mitigation monitoring and reporting program, Notice of Determination (NOD), and CEQA Addenda, and all NEPA completion documents, including the Record of Decision (ROD). Please note any issues or concerns that have, will, or could affect the timing of providing complete environmental documentation at the state or federal level.

Environmental Document	Status	Est Completion Date
State Document	The Draft Environmental Impact Report (DEIR) was published in November 2021. Planning for the Revised Draft Environmental Impact Report (RDEIR) has started. Additional data collection in support of the document is ongoing. It is anticipated that this completion date will change with the pending schedule update.	Summer 2025/Summer 2026
Federal Document	Planning process with the US Army Corps of Engineers for the Draft Environmental Impact Statement (DEIS) has been initiated. Additional data collection in support of the document is ongoing. It is anticipated that this completion date will change with the pending schedule update.	Summer 2025/Summer 2026
State Document for Design Level Geotechnical Investigations	A new unanticipated effort has started to complete a DEIR and EIR for the remaining geotechnical investigations. A Notice of Preparation was issued on 10/1/2024 and an estimated completion date will be included in the next report.	TBD

5. All required federal, state, and local approvals, certifications, and agreements:

List permits needed for project to begin construction, describe status in acquiring them, and include estimated date to be acquired. Please note any issues or concerns that have, will, or could affect the timing of acquiring all federal, state, and local approvals, certifications, agreements, and permits necessary to begin project construction.

Approvals / Certifications / Agreements / Permits	Status	Est Date Acquired
Section 404 permit	Pending discussions with USACE on requirements	July 2027
Caltrans encroachment permit	Coordination with Caltrans on finalizing design option is in progress.	July 2027
Section 401 water quality certification permit	Pending discussions with RWRCB on requirements	July 2027
USFWS/NMFS BA processing	Working with USFWS/NMFS as part of the inter-agency workshops to identify the conditions of the permit	May 2026
USACE section 106 processing	Pending discussions with USACE on requirements	May 2026
CSWRCB water rights petition processing	Working with Regional Board staff on identifying the requirements for the permits	May 2026

Approvals / Certifications / Agreements / Permits	Status	Est Date Acquired
CDFW section 1600 streambed alteration agreement and ITP application and issuance	Working on the design of the restoration and will initiate discussions on agreement requirements once the restoration design is complete	May 2026
CARB/EPA air quality permit	Working on design analysis and will initiate discussions on permit requirements once the analysis is complete	October 2026
Santa Clara County Planning Office grading permit	Pending completion of design	July 2027
Santa Clara County Roads and Airport Department encroachment permits	Pending completion of design	July 2027
Mitigation and monitoring plan	Pending completion of Draft RDEIR	January 2026
IS/MND for Phase 2 design level geotechnical investigations	The public comment period closed on July 19, 2024. After reviewing the comments, Valley Water made the decision to pursue an EIR for this work instead.	N/A
LSAA and 401 NOA for design level geotechnical investigations	A 401 NOA amendment was completed. The LSAA, needs to be amended or new applications submitted, as the existing LSAA Agreement has expired. An application was started for the amendments, but has been put on hold pending the completion of the CEQA process.	June 2025

Items Required to Execute a Funding Agreement

Provide an update on the following documents needed to execute a funding agreement for the project and indicate if any significant change has occurred. The Commission may request updated information prior to executing a funding agreement.

	Status	Significant Change?
Applicant's audited financial statements	Update Project financial statements will be provided later as part of the Final Funding Agreement process. Valley Water is reviewing financial statements internally on a quarterly basis in preparation of future submittals.	N/A
Final project costs, schedule, and scope of work	Next Project cost update will be provided at the completion of the 60% Design Phase. The Project schedule Is currently being updated and will be provided once the Draft EIR for the Design Level Geotechnical Investigations has been released.	No

	Status	Significant Change?
Evidence of bilateral communications with operators and owners of potentially impacted facilities regarding potential impacts of the proposed project to their facilities	Communication with impacted parties (Reclamation, SBCWD, PPWD) is ongoing. Detailed descriptions of the communications will be provided later in the Final Funding Agreement process.	No
Limited waiver of sovereign immunity	Valley Water is continuing to consult with the Amah Mutsun Tribal Band through the informal consultation process. Appropriate documentation will be provided at a later date, once the Final Funding Agreement process is underway.	No

Status Update

Provide a status update for the following and indicate if any significant change has occurred. The Commission may request updated information prior to executing a funding agreement.

	Status	Significant Change?
Labor Compliance	<p>The State of California Department of Industrial Relations has determined prevailing wages for certain categories of workers. Some Valley Water solicitations may include the requirement to pay prevailing wages.</p> <p>Valley Water and the Santa Clara and San Benito Counties Building and Construction Trades Council entered into a Project Labor Agreement (PLA) on January 11, 2022. The PLA applies to Valley Water public works projects with an engineer's estimate, or a cumulative awarded bid amount, that exceeds two million dollars (\$2,000,000).</p>	No
Urban Water Management Plans	<p>Every five years, urban water suppliers in California are required by State law to prepare an Urban Water Management Plan (UWMP). Valley Water's 2020 UWMP is its most recent update. Valley Water's 2020 UWMP documents current and projected water supplies and demands over the next 25 years during normal and drought years, as well as water reliability analysis and conservation efforts. The plan provides an overall picture of current and future water conditions and management in Santa Clara County.</p>	No
Agricultural Water Management Plans	Not applicable	N/A
Potential effect on other conditional eligible projects on the applicant's public benefits	Not applicable	N/A

Other Pertinent Information:

1. Sources of Funding

List sources of funding (e.g., Federal, State grants, local partnerships, rate payers, loans...) to move the project to construction and provide the associated amount of funds from that source and a status of obtaining that funding source below:

Funding Sources	\$ Amount	Status	Est Completion Date
WSIP Early Funding	\$24,200,000	\$24,199,999.75 has been expended, including final invoice. Final payment, to include retention, was received on 9/17/2024	December 2023
WSIP Final Funding	\$480,000,000	Pending Final Funding Agreement	Fall 2027
EPA WIFIA Loan	\$1.4 Billion	WIFIA Master Loan Agreement of \$1.4 Billion from EPA will be spread between 10 loans over 8 years. \$92 million WIFIA loan for planning and design approved by EPA on October 30, 2023.	FY 2027
Local Partnerships	35% of cost	Valley Water is in the early stages of discussion with various entities for up to 35% partnership.	Summer 2027
Valley Water Ratepayers	\$2,749,313,000 (Total Project Cost with Inflation in the CIP)	The total Project Cost is currently approved in Valley Water's budget as part of the Capital Improvement Program (CIP). The Project will be funded and financed through the Water Utility Fund with revenue from water ratepayers.	

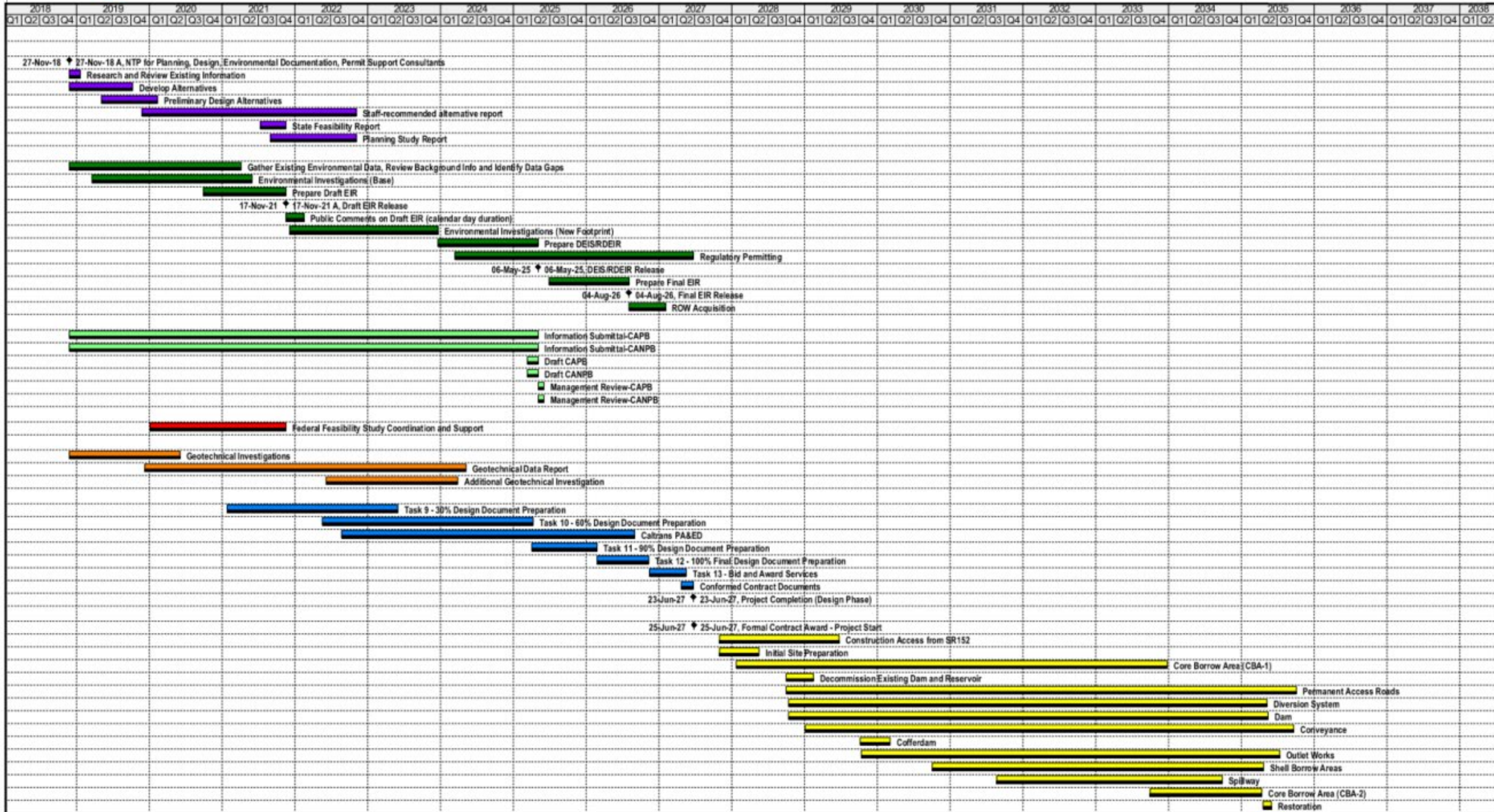
2. Early Funding Agreement Status

Provide the status of the Early Funding Agreement (EFA), as applicable, and the percentage of EFA funds expended. If the EFA has been closed, describe how the remaining work needed to move the project to a final award hearing will be financed.

Status	Percentage of EFA funds expended
The EFA final reimbursement report has been finalized. The final report was submitted to CWC in August 2024 and the close out letter was provided to Valley Water on September 6, 2024, with the retention payment received on September 17, 2024. To move the project to a final award hearing, the work will be financed through Valley Water's Water Utility Fund and WIFIA loans.	100%



PREP - Summary Schedule, for CWC Coordination



- ◆ Summary Milestones
- ◆ Baseline Milestones
- Planning
- Environmental Studies and EIR
- Contract for Public & Non-Public Benefits
- Federal Feasibility Study Coordination and Support
- Geotechnical Investigation
- Plans, Specifications and Engineering
- Construction (DEC Review/Alternatives durations)
- Current Baseline