

September 9, 2025

California Water Commission
c/o Laura Jensen, Executive Officer
P.O. Box 942836
Sacramento, California 94236-0001
Sent via email to: Laura.Jensen@water.ca.gov

Subject: Withdrawal of Pacheco Reservoir Expansion Project Water Storage Investment Program Application

Dear Ms. Jensen,

The Santa Clara Valley Water District (Valley Water) formally withdraws its Pacheco Reservoir Expansion Project Water Storage Investment Program (WSIP) application. On August 26, 2025, after careful consideration and assessment, the Valley Water Board of Directors voted to suspend development of the proposed Pacheco Reservoir Expansion Project and withdraw our application for state funding through WSIP.

We are thankful to the California Water Commission (CWC) for its trust in Valley Water for conditionally awarding us \$504 million through the Prop 1 Water Storage Investment Program. Valley Water entered into an early funding agreement for \$24.2 million with the CWC to share the costs for various evaluations, including geotechnical investigations and other assessments. These efforts were completed in 2023 and helped inform the Board's recent decision. This decision followed a Valley Water staff update that identified several challenges, including rising costs, longer timelines for environmental reviews, uncertainty in regulations, and complex permitting processes.

Valley Water appreciates the time and energy the Commission's staff has put into administering the WSIP Pacheco Reservoir Expansion Project. We value our partnership and look forward to working together in the future on policies and projects that result in sustainable water management and a healthy environment. We hope this action will enable the Commission to redirect the funds to other projects across the state as rising costs threaten these vital water infrastructure projects.

Sincerely,



Melanie Richardson, P.E.
Interim Chief Executive Officer