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California drought legacy: State approves \$2.5 billion to build new dams, water storage projects

By PAUL ROGERS | progers@bayareanewsgroup.com | Bay Area News Group
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In a historic vote, the administration of Gov. Jerry Brown on Tuesday approved spending \$2.5 billion to help fund construction of four new dams and four underground storage projects — including two in the Bay Area.



The North Fork Pacheco Creek Reservoir is the site of a newly planned \$969 million reservoir in the hills of Eastern Santa Clara County near Gilroy, Calif., on Tuesday, April 11, 2017. The reservoir would hold 140,000 acre-feet of water, making it the largest reservoir in Santa Clara County. (Gary Reyes/ Bay Area News Group)

The funding came from Proposition 1, a water bond approved by voters in November 2014 during California's five-year drought. It is believed to be the largest commitment of state money to construct new dams and water storage projects in California since 1960, when voters approved a bond to build Oroville Dam and the State Water Project.

"This meeting represents a huge step forward," said Armando Quintero, chairman of the California Water Commission, a state agency that approved the funding Tuesday on an 8-0 vote.

The vote for four new dams and four underground storage projects followed several years of public meetings and evaluations of a [dozen](#) projects.



Among the top-scoring projects that received the most money are two in the Bay Area: \$485 million to the Santa Clara Valley Water District to construct a new 319-foot-tall dam at Pacheco Pass in rural southern Santa Clara County, and \$459 million to the Contra Costa Water District to raise the height of the dam at Los Vaqueros Reservoir in eastern Contra Costa County by 55 feet, increasing the lake's size by about 70 percent.

The new funding would pay roughly half the cost of each project.

The local agencies still need to raise the rest of the money through other sources, including asking for federal funding, partnerships with other water districts, and raising local water rates. If they are unable to complete those steps by Jan. 1, 2022, they will lose the state funding, although backers of both Bay Area projects say they expect to meet that deadline.

The estimated total cost of the new Pacheco Reservoir is \$969 million. Construction would start in six years, after the Santa Clara Valley Water District purchases thousands of acres of ranch land surrounding the site just north of Highway 152 near Casa de Fruta, completes engineering and environmental studies, raises the rest of the money and secures water rights.

“It’s important for the residents of Santa Clara County to have another source of water that’s reliable,” said Richard Santos, chairman of the Santa Clara Valley Water District’s board. “I think it’s the right thing for the future. I’m very proud of what we are doing. We’re going to get more droughts. And temperatures are getting hotter. Having a new reservoir really is an insurance policy.”

The district has 10 reservoirs and provides water to 2 million people in San Jose and other parts of Santa Clara County. If completed, the Pacheco project would hold 140,000 acre feet of water — enough for the annual needs of about 700,000 people. The new reservoir would be built on top of a small reservoir of only 6,000 acre feet that was built in the 1930s. It

would become the largest in Santa Clara County, surpassing the 90,000-acre foot Anderson Lake near Morgan Hill, which was constructed in 1950.

The Los Vaqueros expansion would construct a much larger reservoir.

Its total project cost is estimated at \$980 million, and environmental studies are already completed. The Contra Costa Water District would raise the height of Los Vaqueros Dam to 273 feet high. That would expand the reservoir's capacity from 160,000 acre-feet to 275,000 acre-feet, providing more water for Bay Area cities during droughts and some for wildlife refuges near Los Banos. Already 15 water districts, including East Bay Municipal Utility District and San Francisco Public Utilities Commission, have expressed interest in helping fund the project and sharing its water, said Jennifer Allen, a spokeswoman for the Contra Costa Water District.

"It's a positive step forward for a project we have been looking at for quite some time," Allen said. "This is a good opportunity for us locally, and for other agencies around the Bay Area and Central Valley."



A pair of anglers fish at Los Vaqueros Reservoir on Monday, Oct. 2, 2017, in Brentwood, Calif. Los Vaqueros is currently 95 percent full, and would be expanded by 70 percent under new plans that won state funding Tuesday. (Aric Crabb/Bay Area News Group)

Environmental groups, who often file lawsuits to oppose new dams because they block rivers and kill salmon and other fish and wildlife, have supported the Los Vaqueros project. Among the supporters are the Nature Conservancy, Audubon California and the Planning and Conservation League.

Plans call for ground to be broken in 2022, Allen said, with the project finished in 2028.

Water for both Los Vaqueros and Pacheco would come from the Sacramento-San Joaquin River Delta. For Los Vaqueros, water already is sent through the Contra Costa Canal from the Delta into Los Vaqueros, which is currently 95 percent full, and which provided a cushion to Contra Costa County residents during the drought.

For Pacheco, the water would be piped from nearby San Luis Reservoir, where Santa Clara Valley Water District stores water it purchases under state and federal contracts from the Delta.

The water commission also approved funding for four groundwater storage projects. Those projects are \$280 million to the Sacramento Regional County Sanitation District to treat recycled wastewater and provide it to farmers in Sacramento County; \$207 million to the Inland Empire Utilities Agency to store recycled water in a groundwater storage bank in San Bernardino County for use by local cities, businesses and farms; \$67 million for the Kern Fan groundwater storage project near Bakersfield; and \$95 million for the Willow Springs groundwater bank in Kern County, which would add 500,000 acre-feet of new storage.

The funding from Proposition 1 is not without controversy, however.

Two of the projects the board approved, funding for Temperance Flat Dam in the Southern Sierra east of Fresno and Sites Reservoir in Colusa County, will face certain lawsuits from environmental groups.

Temperance Flat, a \$2.6 billion project, was awarded only \$172 million Tuesday under a scoring system in which state officials required supporters of each project to document in detail the public benefits in a cost-benefit ratio. The Sites project was awarded \$816 million. Its total cost is estimated at \$5.2 billion.

Jay Lund, director of the UC Center for Watershed studies, noted that Proposition 1 was the first time in California history that the state agreed to fund large water projects with general obligation bonds, which are repaid from the state's treasury. Other water projects have been funded with revenue bonds, in which money from each water district paid off the bonds through local taxes and water rates.

"It is taking money from the state general fund that provides for schools, prisons and everything else and gives it to some of the most well-off water districts in the state," Lund said, noting the state must repay the bonds, with interest over decades. "Every billion of that is going to be taking \$50 million out of the general fund every year for a long time."



Paul Rogers has covered a wide range of issues for The Mercury News since 1989, including water, oceans, energy, logging, parks, endangered species, toxics and climate change. He also works as managing editor of the Science team at KQED, the PBS and NPR station in San Francisco, and has taught science writing at UC Berkeley and UC Santa Cruz. Follow Paul Rogers @PaulRogersSJMN

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