



June 16, 2026

California Water Commission  
P.O. Box 942836  
Sacramento, California 94236-0001

**Re: Sites Reservoir Supplemental WSIP Funding Increase**

Dear Commission Members,

On behalf of Sierra Club California and our more than 500,000 members and supporters statewide, we write to ask that the Commission does not use any of the \$587,443,747 in uncommitted funds from the Water Storage Investment Program (WSIP) to fund Sites Reservoir.

**Pattern of Hidden Costs**

The Sites Project is requesting an additional \$268.9 million in public funding, bringing total taxpayer support through the Water Storage Investment Program to \$1.36 billion for a project that will not bring us a new source of water and that the State Water Contractors (SWC) cannot afford. This follows another \$218.9 million increase approved to the Maximum Conditional Eligibility Determinations just last year, under the justification of inflationary cost increases, meaning the public has now been asked to cover nearly \$500 million in unexpected, “inflationary” cost increases in just a few years. These repeated increases raise serious concerns about project transparency, cost controls, and fiscal accountability.

Since 2018, the project’s public funding allocation has steadily increased through the initial WSIP determination, inflation adjustments, and now, a new supplemental request. This establishes a frustrating precedent: projects can lowball initial costs, then rely on future adjustments to secure additional taxpayer funding. These hidden costs are adding up. Can we expect more every year? How will we continue to pay for them? These are questions that we

expect the Commission to answer, should they short-sightedly approve this most-recent funding request.

## **Cost**

Original cost estimates for Sites Reservoir were \$3.9–\$4.5 billion. Proponents now estimate that Sites Reservoir current projections range from \$6.2–\$6.9 billion. That is a multi-billion-dollar increase that cannot be explained by inflation alone. These dramatic overruns suggest fundamental flaws in initial cost-benefit analyses, not minor miscalculations. Emergency response and flood management were always central justifications for building Sites Reservoir. The state should not have to use money allocated for “public benefits” that were already used to justify the project in the first place, especially when there are better solutions for emergencies.

Beyond the cost of construction, the cost of operations and access to the stored water will increase. Delta carriage losses are typically 20-33% of the water yield at the reservoir, which alone increases the per acre foot cost south of the Delta by 20-33%. In a world of rapid climate disaster, we can expect increased loss of water collected in above-ground storage.

The Commission currently has ~\$587 million in uncommitted WSIP funds. Approving this request would consume nearly half of the remaining funds for a single project. Those funds should instead support climate-resilient water supply projects, water recycling and reuse, groundwater recharge, and ecosystem restoration with more reliable outcomes, all closer to the State Water Contractors paying for them.

The Delta tunnel will cost between \$60-100 billion on top of the Sites costs, and without it, how will the water reach its SWC? Sites Reservoir will likely never be completely full and will eventually become a deadpool, or a stranded asset.

## **Impact to Communities**

Notably, the project adds less than [1%](#) to California’s total water storage capacity during wet years while sitting dry during longer dry spells. Sites Reservoir would be located less than a mile from the [Great Valley fault system](#), which produced a 6.7 magnitude earthquake in 1892 and again in 1983. Damming can also cause seismic activity, and nearby small towns like Maxwell have not been completely retrofitted for earthquakes.

Field studies show that there are [144](#) prehistoric Tribal sites in the area of impact, some of which meet the criteria to be placed on the National Register of Historic Places. “We have been working to restore flows to help water quality, and to bring salmon back over the dams and back to native lands for salmon survival and Tribal people,” says Pit River Tribal member Morning Star Gali. “California is losing the salmon and our clean water. This is an issue of justice. We already have over a 1000 reservoirs, and more water allocated than exists in California. An

environmentally destructive private reservoir being built in an area that is important to native people is a step in the wrong direction.”

### **Environmental Destruction**

Sites Reservoir would divert additional water from the Sacramento River, a primary tributary to the Delta. The Delta is already stressed because of existing diversions, and climate change is adding to that stress. Significant diversions from the Sacramento River to fill Sites Reservoir could result in substantial impacts to the river’s ecosystem; reduced volume of water leads to poor water quality due to the inability to flush out runoff, agricultural and municipal waste. We will see increased temperatures, salinity, and harmful algal blooms (HABs). These affect sensitive riparian and aquatic habitats. The region where Sites would be built is an area that naturally produces selenium and other metals and potential pollutants.

Numerous [endangered fish species](#), including the Chinook Salmon, Longfin Smelt, and Steelhead Trout, inhabit the Sacramento River and downstream water bodies. These fish species are integral parts of both Sacramento river ecosystems and local fishing economies. Moreover, they are already critically endangered due to years of decreased flows and increased water temperatures from over-pumping; [salmon counts](#) in the Sacramento River have been recorded as far below average for the past eight years. During the worst of the 2020-2022 drought, water temperatures in the river grew so high that they became deadly for salmon eggs, killing 97.4% of salmon eggs [before hatching](#). The risk of salmon extinction is not only troubling for the overall well-being of the greater Sacramento ecosystem, but also for California’s fishing industry and the cultural heritage of Indigenous communities along the Sacramento River.

These problems are only going to get worse for imperiled fish populations with the construction of the Sites Reservoir. Countless studies have observed a strong relationship between water flow and survival of salmonids in the Sacramento River, with salmon populations dropping drastically to a 19% survival rate when [flows go below](#) 10,700 cubic-feet-per-second (cfs). Environmental advocates and fish scientists have long advocated for a 15,000 cfs threshold to ensure the survival of these [critically endangered](#) species. Instead, the Sites Joint Power Authority (“the Authority”), the agency in charge of planning the reservoir, has only committed to a bare minimum flow of 10,700 cfs, revealing their eagerness to divert as much water as possible with little regard for [fish casualties](#). This is despite the fact that the Sacramento River is over-allocated by [151%](#), meaning “that there are more rights to divert water out of the river than the river can provide in an average water year.”

Electricity will be generated when water is released from the reservoir, but needed to pump water into the reservoir. The amount of electricity needed and produced is unpredictable, but Sites will need more energy than it will produce, at a time when the California Aqueduct already needs \$3.9 billion in repairs because [subsidence](#) has caused a significant increase in energy usage. The California Natural Resources Agency & Department of Water Resources’ State Water Project Delivery Capability Report 2023 Addendum (May 2025) says that ongoing subsidence may

further reduce the aqueduct's capacity and affect SWP deliveries over the next 20 years if the problem goes unresolved. The interim costs alone to resolve these subsidence problems will be \$75.4 million from September of this year through March 2029, before fundraising for the nearly \$4 billion even begins. Water stored in Sites Reservoir will be useless to State Water Contractors without the aqueduct. Metropolitan Water District's 2025 Climate Action Plan ([CAP](#)) Implementation Fourth Annual Progress Report (APR) says that their greenhouse gases have increased by 84% since 2023, and that 93% of that increase came from pumping electricity. A Friends of the River [analysis estimated](#) that the project will emit approximately 362,000 metric tons of CO2E annually, equivalent to the annual emissions of 80,000 gas-powered cars.

## Conclusion

Ultimately, paying for storage in Sites Reservoir does not guarantee there will be any water in the reservoir in the next drought, and certainly not water that is cost-effective or an environmentally sustainable supply. As President Obama's science advisor John Holdren explained in 2014, "The problem in California is not that we don't have enough reservoirs, it is that we do not have enough water in them..... It wouldn't help to build any more."

We urge the Commission to put themselves in the shoes of taxpayers who are tired of funding megaprojects with ever-increasing price tags, with little reward to the taxpayers themselves.

We hope that you will consider our comments, which echo what the public has been saying for years on the construction of Sites Reservoir. We look forward to working with you in this process.

Sincerely,



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