

## Clerk of the Board

**From:** Dhruv Khanna [mailto:dhruvkhanna2002@yahoo.com]

**Sent:** Monday, April 23, 2018 4:48 PM

**To:** Board of Directors <board@valleywater.org>

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**Subject:** Fw: RE: RE: District Staff's November 2013 projections

Dear Board of Directors of Santa Clara Valley Water District:

Based on some substantial research on my part, please take note of the following four key points:

1. **Annual revenues to the District** from South County Ag ground water usage are trivial -- considerably less than **\$0.75M per year**. In short, there is no hope of obtaining any meaningful funding from our County's remaining farmers for the Anderson Reservoir and Dam retrofit project of **\$550 Million** particularly for the additional reason that **ag ground water usage is already down by 20% from 1997 -- that's a decline of 1% per year on average**. Raising our rates 22% is just off-base, and needlessly punitive because ag ground water charges simply have no rational relationship to the funding of this \$550 Million project. But your Staff has not exactly highlighted this fact: the plain and simple math does not add up in any rational way to substantiate the illusion that our County's remaining farmers are an appropriate pocket to pick in a way to plausibly make a meaningful dent in the financial needs of the project.
2. According to your staff, the Anderson Reservoir and Dam project "will help ensure **public safety** and bolster future water supply reliability." However, the District has no plan to obtain any money from those who will benefit from the enhanced safety of the Anderson Reservoir and Dam from the seismic retrofit. This is a free ride for such beneficiaries and raises not only fairness questions but squarely causes Staff's proposal to abridge California law. The District's ratepayers, including its South County ag ground water users, are being asked to give -- pay for -- a free ride to such beneficiaries.
3. All of the District's flood risk abatement expenditures -- and other public safety expenditures -- disproportionately benefit M&I users because farmers and farmlands don't suffer as much from floods as much as M&I users and M&I properties do. This is an important reason for the financial burdens to be disparately allocated to the various beneficiaries of the expenditures in a reasonable way.
4. M&I users under California's Water Code Section 106 receive priority for their domestic water uses over farmers' use of water for farming. Our well water is highly insecure -- far more insecure than supplies of ground water to M&I users.

Based on the above, I urge you not to approve the Staff's recommendation of a 22% rate increase for our ground water production charges -- the effects of such changes will be significantly negative, without commensurate benefit for the District, and fraught with legal peril.

Dhruv Khanna, for himself and Kirigin Cellars