



110 W. Taylor Street
San Jose, CA 95110-2131

April 27, 2020

Board of Directors
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3686

SUBJECT: COVID-19 Response (Agenda Item 2.1, April 28, 2020 Meeting)

Dear Chair Hsueh, Vice Chair Estremera and Directors Keegan, Kremen, LeZotte, Santos, and Varela:

Working together, Valley Water and its 13 retail partners have performed exceptionally well in our shared mission to deliver reliable water supplies and excellent service. As Valley Water's largest retailer, San Jose Water (SJW) very much appreciates your efforts to ensure a sustainable water supply and resilient water system for our region. There are many challenges affecting water quality, supply, and ultimately the reliability of the region's water infrastructure serving almost 2 million residents in Santa Clara County. A safe, clean, and reliable water supply is crucial to protecting public health, sustaining Silicon Valley's economy, and delivering a high quality of life.

SJW appreciates the challenges facing both utilities and customers during this extraordinary time. To that end, SJW and other retailers have stepped up to provide customer protections in the form of payment arrangements, waiver of fees, and a moratorium on shutoffs. No one is currently without service nor will anyone be without water service during this pandemic. In addition, SJW and other investor-owned retailers have long maintained low income customer assistance programs to further assist customers with their bills. We gladly accept our responsibility in ensuring the continued delivery of safe and reliable water service, and our public health role in protecting our employees, customers and communities.

On April 28, 2020, the Board will consider alternatives to the budget, water charge, and CIP plan in response to the impacts from COVID-19. At no time has the provision of safe and reliable water service been more critical to the protection of public health. It is with this in mind that I write to share SJW's concerns about some of the options under consideration.

We strongly believe that the Water Supply Master Plan lays out a cogent and comprehensive plan that addresses the anticipated water supply challenges and ensures an adequate level of service for the residents of this county. Delaying important water supply and reliability projects will only increase their costs and further exacerbate the

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concerns you are currently attempting to mitigate. Furthermore, the delays will magnify the challenges stemming from future water supply impacts and jeopardize Valley Water's ability to deliver on its level of service goals.

To that end, SJW supports moving forward with the planned wholesale water rate increase of 8.6% for FY 2021. This increase, which is passed on to our customers at cost, will allow Valley Water to deliver on its water supply and reliability goals. The investments will have long lasting impacts not only for current but also for future generations of Santa Clara County residents.

We understand that the timing of this decision you are about to undertake comes at a very difficult time. To that end, we look forward to working with you, staff, and our other retailers to continue to deliver on our public health mission.

Thank you for considering our input.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andy Gere".

Andy Gere
President and Chief Operating Officer

c: Norma Camacho, Valley Water
Nina Hawk, Valley Water
Michele King, Valley Water
John Tang, SJW