



Sam T. Liccardo
MAYOR

April 27, 2020

Honorable Nai Hsueh
Chair of the Board of Directors, Valley Water
5750 Almaden Expressway
San Jose, CA 95118

Re: Proposed Groundwater and Treated Water Wholesale Rates for FY 2020-21

Dear Chair Hsueh,

On behalf of the City of San José, I am writing to request that the Board suspend any proposed wholesale water increases for FY 2020-21. Valley Water's proposed 8.6 percent rate increase during a pandemic will add a cost burden to our community when they can least afford it.

We recognize that such action by the Board will result in service level impacts. Currently, the City of San José is also experiencing similar fiscal challenges as a result of the COVID-19 pandemic. As such, we are continuing to identify reductions to our FY 2020-21 budget. The City has already taken steps to support residents by suspending water service disconnections for non-payment, waiving late fees, and providing flexible payment plans. But more must be done.

Our agencies share a common goal in providing safe, clean, reliable and cost-effective water supply to our community. While recognizing that continued investment in water sustainability is vital for the economic health, safety and quality of life in Santa Clara County, due to the current economic hardship facing our residents and businesses, this is not the right time to continue to increase wholesale water rates.

As you open your Public Hearing on April 28, 2020, we request that the Board suspend any proposed wholesale water increases for the upcoming fiscal year. I appreciate your time and consideration.

Sincerely,

Sam Liccardo
Mayor
City of San José

Cc: Valley Water Board of Directors
San José City Council
Dave Sykes, City Manager
Kerrie Romanow, Director of Environmental Services