

Michele King

Subject: FW: SCVWD Agenda Comment Form

From: system-generated@valleywater.org <system-generated@valleywater.org>

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Submitted values are:

Name

Katja Irvin

Address

215 S 19TH ST
SAN JOSE, California. 95116

Telephone

(408) 569-8214

Email

katja.irvin@sbcglobal.net

Agency, Business or Group (if applicable)

Sierra Club Loma Prieta Chapter

Board Meeting Date

2021-04-28

Agenda Item Number

2.2

I would like to

No Position--Comment Only

Comment Form

Dear Valley Water Board of Directors and Staff,

The Budget document brings up more questions about costs for the State Water Project (SWP), especially in relation to the proposed 48% increase in the State Water Project Parcel Tax.

The Fund Summary for the State Water Project Fund (page 196 of Supplemental Attachment 2) shows State Water Project Operating Outlays will decrease from \$29,636,261 in 2020-21 to \$27,609,126 in 2021-22.

If expenses/outlays are down, why was the SWP Tax increased so substantially? The public deserves more information

about why our taxes are increasing and exactly what costs are increasing to justify the property tax increase.

It's good to know that the SWP Tax pays for "indebtedness [that] is part of Valley Water's SWP water purchase costs and pays for construction, maintenance and operation of SWP infrastructure and facilities." However, that doesn't explain why those costs are increasing and by how much. That information should be provided so the public can see that the SWP Tax increases aren't arbitrary.

It is also significant that the description of the Water Utility Enterprise Fund says the "Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges." This is how SWP costs should be funded, by user fees as is the intent of the governing body, not by increasing reliance on property taxes that have no specific connection to usage.

Thank you for your consideration.