

November 11, 2017

WRATES Update #31

OUTCOME of Nov. 6 **CPUC PUBLIC HEARING** at SJ City Hall - Thank you to all who attended! Judge Bemserderfer and Commissioner Guzman-Aceves and her Assistant presided over the public hearing. ORA, Richard Rauschmeier, was in attendance and advocated for the ratepayers. All three CPUC members spoke as well as Palle Jensen, VP of SJW. Representatives from Cal-Water, Cal-Am and Golden State were present but did not speak.

There was a strong public turnout. City Hall holds 300 people and it was almost full. 54 of the 56 people who requested to speak, spoke. There was a hard stop at 10:00pm. First to speak were the elected officials - Mayor of SJ Sam Liccardo, SJ council member Don Rocha, Vice Mayor of Monte Sereno Burton Craig and council member of Cupertino Steven Scarf, (council member of Saratoga Rishi Kumar chose not to speak with the other elected official at their designated time but instead chose to take someone else's speaking time at the end of the hearing.)

It was important that Mayor Liccardo attended and spoke on behalf of the ratepayers. He also recognized WRATES and all our hard work in his speech.

Many of the people who spoke, used the subject specific talking points WRATES wrote and many people wrote their own compelling points as to why SJWC should not achieve these high return rates. Commissioner Guzman and Judge Bemserderfer were attentive and appeared to be taking it all in. Over the next 2 months, they will evaluate all the information put before them, including the testimony from SJWC, ORA and the Public. They will then submit a proposal to the 5 commissioners for a vote on SJWC's return rates. This decision will most likely happen by December 31.

***It is important for the public to keep our views and concerns on the forefront with the commissioners while they are evaluating SJWC's Cost of Capital application. The CPUC commissioners will be rendering a decision by end of year to increase or decrease SJWC's return rates. I have posted a summary of the our talking points on the WRATES website under Cost of Capital for you to draw inspiration from when writing your email. <https://sjwfacts.weebly.com/cost-of-capital.html>

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**ACCOMPLISHMENTS**

As we move along in our day to day battle with lowering our water rates, it is easy to forget about the WRATES victories. Although our water rates are still outrageous, they would be even more outrageous if it weren't for our victories. Here's a recap:

- WRATES successfully stopped Advice Letter 501 which would have gone into effect March 2017 and increased our rates another 3.65%.
- WRATES had several meetings with SCVWD staff and board members and we successfully convinced them to reduce their proposed wholesale rate increase for July, 2017 which saved us another 2.9% increase.
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- WRATES successfully stopped Advice Letter 512 which saved the ratepayer another \$11.5 million in increases which would have been effective Oct, 2017.
- WRATES presented our finding at the Formal Complaint hearing in SF. We successfully suspended the complaint (and corresponding advice letter 510) to have it reviewed by the Consumer Protection and Enforcement Division (CPED). I have been in regular contact with them, providing additional billing issues. The

CPED will be submitting their proposal, hopefully soon, to the commission for a vote to open a full Order Instituting Investigation in SJWC.

- WRATES met with almost every council member of San Jose (sometimes twice) to get "Action Against SJWC" on their Agenda. We were successful and the SJ council voted unanimously on Oct. 24, 2017 to take action against SJWC and advocate for the ratepayer. That is why Mayor Liccardo and CM Rocha spoke at the hearing on Monday. We also reached out to all surrounding city councilmembers to attend and speak. That is why council members from Monte Sereno and Cupertino spoke.

- WRATES are in contact with other cities throughout California to take part in a statewide collation to promote CPUC reform legislation. We will have more information on this development in the coming months.

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UNFORTUNATE DISTRACTIONS

I have tried to keep this issue out of the WRATES updates and keep our focus on achieving lower water rates. But this distraction is taking far too much time away from achieving our goals.

I have been getting emails and phone calls from people confused about the posts council member Rishi Kumar is posting. He states ["One of the key outcomes from the Monday night CPUC public hearing on the new proposed water rate increases was a citizen plan by the Water Oversight Group to push back permanently on the rampant rate increases by San Jose Water Company."](#) I want to make it clear that this is NOT a key outcome from the hearing. This hearing was about the CPUC receiving public input regarding return rates for SJWC's Cost of Capital application.

Over the past year Mr. Kumar has been undermining the progress of WRATES and has taken credit for our accomplishments and research. I have asked him to either join WRATES's cause or stop sending misleading, confusing and inaccurate information. He refuses. I contacted all Saratoga council members and have spoken at a Saratoga council meeting to set the record straight and ask that he join WRATES or stop.

He is now pushing to replace SJWC with a Municipal Utility Company. As much as WRATES would love to see re-municipalization and have had many discussions about it, demanding it is not going to make it happen. Here are some basic questions that Rishi Kumar should be able to answer if he is proposing re-municipalization.

1. How do you propose to buy the system out?
2. Would another property assessment be levied on property owners to do so?
3. If so, any idea how much?
4. How do all the renters in the high density housing become responsible for the cost of the "new" system?
5. How do you propose the cities pay for the millions of dollars in legal fees associated with a take over. SJWC has the money to pay their attorneys to fight this. Do we?
6. How do you anticipate the California Water Association, the lobbying force for the Investor Owned Water utilities, will react to this?

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Thank you,  
Rita Benton  
WRATES, Water Rate Advocates for Transparency, Equity and Sustainability

"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has." Margaret Meade

