

Thank you for allowing me the opportunity to provide public comment on the proposed Capital Facility Fees.

As proposed, if all assumptions of the rate calculations are correct, the deficit in the developer funds will be paid back to ratepayers by 2035 – sixteen years from now.

First, sixteen years is not acceptable to wait to get paid back for something we should not have been paying for in the first place.

Second, only if all assumptions are correct will customers get paid back.

Significant assumptions include:

- In the first phase, 4,400 water EDUs will be paid for by July 1, next year, at the higher proposed rate - less than 1,400 have been paid for to date at the lower existing rate. That means you need to collect on 3,000 EDUs within the next ten months. You haven't collected on 3,000 water EDUs in the last ten years.
- And the same for sewer EDUs. 4,800 sewer EDUs will be paid for by July 1 at the proposed rate - less than 1,600 have been paid for to date at the lower existing rate.
- The assumed finance rate is less than possible for Vallecitos to obtain, according to your financial advisor.

These aggressive and unachievable assumptions have created a revenue shortfall of scores of millions of dollars.

This revenue shortfall is in addition to the developer fund deficit and has not been adjusted for in your proposed rates.

In other words, if these rates are adopted as proposed, ratepayers will never be paid back.

And, particularly in Water CIP, there are no projects to push beyond the planning period to mitigate the revenue shortfall.

And it is this agency's explicit intent to continue to finance developer obligations with ratepayer cash.

I sent a letter to you on May 28 in anticipation of the Public Hearing then scheduled for June 5, detailing and supporting deficiencies in the rate calculation.

The Public Hearing was postponed. My letter was not responded to, while meetings were held in private with developers and you were – quote – in constant communication with the BIA – end quote.

As unwilling creditors, we, ratepayers, are stakeholders, but yet were excluded from private meetings with developers that resulted in a reduction in the proposed rates – rates that before the reduction were not sufficient to pay back ratepayers.

We ratepayers do not receive a benefit from the money we pay toward developer obligations.

Money that we ratepayers pay toward developer obligations are not a cost of service.

Please make the adjustments suggested in my May 28, 2019, letter to you. I have a copy for the record. And a copy of my comments for the record as well.

Thank you