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April 17, 2023
VIA EMAIL - edill@scvwa.org

 Erika Dill
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**Re: Request for Public Comment – Item No. 3
 Finance and Administration Committee April 17, 2023
 Meeting Objection to Recommended Approval of a
 Resolution Establishing the Valencia Service Area Retail
 Capacity Fee**

This public comment is submitted to the Santa Clarita Valley Water Agency (the "Agency") Finance and Administration Committee on behalf of The Building Industry Association of Southern California, Inc. ("BIASC") in regards to Agenda Item No. 3, the recommended approval of a Resolution Establishing the Valencia Service Area Retail Capacity Fee. While the BIASC supports the Agency's plan to fairly recover costs through capacity or other types of lawful fees, we respectfully request the Committee postpone approval of the resolution establishing capacity fees in light of the considerations below:

First, stakeholders have not been given adequate time to review, evaluate, or prepare meaningful comments in response to the Valencia Service Area Retail Capacity Fee Study prepared by Bartle Wells Associates. We request a stakeholder meeting with the opportunity to ask questions and allow the Agency to address these questions prior to the Committee's approval of any proposed capacity fee. Next, it appears the Capacity Fee Study utilizes a flawed valuation methodology which fails to quantify or exclude any contributed capital, in-tract facilities (non-backbone infrastructure), or assets funded by grants – which, if true, would violate constitutional and statutory law. Based on our review of prior contracts, we believe the Agency's "Original Costs" presented

in the Capacity Fee Study are not accurate and should exclude contributed capital improvements from the valuation. Upon review of the Agency's most recent Retail Water Rate Cost Analysis and Rate Design Study, it appears that the Agency is already recovering costs related to the Valencia Service Area's capital improvements through a monthly fixed legacy debt charge. This raises significant cost of service concerns and creates risk for the Agency.

In light of these comments, we recommend the Finance and Administration Committee postpone or table this Item for a future meeting. We encourage the Committee to first investigate and address the concerns raised above prior to taking any action.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Valencia", with a long horizontal line extending to the right.

De'Andre Valencia, Senior VP
BIASC/LA Ventura Chapter