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**Subject:** 040826 Water Commission item 4-1 public comment  
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**Attachments:** [040826 Water Commission item 4-1 public comment.pdf](#)

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Dear Water Commission,

Please consider the attached comments for agenda item 4.1, Receive Results of Consultant Study Regarding Santa Clara Valley Water District's Water Use Projections, Water Demand Elasticity, and Customer Affordability.

Thank you for your interest,  
Katja Irvin  
San Jose Resident

Water Commission, April 8, 2026

**Item 4.1 Receive Results of Consultant Study Regarding Santa Clara Valley Water District’s Water Use Projections, Water Demand Elasticity, and Customer Affordability**

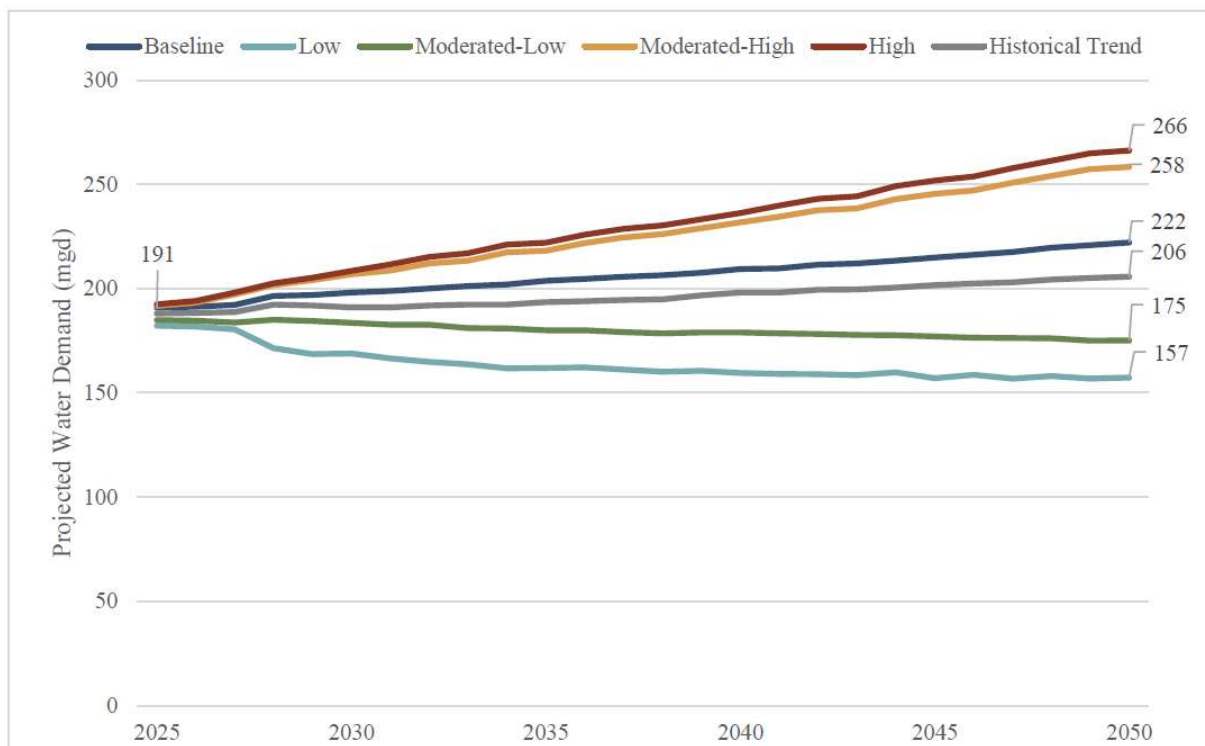
From Katja Irvin, San Jose Resident

Dear Water Commission,

Please note the following observations about the materials included in the agenda packet for this item.

Under Task 1: Water Use Projections key takeaways (staff report page 2)

- **“Forecast-to-actual water use has been largely accurate, with reduced variance in recent years.”** We note that this may be true for rate-setting forecasts, but not for long-term planning forecasts. **Urban Water Management Plan (UWMP) forecasts have historically over-projected future demand by about 50% on average.** Most of this over-projection is due to use of growth projections provided by Plan Bay Area, which advocates have pointed out for many years.
- **“Water use overall continues to trend downward.”** This confirms what advocates and others have said, but Valley Water’s rate-setting and long-term planning forecasts do not show any future decline in demand. **The Sierra Club recommends including a broader range of demand forecasts using alternative assumptions for growth and climate impacts** such as the following Alternate Scenario Results from the Bay Area Water Supply and Conservation Agency’s Regional Water Demand and Conservation Projections Study (December 2025).



**Figure 7-9: Graphical Comparison of Water Demand Scenarios**

Under Task 2: Water Demand Elasticity Analysis key takeaways (staff report page 2)

- **“Water use in Santa Clara County is generally inelastic with respect to price; a 10% increase in price would be expected to reduce retail demand by about 2%.”** According to the staff report about the Protection and Augmentation of Water Supplies report for 2026-27, rate increases over the next 10 years add up to 81% for the North County W-2 zone. Using the information about elasticity, this would result in at least a 13% decrease in demand. This accounts for the finding that 83% of wholesale prices pass through to volumetric retail rates, but does not account for the fact that rate increases are cumulative. **This elasticity impact on demand should be added to Valley Water's models along with drought and conservation, as recommended on page 6 of the Executive Summary.**

Under Task 3: Water Affordability Analysis key takeaways (staff report page 2)

- **“An estimated 37,000 households – equivalent to 6% of Santa Clara County households – could have water bills that are unaffordable.”** To paint a different picture about what this means, this is more than 1 in every 20 customers, which is about 1 per every street block (my street block has twenty properties). Most of the cities in Santa Clara County have fewer than 37,000 households (assuming 2.3 persons per household). **This seems significant, indicating that affordability metrics need to be tracked and addressed as part of the rate-setting process.**

Executive Summary

- **“Valley Water’s demand projections could be enhanced by updating their methodology using growth demand forecasts from the most recent UWMP and by weighting demand projections for lower and moderate scenarios”** (page 2). Since UWMP projections have significantly over-projected future demand as described above, it is unclear how using these projections would improve near-term forecasts for rate-setting, especially since near-term projections have been largely accurate.
- **“Improved demand forecasting (Task 1) enables more accurate rate setting, reducing revenue volatility and unexpected rate adjustments. Price elasticity estimates (Task 2) allow the District to anticipate how rate changes will affect both demand and revenue, and can be explicitly integrated into the demand forecast to improve projections”** (page 7). Advocates will continue to encourage Valley Water to incorporate analysis of these issues in their annual CIP, Budget and rate-setting cycle.

In addition, **Valley Water should build on this water use projections study to evaluate the projections used for water supply planning** (UWMPs and WSMPs). No model is completely accurate, but the historical 50% error for UWMP projections indicates that something isn’t right. The Sierra Club has identified that this is likely due to assumptions about population growth and economic growth, as well as the use of a climate model that discounts the impact of future droughts.

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