
FW: Public Comment: Item 4.1 – Sewer Rate Setting Audit (February 24, 2026)

From City Clerk <city.clerk@sanjoseca.gov>

Date Mon 2/23/2026 7:51 AM

To Agendadesk <Agendadesk@sanjoseca.gov>

From: brian darby [REDACTED]

Sent: Monday, February 23, 2026 3:39 AM

To: City Clerk <city.clerk@sanjoseca.gov>

Subject: Public Comment: Item 4.1 – Sewer Rate Setting Audit (February 24, 2026)

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Dear Mayor Mahan and City Council Members,

I am submitting this formal comment regarding **Item 4.1**, the City Auditor's report on Sewer Rate Setting. As someone who does business in San Jose, I have a vested interest in the long-term fiscal health and infrastructure reliability of the city. While the work of the Environmental Services Department is vital, the findings of this audit raise points that warrant the Council's attention.

I am particularly concerned by the following issues highlighted in the report:

1. Inaccurate Rate Modeling Assumptions The audit indicates that the department is using outdated or inconsistent assumptions in the math used to set sewer rates. Accurate modeling is essential to ensuring that rates are fair for all stakeholders. I urge the Council to request a clear timeline for when these assumptions will be modernized to ensure that the FY 2026-27 rate cycle is based on documented and precise data.

2. Absence of Formal Reserve Policies The report identifies a lack of a formal, written policy for sewer reserves. Without a defined "reserve target," it is difficult for the public and the business community to evaluate the necessity of specific rate levels. I ask the Council to direct staff to establish a clear reserve policy that defines appropriate funding levels for emergency repairs and infrastructure longevity.

3. Need for Documented Transparency The audit suggests that the documentation of the decision-making process for rate changes could be improved. I recommend that the Council request a follow-up briefing in six months to ensure that the recommended documentation standards have been successfully integrated into the department's workflow.

I believe that addressing these audit findings will lead to a more predictable and transparent system for everyone who does business in the city.

Sincerely,

Brian Darby



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