



**Financial Policies FY2022 Updates
COMMENTS**

COMMENT NUMBER: 2

COMMENT BY: Karyn Keze

DATE OF COMMENT: 2/09/2021

COMMENT:

I CANNOT support your increasing your coverage target/ratio. I have the same concern that it is too high and therefore drives up user rates unnecessarily as I did during our COS study. And once again, I introduce the basis for my concerns. The City of San Diego maintains a coverage ratio of 1.5x for both their water and wastewater utilities and has excellent bond ratings. And I consider them a larger “risk” than the City of Austin’s utilities with their major sewage treatment plant potentially succumbing to climate change and falling into the Pacific Ocean.

You have not provided me with any compelling arguments as to why you should increase coverage. I have attached San Diego’s latest five-year forecast and you will note on pages 20 and 35 the existing and projected coverage projections. Somehow in the beginnings of a billion-dollar Pure Water Program the rating agencies seem to feel content with 1.5x.

