



May 5, 2020

The Honorable John M.W. Moorlach
 Senator, 37th District
 State Capitol, Room 2048
 Sacramento, CA 95814

RE: SB 1386 (Moorlach): Protecting Fire Hydrant System Funding- Support

Dear Senator Moorlach:

We, the undersigned coalition of statewide associations, cities, water suppliers and regional stakeholders, are writing to express our support for SB 1386 and to thank you for authoring this important measure which would protect fire hydrant system funding and ensure public water suppliers are able to operate sufficiently sized and pressurized water system to supply water to their customers

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and to fight fires. This measure affirms that existing law allows water suppliers to include the costs of operating and maintaining these systems, as well as the costs associated with fire hydrant and the water served through them, in their property-related service charges. Because of lawsuits that threaten California water providers' ability to fund water services used in fire protection, this measure is critical to preventing these costs from being passed on to fire protection agencies.

Our cities and water agencies are some of the 81 local governments being sued to challenge the long-standing method of funding water service used in firefighting through property-related water service charges. The lawsuits allege that including these costs in our water rates is prohibited by Article XIII D of the California Constitution (i.e. "Proposition 218").

In our opinion, these lawsuits are without merit and threaten to force all of California's public retail water service providers to charge fire protection agencies directly for these costs. If that occurs, the ability of fire protection agencies to fund essential equipment and personnel would be greatly impacted. Our property-related service charges are legitimate under existing law, but in order to avoid lengthy and expensive legal battles with costs that will be passed on to our customers and to avoid additional burdens on fire protection agencies, the law needs to be affirmed by the Legislature.

Proposition 218 placed provisions into the California Constitution that limit local governments' authority to impose and increase taxes, fees, assessments, and charges. We faithfully abide by the requirements of Proposition 218 and are serious about our responsibility to provide services to our customers in an efficient and cost-effective manner. Including the costs of operating and maintaining fire hydrant systems, as well as the costs associated with the water distribution system and the water that is needed to fight fires, within property-related water service charges is legitimate and appropriate under Proposition 218. Ensuring water rates cover these costs is critical for the safety of all of our customers.

SB 1386 reinforces our authority under the law to use property-related service charges for funding water services related to fire protection. SB 1386 does this by amending Proposition 218's implementing statute to reflect a recent court case that concluded that these costs are in fact a property-based service.

For these reasons, we strongly support your bill and urge your colleagues to vote "Aye" on SB 1386. Please do not hesitate to contact Christine Compton with the Irvine Ranch Water District (IRWD) at (949) 453-5338, Glenn Farrel with the San Diego County Water Authority (SDCWA) at (916) 216-1747, or either IRWD's Sacramento advocate Pilar Oñate-Quintana at (916) 230-4470 or SDCWA's Sacramento advocate Steve Cruz at (916) 307-7741 if you have questions regarding this measure.

Sincerely,

Association of California Cities, Orange County Chapter
Association of California Water Agencies
California Municipal Utilities Association
California Special Districts Association
California Water Association
California Water Service

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City of Escondido
City of Fountain Valley
City of Oceanside
City of Pasadena
City of Poway
City of Santa Rosa
Coachella Valley Water District
Cucamonga Valley Water District
Eastern Municipal Water District
El Toro Water District
Elsinore Valley Municipal Water District
Helix Water District
Irvine Ranch Water District
Las Virgenes Municipal Water District
Otay Water District
Padre Dam Municipal Water District
Rainbow Municipal Water District
Regional Water Authority
San Diego County Water Authority
San Francisco Public Utilities Commission
Santa Ana Public Works Agency
Santa Margarita Water District
Trabuco Canyon Water District
Valley Center Municipal Water District
Vista Irrigation District
Walnut Valley Water District