



May 18, 2026

The Honorable Maria Durazo
Chair, Senate Local Government Committee
1021 O Street, Ste. 7530
Sacramento, CA 95814

**Re: SUPPORT: Assembly Bill 2180 (Ward) – Proposition 218 Omnibus Implementation Act:
Proportional Cost of Service**

Dear Chair Durazo and Members of the Committee:

On behalf of the City of Santa Rosa, I am writing to express our strong support for Assembly Bill 2180 (AB 2180), which would clarify how public water providers comply with Proposition 218 when setting water rates. This clarification would provide much needed predictability for water providers, support California's water-use conservation goals, and minimize unnecessary legal disputes over water rates.

The City of Santa Rosa Water Department (Santa Rosa Water) delivers approximately six billion gallons of drinking water each year to over 54,000 customer accounts and maintains the sanitary sewer system for over 50,000 customer accounts in Santa Rosa, serving a population of approximately 178,000 residents. Additionally, Santa Rosa Water operates the Santa Rosa Regional Water Reuse System, which serves approximately 230,000 residents in Santa Rosa, Rohnert Park, Cotati, Sebastopol, and unincorporated portions of Sonoma County. The hub of the Water Reuse System is the Laguna Treatment Plant, which cleans and recycles approximately 7 billion gallons of wastewater each year from homes, businesses, and industry in the region.

Since the passage of Proposition 218 in 1996, public water providers have been required to ensure that water and sewer rates do not exceed the proportional cost of service attributable to each parcel. To meet this constitutional standard, Santa Rosa Water, as well as water providers across the state, consult with independent experts and rely on rigorous cost-of-service studies. However, despite these efforts, water users have continued to challenge the constitutionality of rate structures in court. Recent appellate court decisions on this matter have resulted in differing, and in some cases, conflicting views, creating uncertainty about how proportionality must be demonstrated. Due to this conflict, it is necessary for the Legislature to clarify how the courts and water providers should interpret the California Constitution.

Recent appellate court decisions, like those in *Coziahr v. Otay Water District* (2024) and *Patz v. City of San Diego* (2025), impose rigid interpretations of Proposition 218 that require unfeasible levels of precision at the expense of practical administration of water rates. For example, under these court decisions, water providers could be forced to trace the flow of water from each source of supply to each parcel, molecule by molecule, even when water supplies are commingled in the distribution system.

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Conversely, the court's December 8, 2025 decision in *Dreher v. City of Los Angeles Department of Water and Power* (2025) supports a framework that is consistent with Proposition 218 and aligns with longstanding industry practice.

AB 2180 would create clear and consistent statewide standards, allowing public water providers to confidently set rates that reflect the true cost of operating, maintaining, and reinvesting in essential infrastructure—particularly as we confront drought, climate impacts, and aging systems. Additionally, AB 2180 will support conservation-oriented rate structures by allowing higher-demand uses to bear the proportional costs associated with system capacity and peak demand.

For these reasons, the City of Santa Rosa strongly supports AB 2180 and respectfully requests your “AYE” vote when the bill is heard in the Senate Local Government Committee. We appreciate your leadership on this important issue and your efforts to provide clarity and stability for California public water providers. If you have any questions, please contact Nick Harvey, Deputy Director of Administration at (707) 543-3469 or nharvey@srcity.org.

Sincerely,

Mark Stapp
Mayor, City of Santa Rosa

Thank you for your assistance!
Mark