



June 24, 2024
The Honorable Diane Papan
1021 O Street, Suite 4220
Sacramento, CA 94249

Re: SUPPORT: Assembly Bill 1827 (Papan): Low-Water User Protection Act

Dear Assemblymember Papan:

On behalf of the City of Santa Rosa, I am writing to express our support for Assembly Bill 1827 (AB 1827), which would ensure that water suppliers can continue to use meter size and peaking factors to proportionally allocate the costs associated with providing water service among customers.

The City of Santa Rosa Water Department (Santa Rosa Water) delivers approximately six billion gallons of drinking water each year to a population of approximately 178,000 residents. Reliable long-term financial planning is paramount in providing this essential government service. Like other public water utilities, Santa Rosa Water is largely funded by revenue collected through service rates. These rates provide the funding necessary to supply safe and reliable drinking water, maintain and repair aging infrastructure, and protect public health and the environment.

NATALIE ROGERS
Mayor

MARK STAPP
Vice Mayor

EDDIE ALVAREZ
VICTORIA FLEMING
DIANNA MACDONALD
JEFF OKREPKIE
CHRIS ROGERS

Water suppliers must maintain and invest in their water systems and supplies to meet the maximum possible demand on any given day. This ensures that all customers have high-quality, reliable water available when they open their taps. Customers who use more water than others in the same customer class increase water suppliers' overall cost of providing water service. This is due to the higher costs associated with building, operating, and maintaining a water system with higher capacity to meet the higher water demand.

Water agencies across the state are being sued to challenge long-standing methods of cost allocation. The lawsuits, in essence, allege that appropriately charging customers that use more water for the additional cost of that higher use is prohibited by Article XIII D of the California Constitution (i.e. "Proposition 218"). However, Proposition 218's proportionality requirements allow water suppliers to charge customers with higher water usage as a means to recoup the legitimate costs attributable to meeting the increased demand. These lawsuits are often put forth without merit. Cost allocation methods are legitimate under existing law, and affirmation of the law by the Legislature would help avoid lengthy and expensive legal battles, the costs of which are ultimately borne by our customers.

Proposition 218 placed provisions in 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 take our responsibility to provide services to our customers in an efficient and cost-effective manner seriously. While collectively all customers pay for the costs associated with a community's water service, AB 1827 reinforces our authority under the law to impose fees or charges for property-related water services that include the incrementally higher costs of water service due to higher water usage demand, maximum potential water use, and the projected peak water usage of parcels. AB 1827 accomplishes this by amending Proposition 218's



implementing statute to confirm that the long-standing cost allocation methods used by water agencies can continue to be used in accordance with Proposition 218.

For the above reasons, the City of Santa Rosa strongly supports AB 1827.

Thank you for your leadership in Santa Rosa and supporting public water providers. If you, or members of your staff, have any questions please feel free to contact Nick Harvey, Deputy Director of Administration, at 707-543-3469 or NHarvey@srcity.org.

Sincerely,

NATALIE ROGERS Natalie Rogers
Mayor Mayor, City of Santa Rosa

MARK STAPP
Vice Mayor

EDDIE ALVAREZ
VICTORIA FLEMING
DLANNA MACDONALD
JEFF OKREPKIE
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