



*****ASSEMBLY FLOOR ALERT*****

AB 1827 (Papan): Low-Water User Protection Act- Support

We, the above coalition of associations and water suppliers, respectfully request your support and urge your “Yes” vote on AB 1827, which would ensure water suppliers can continue to use meter size and peaking factors to proportionally allocate the costs associated with providing water service among customers.

AB 1827 affirms existing law that allows water suppliers to use these reasonable and well-accepted methods of assessing the incremental costs associated with higher water usage demands to high water users. Because of lawsuits that threaten California water providers’ ability to use these well-accepted methods of cost allocation, this measure is critical to preventing these costs from being passed on to low-water users.

A water supplier must maintain and invest in a water system and water supplies capable of meeting the maximum possible demand on any given day to ensure customers have reliable water service when they turn on their tap. Water customers that use more water than other similarly situated customers increase a water supplier’s overall cost of providing water service

due to the higher costs associated with building, operating, and maintaining a larger water system that can meet those larger water demands.

Water agencies across the state are being sued to challenge the long-standing methods of cost allocation. The lawsuits essentially 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 to recoup legitimate costs attributable to those higher water users.

In our opinion, these lawsuits are without merit. 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, further clarification of existing law should be affirmed by the Legislature for the understanding of the courts and others.

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.

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 projected peak water usage of parcels. AB 1827 does this by amending Proposition 218's implementing statute to confirm that the long-standing cost allocation methods used by water agencies can be used consistent with Proposition 218.

Our organizations respectfully request your "aye" vote on AB 1827.