



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

June 11, 2024

The Honorable Thomas Umberg, Chair
Senate Judiciary Committee
1021 O Street, Room 3240
Sacramento, CA 95814

RE: AB 2257 (Wilson) Local government: property-related water and sewer fees and assessments: remedies (Amended April 23, 2024) – **SUPPORT**

Dear Chair Umberg:

On behalf of the Metropolitan Water District of Southern California (Metropolitan), we are pleased to support AB 2257, regarding property related water and sewer fees and assessments.

Proposition 218, passed by California voters in 2016, established procedural requirements for local agencies that adopt new fees or assessments to further transparency and ratepayer protections. To aid in compliance with Proposition 218, many utility retailers undergo comprehensive studies of their proposed fees and assessments, in addition to providing the ratepayers an opportunity to challenge the rates, before adopting them. While this initiative was fully intended to be beneficial to ratepayers, it has had the unintended consequences of resulting in sometimes frivolous litigation filed without any prior knowledge by the utility retailer and without any opportunity to address any alleged concerns, which puts financial pressure on local agencies and actually raises overall cost for agency operations.

AB 2257 will clarify that exhaustion of administrative remedies is required before a plaintiff may file a lawsuit in court. This means that an interested party must raise a challenge to a proposed rate increase during the rate setting process, rather than be able to undermine the local process by raising issues in court that the agency never had an opportunity to address. By better defining the process under Proposition 218, local agencies will have the ability to address ratepayer concerns more proactively, while maintaining transparency and reducing the likelihood of costly litigation.

For these reasons, Metropolitan joins the Association of California Water Agencies in support of AB 2257. If you have any questions, please contact Metropolitan's Executive Legislative Representative, Jay Jefferson II, at jjeffersonii@mwdh2o.com or (916) 538-4663.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Hagekhalil".

Adel Hagekhalil
General Manager
Metropolitan Water District of Southern California

The Honorable Thomas Umberg

June 10, 2024

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cc: Senator Scott Wilk, 21st SD, Vice Chair
Senator Benjamin Allen, 24th SD
Senator Angelique Ashby, 8th D
Senator Anna Caballero, 14th SD
Senator Maria Elena Durazo, 26th SD
Senator John Laird, 17th SD
Senator Roger Niello, 6th SD
Senator Richard D. Roth, 31st SD
Senator Henry Stern, 27th SD
Senator Aisha Wahab, 10th SD