



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

June 11, 2024

The Honorable Juan Carrillo, Chair
Assembly Local Government Committee
1020 N Street, Room 157
Sacramento, CA 95814

RE: SB 1072 (Padilla) Local government: Proposition 218: remedies (Amended April 24, 2024) – **SUPPORT**

Dear Chair Carrillo:

On behalf of the Metropolitan Water District of Southern California (Metropolitan), we are pleased to support SB 1072, related to Proposition 218 remedies.

In 2016, California voters approved Proposition 218 to further transparency and accountability for local agencies that propose new fees and assessments. With climate change, inflation, and aging infrastructure, collection of fees to cover the cost of service is increasingly essential. The water sector has already identified billions of dollars in new infrastructure to ensure local agencies have the capacity to continue to deliver safe, reliable, and accessible water services to its ratepayers. While the requirements of Proposition 218 limit the amount that agencies may charge in fees and assessments, it is possible a court may find those fees and assessments to have exceeded the cost of providing the service. In that case, the intent of Proposition 218 to protect ratepayers is best met by requiring the agency to correct the overcharge by applying those funds towards the cost of service. Ratepayers would benefit from potentially reduced fees or charges or from delay in potential future increases. SB 1072 will allow local agencies to continue to operate with the resources they have accumulated, while also ensuring that ratepayer funds are used for the ratepayers' benefit consistent with Proposition 218.

If California intends to meet the water demands of the future and modernize its infrastructure to ensure reliable service, local agencies will need the ability to responsibly collect and apply needed revenue in a fair and transparent manner.

For these reasons, Metropolitan is in support of SB 1072. 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 "Adel Hagekhalil".

Adel Hagekhalil
General Manager
Metropolitan Water District of Southern California

The Honorable Juan Carrillo
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cc: Assemblymember Marie Waldron, 75th AD, Vice Chair
Assemblymember Bill Essayli, 63rd AD
Assemblymember Matt Haney, 17th AD
Assemblymember Ash Kalra, 25th SD
Assemblymember Blanca Pacheco, 64th AD
Assemblymember James Ramos, 45th AD
Assemblymember Christopher M. Ward, 78th AD
Assemblymember Lori Wilson, 11th AD