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# SAN GABRIEL VALLEY WATER ASSOCIATION

March 29, 2024

## MEMBERS

### Cities:

Alhambra	La Verne
Arcadia	Monrovia
Azusa	Monterey Park
Covina	Pasadena
El Monte	Rosemead
Glendora	Sierra Madre
Irwindale	South Pasadena
Industry	Whittier

### Public Water Districts:

Foothill MWD  
La Puente Valley County Water District  
Rowland WD  
San Gabriel CWD  
San Gabriel Valley MWD  
Three Valleys MWD  
Upper San Gabriel Valley MWD  
Valley CWD  
Walnut Valley WD

### Public Utilities:

Azusa Valley Water Co.  
California American Water Co.  
Golden State Water Co.  
San Gabriel Valley Water Co.  
Suburban Water Systems

### Mutual Water Companies:

Amarillo Mutual Water Co.  
California Domestic Water Co.  
Covina Irrigating Co.  
Hemlock Mutual Water Co.  
Sterling Mutual Water Co.  
Sunny Slope Water Co.  
Valencia Heights Water Co.  
Valley View Mutual Water Co.

### Private & Industrial Producers:

Los Angeles County  
Martin Marietta  
Sonoco Products Co.  
United Rock Products Corp.  
Vulcan Materials Co.  
Workman Mill Investment Co.

### Consultants/Others:

The B.E.S.T. Meter Co., Inc.  
CalMutuals  
Civiltec Engineering, Inc.  
Integrated Resources Management, Inc.  
John Robinson Consulting Inc.  
Los Angeles County of Public Works  
Main San Gabriel Basin Watermaster  
Nano Banc  
Ortega Strategies Group  
PTL Insurance Brokers, Inc.  
Jeffrey L. Pellissier  
R.C. Foster Corp.  
Roscoe Moss Co.  
Rubio Cañon Land and Water Association  
SA Associates  
San Gabriel Basin Water Quality Authority  
San Gabriel River Water Committee  
Stantec  
Stetson Engineers Inc.  
T.E. Roberts Inc.

### Honorary Life Members:

Henri F. Pellissier

The Honorable María Elena Durazo  
Chair, Senate Committee on Local Government  
State Capitol, Room 407  
Sacramento, CA 95814

Re: Local government: Proposition 218: remedies. SUPPORT

Senator Durazo:

The San Gabriel Valley Water Association (SGVWA) represents municipal utilities, California Public Utilities Commission regulated utilities, water districts, and not-for-profit mutual water companies that supply water to nearly two million San Gabriel Valley residents and businesses. The SGVWA is pleased to support Senate Bill 1072 (Padilla), which aims to clarify existing laws regarding refunds of excess revenues from water or wastewater service charges.

Recent Proposition 218 legal challenges to water and wastewater service fee structures, including a case against the City of Azusa in our region, pose a significant threat to the financial stability of retail water and wastewater agencies throughout the state. The basis for these challenges often stems from high water users disputing the proportionality of charges and demanding refunds through class action litigation. Proposition 218 does not expressly authorize refunds. However, if refunds were to be granted by the courts, they would apply retroactively. Public water districts can only rely on rates and charges for revenue and would face additional challenges in issuing refunds. Any refunds would have to be paid for by raising rates on future costs of service.

Senate Bill 1072 seeks to clarify existing law by affirming that refunds are not available for excess water or wastewater service charges. Instead, the bill proposes that if a water or wastewater rate or charge exceeds the proportional cost of service, the excess revenues would be used to reduce future rates or charges, aligning with the existing "no refund" doctrine for water and sewer connection fees.

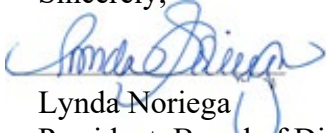
The Honorable María Elena Durazo

April 1, 2024

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Our Association fully supports SB 1072, as its provisions are crucial in protecting the solvency of local public water agencies across California.

Sincerely,



Lynda Noriega

President, Board of Directors

San Gabriel Valley Water Association