

June 11, 2024

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

RE: AB 1827 (Papan): Local government: fees and charges: water: higher consumptive water parcels (Amended April 4, 2024) – **SUPPORT**

Dear Chair Durazo:

The Metropolitan Water District of Southern California (Metropolitan) is pleased to support AB 1827, related to water fees and charges for higher consumptive parcels.

Metropolitan is the primary water supply wholesaler for the Southern California region. Metropolitan is comprised of 26 member agencies that serve nearly 19 million residents within a six-county service territory – which includes Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura counties. We have a long history of working collaboratively with our member agencies to invest in projects and programs to ensure reliable water supply for the Southern California region.

Proposition 218 requires, among other things, that property related fees - including water rates and charges – reflect the cost of service. However, there are instances where some ratepayers use significantly higher amounts of water than others, which puts additional strain on the system and may require the use of water supplies that come at a higher cost. In these cases, agencies have an established practice of assessing users based on a tiered rate structure that reflects the appropriate cost for higher levels of water use. AB 1827 seeks to clarify that aspect of the cost of providing higher usage service, consistent with the intent of Proposition 218, by ensuring that water retailers are authorized to use the appropriate cost allocation methods that reflect the actual cost of higher water use.

For these reasons, Metropolitan supports AB 1827. If you should have any questions, please contact Metropolitan's Executive Legislative Representative Jay Jefferson II, at jjeffersonii@mwdh2o.com or (916) 538-4663.

Sincerely,

Adel Hagekhalil General Manager

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cc: Senator Kelly Seyarto, 32nd SD, Vice Chair

Senator Brian Dahle, 1st SD Senator Steven Glazer, 7th SD Senator Nancy Skinner, 9th SD Senator Aisha Wahab, 10th SD Senator Scott Wiener, 11th SD