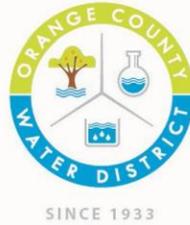


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ORANGE COUNTY'S GROUNDWATER AUTHORITY

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May 21, 2020

The Honorable John M.W. Moorlach  
Senator, 37<sup>th</sup> District  
State Capitol, Room 2048  
Sacramento, CA 95814

**RE: SB 1386 (Moorlach): Protecting Fire Hydrant System Funding- Support**

Dear Senator Moorlach:

The Orange County Water District (OCWD; the District) writes in support of your bill SB 1386 and to thank you for authoring this important measure which would protect fire hydrant system funding and ensure public water suppliers are able to operate sufficiently sized and pressurized water systems to supply water to their customers and to fight fires. This measure affirms that existing law allows water suppliers to include the costs of operating and maintaining these systems, as well as the costs associated with fire hydrants and the water served through them, in their property-related service charges. Because of lawsuits that threaten California water providers' ability to fund water services used in fire protection, this measure is critical to preventing these costs from being passed on to fire protection agencies.

Cities and water agencies in our service area are some of the 81 local governments being sued to challenge the long-standing method of funding water services used in firefighting through property-related water service charges. The lawsuits allege that including these costs in water rates is prohibited by Article XIII D of the California Constitution (i.e. "Proposition 218").

These lawsuits threaten to force all of California's public retail water service providers to charge fire protection agencies directly for costs associated with fire hydrants and the water served through them. If that occurs, the ability of fire protection agencies to fund essential equipment and personnel would be greatly impacted. Existing property-related service charges are legitimate under current law, but in order to avoid expensive legal costs that will be passed on to retail water customers and additional burdens on fire protection agencies, the law needs to be affirmed by the Legislature.

The Honorable John M.W. Moorlach

May 21, 2020

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Proposition 218 placed provisions into the California Constitution that limit local governments' authority to impose and increase taxes, fees, assessments, and charges. Cities and water agencies abide by the requirements of Proposition 218 and are serious about the responsibility to provide services to customers in an efficient and cost-effective manner. Including the costs of operating and maintaining fire hydrant systems, as well as the costs associated with the water distribution system and the water that is needed to fight fires, within property-related water service charges is legitimate and appropriate under Proposition 218.

SB 1386 reinforces the authority of cities and water districts' under the law to use property-related service charges for funding water services related to fire protection. The bill does this by amending Proposition 218's implementing statute to reflect a recent court case that concluded that these costs are in fact a property-based service.

For these reasons, OCWD supports SB 1386. Thank you for your leadership on this issue. If the District can provide any assistance to you or your staff in any way, please do not hesitate to contact OCWD's Legislative Liaison, Alicia Dunkin, at [adunkin@ocwd.com](mailto:adunkin@ocwd.com) or (714) 477-3750.

Sincerely,



Vicente Sarmiento, Esq.

