

June 10, 2020

The Honorable John M. W. Moorlach
California State Senate
State Capitol, Room 2048
Sacramento, CA 95814

RE: Support for SB 1386 (Moorlach): Local Government: Assessments, Fees, and Charges: Water

Dear Senator Moorlach:

On behalf of the City of Long Beach (City), I am writing to support SB 1386 (Moorlach). This bill proposes to ensure water suppliers maintain the ability to include public hydrant maintenance and operation costs within property-related service charges. SB 1386 is critical to preventing these costs from being passed on to fire protection agencies, especially considering lawsuits threatening California water providers' ability to fund water services used in fire protection.

The City is one of the 81 local governments being sued to challenge the longstanding method of funding water service 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 (Proposition 218). These lawsuits threaten to force California's public retail water service providers to charge California's fire protection agencies for these costs. This would severely compromise the ability of fire protection agencies to fund essential equipment and greatly impact personnel. Property-related service charges are legitimate under existing law, but the law needs to be affirmed by the State Legislature, in order to avoid lengthy and expensive legal battles with costs that will be passed on to our customers and to avoid additional burdens on fire protection agencies.

Proposition 218 placed provisions into the California Constitution to limit local governments' authority to impose and increase taxes, fees, assessments, and charges. The City abides by the requirements of Proposition 218 and takes our responsibility seriously to provide services to our 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 appropriate under Proposition 218. Ensuring water rates cover these costs, as AB 1386 proposes, is critical for the safety of Long Beach.

The City supports legislative efforts to maintain local control of and improve municipal public safety services. SB 1386 reinforces our authority under the law to use property-related service charges for funding water services related to fire protection to avoid compromising fire protection agency funds.

Sincerely,



THOMAS B. MODICA
City Manager

cc: The Honorable Speaker Anthony Rendon, State Assembly
The Honorable Lena Gonzalez, State Senate, 33rd District
The Honorable Tom Umberg, State Senate, 34th District
The Honorable Steven Bradford, State Senate, 35th District
The Honorable Mike Gipson, State Assembly, 64th District
The Honorable Patrick O'Donnell, State Assembly, 70th District

