



May 20, 2020

The Honorable Mike McGuire
Chair, Senate Governance and Finance Committee
State Capitol, Room 408
Sacramento, CA 95814

Re: SB 1386 (Moorlach): Protecting Fire Hydrant System Funding Support

Dear Chair McGuire:

The South Orange County Economic Coalition (SOCEC) is South Orange County's leading voice of business, and the driving force of advocating for a strong local economy. We are an alliance of businesses, community thought-leaders and stakeholders committed to enhancing the region's economic vitality and protecting its exceptional quality of life.

That said, I am writing today to extend SOCEC's support for Senate Bill 1386. Senate Bill 1386 reinforces the legal authority of cities and local water agencies throughout California to use property-related service charges for funding water services related to fire protection. Further, the bill does this by clarifying Proposition 218's implementing statute to reflect a recent court case that concluded that these costs are in fact a property-based service.

Cities and water agencies are some of the 81 local governments being sued to challenge the long-standing method of funding water service used in firefighting through property-related water service charges. These lawsuits are considered frivolous in that they attempt to undermine the long-withstanding method of funding water infrastructure through basic rates and charges under Proposition 218. These lawsuits fail to recognize that public water systems are designed and operated to simultaneously deliver reliable water for individual usage as well as maintain adequate capacity to suppress fires. The cost of the water systems in whole is definitely meant to be included in the calculation of and be covered through ongoing rates and charges.

It is with the above in mind that the South Orange County Economic Coalition joins with some 50 water agencies and authorities in strongly supporting SB 1386 and urges you and your colleagues to approve and support the passage of SB 1386. Please contact me if you have any questions.

Sincerely

Steve LaMotte, Chair
South Orange County Economic Coalition

Cc: The Honorable John M. W. Moorlach, Senator, 37th District
The Honorable Members, Senate Governance and Finance Committee
Anton Favorini-Csorba, Consultant, Senate Governance and Finance Committee
Karen French, Policy Consultant, Office of President Pro Tempore Toni Atkins