



10844 Ellis Avenue
Fountain Valley, CA 92708
714.962.2411
www.ocsan.gov

April 8, 2024

The Honorable Stephen Padilla
California State Senate
1021 O Street, Room 6640
Sacramento, CA 95814

RE: Senate Bill (SB) 1072 (Padilla) - Support

Dear Senator Padilla:

The Orange County Sanitation District (OC San) provides wastewater collection, treatment, and recycling for approximately 2.6 million people in central and northwest Orange County, CA. OC San’s primary mission is to protect public health and the environment through its services. As such, on behalf of OC San, I write to express our strong support for SB 1072.

This bill requires if a property related fee or charge creates revenues in excess of the local government’s reasonable cost, that the excess revenues be used only to reduce the property-related fee or charge. SB 1072 declares that this provision is declaratory of existing law.

SB 1072 would clarify that if a water or wastewater rate or charge results in collecting revenues in excess of the costs of service, the excess revenues would be used to reduce future rates or charges. Ratepayers would not be entitled to any refund; however, ratepayers will retain the right to a refund for billing errors.

Additionally, SB 1072 would aid in ongoing Proposition 218 litigation and future challenges, by clarifying that a refund is not an appropriate remedy if fees or charges are determined to not be proportional to the cost of service. Without this clarification, refund remedies in Proposition 218 litigation could expose water/wastewater agencies to liability as rates would need to be increased for all ratepayers to cover the refund costs.

For these reasons, the Orange County Sanitation District supports SB 1072. If you have any questions, please contact Jennifer Cabral, OC San Administration Manager, at (714) 593-7581 or via email at JCabral@ocsan.gov.

Sincerely,

Chad P. Wanke
Board Chairman

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