



**Floor Alert: OPPOSE: SB 937 (Wiener): Development projects: fees and charges.**

**Public water and wastewater agencies are opposed to newly amended SB 937 (Wiener), which could create a new and conflicting legal standard for water and sewer connection and capacity fees and place the burden of cost for serving new development on existing ratepayers.**

- Substantive amendments taken on August 22<sup>nd</sup> are inconsistent with amendments negotiated with water and wastewater agencies in the spring while the bill was in the Senate.
- The newly amended bill would create a new and conflicting legal standard for the collection of water and sewer connection and capacity fees and place this new standard in a different, inappropriate section of the Government Code.
- The new amendments could be interpreted to only allow fees to be collected in advance for connecting residences to water distribution or sewer collection systems with no certainty that water and wastewater agencies could recover other costs associated with serving the new development including recovering proportional costs for other necessary existing and new infrastructure.
- As amended SB 937 could result in public water and wastewater agencies having to pass the costs of new development onto existing ratepayers of the system which violates constitutional provisions, creating significant legal liabilities and potentially leading to rate increases to cover costs that would disproportionately impact low-income customers.
- SB 937 erodes longstanding legal precedent that holds connection and capacity fees are fees for service, distinct from other types of development impact fees and if enacted would create significant uncertainty and liabilities for public water and wastewater agencies.

**For these reasons California water and wastewater agencies urge a “NO” vote on SB 937.**

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