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California-NevadaSection







April 14, 2025

The Honorable Anna Caballero Chair, Senate Appropriations Committee 1021 O Street, Room 2200 Sacramento, CA 95814

> RE: SB 394 (Allen) - Support

Dear Senator Caballero:

On behalf of the undersigned organizations, we are writing to express our strong support for SB 394, which would enhance penalties for water theft from fire hydrants. Water agencies are responsible for delivering safe, clean, and affordable drinking water throughout California. However, in recent years, water theft has posed a serious threat to water agencies' ability to fulfill that responsibility.

Water theft takes many forms, the most egregious being water theft from fire hydrants for commercial uses. Illegal actors have been documented connecting to and filling water trucks from fire hydrants without the proper use of hydrant meters to avoid paying for water. These water trucks can hold up to

6,000 gallons of water, resulting in significant loss for water agencies. The stolen water is typically used or sold for profit for commercial purposes, such as by construction companies, landscaping companies, and water trucks selling the water to other users. **Current fine amounts are not strong enough to deter this theft** and may instead be seen as the cost of doing business for some bad actors.

SB 427 of 2021 carried by Senator Eggman established authority for public water agencies to adopt an ordinance that prohibits water theft and makes a violation of that ordinance subject to an administrative fine or penalty. The existing authority breaks theft into two categories: meter tampering and all other forms of water theft. Fines for meter tampering range from \$130 for the first violation up to \$1,300 for the third and additional violations within one year. All other forms of water theft, which currently includes theft from a fire hydrant, can be fined up to \$1,000 for the first violation, up to \$3,000 for the third and additional violations within a year.

At the time these fines were established, the impact to residential customers was a strong consideration that led to the final fine amounts. SB 394 is targeting commercial operators that are illegally diverting water from hydrants for profit.

Water theft from fire hydrants poses serious risks to public health and safety, water affordability, and water efficiency. During water theft from hydrants, contamination can occur when non-potable sources are illegally connected to a drinking water system and anti-backflow devices are not used. This cross-contamination between the water system and non-potable source connections poses a serious health risk to everyone in the system.

Further, unauthorized use of a hydrant can lead to water pressure in the system dropping which can jeopardize response to emergency situations such as fires. This potential issue is especially timely given the devastating fires in Southern California.

Illegal connections also often result in costly damage to the fire hydrant and system infrastructure that can impair the hydrant's function. The revenue lost from water theft and the cost of damage to infrastructure as a result of theft is ultimately borne by law-abiding paying customers, having a negative impact on water affordability. Water theft also works against efforts by water districts to comply with State water use efficiency goals under the State's newly adopted Making Conservation a California Way of Life framework.

The current penalties for water theft are an insufficient deterrent and fail to prevent this criminal activity from occurring. SB 394 recognizes and addresses these inefficiencies in existing penalties by authorizing local agencies that provide water services to adopt an ordinance with enhanced penalties specifically for water theft from a fire hydrant. The intent of this bill is to specifically deter commercial water theft, rather than residential water theft. Under SB 394, local agencies could adopt an ordinance allowing them to set fines not to exceed \$2,500 for the first violation and up to \$10,000 for the third and any additional violations.

This bill would also remove the one-year reset on existing penalties for the third and additional violations for water theft committed via meter tamping and other forms of water theft. This bill would also help agencies recover damages as a result of water theft from a fire hydrant by authorizing a utility to bring a civil action for damages against any person who, without authorization, tampers with or diverts water from a fire hydrant. These provisions on civil action would be available to both public agencies and other types of retail water agencies that face these same challenges.

This bill has been referred to the Senate Committee on Appropriations Committee because of potential cost pressures to the courts for new civil liability cases for fire hydrant damages. The new provisions in the Civil Code as proposed by SB 394 **do not create a new right of action**; this language is merely clarifying an existing right of action that local agencies utilize under the existing Civil Code provisions. Based on this, the cost to the State should be minor and absorbable as these are not new cases for court consideration.

For the reasons above, ACWA and the undersigned organizations strongly support SB 394 and respectfully request your "AYE" vote when the bill is heard in the Senate Appropriations Committee. If you have any questions about our position, please contact Julia Hall at JuliaH@acwa.com.

Sincerely,

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The Honorable Senator Caballero April 14, 2025 • Page 4

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The Honorable Senator Caballero April 14, 2025 • Page 5

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