

RESOLUTION

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies, proposed to or pending before a local, state or federal governmental body or agency, must have first been adopted in the form of a Resolution by the City Council; and

WHEREAS, the voter approved 1996, Proposition 218 (Prop 218), requires that water rates be proportional to the cost of service attributable to each parcel. The Prop 218 mandates that assessments or property-related fees or charges that are imposed upon any parcel not exceed the proportional cost of the service attributable to that parcel. The existing law also requires local government and water providing agencies to adopt a schedule of fees or charges that pass-through increases under certain prescribed circumstances; and


WHEREAS, in 2016, the City of Los Angeles established new tiered water rates for residential customers of its Department of Water and Power (LADWP). These rates are based on expansive studies and analysis of our region, geography, and customer needs, and the rates reflect the usefulness of having a tiered rate mechanism to efficiently deliver utilities to our vast and diverse geography and region; and

WHEREAS, Assembly Bill 2180 (Ward), AB 2180, would authorize a local government or water agency to demonstrate the proportional cost of service attributable to the parcel by any method that reasonably allocates the ascertainable cost of providing service to all parcels. It further states a local government is not required to provide an exact measure of the cost of the service at each parcel and may instead impose uniform or tiered rates that are defined based on common characteristics; and

WHEREAS, AB 2180 clarifies that local agencies may use reasonable methodologies to allocate service costs among parcels and may establish uniform or tiered water rates based on common customer characteristics indicating likely water use. The bill affirms that agencies may assign higher supply and infrastructure costs to higher usage tiers without requiring water to be traced from specific sources to individual parcels and allows reliance on projected data and systemwide peak demand factors when allocating costs. At the same time, the legislation preserves the core constitutional requirement that rates not exceed the proportional cost of service; and

WHEREAS, the bill attempts to clarify an implementation principle for many water agencies and local government that LADWP's tiered water rates meet Prop 218's proportionality requirements, supporting rate structures that accurately reflect the true costs of delivering safe, reliable water services;

NOW, THEREFORE, BE IT RESOLVED, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2025-2026 State Legislative Program SUPPORT for AB 2180 (Ward), which would allow the Los Angeles Department of Water and Power to demonstrate proportional cost of service with methodologies of rates that reasonably allocates the ascertainable costs of providing water service to all parcels in compliance with Proposition 218.


JUN 23 2026

PRESENTED BY: 
ADRIN NAZARIAN
Councilmember, 2nd District

SECONDED BY: 

ORIGINAL