SENATE RULES COMMITTEE

Office of Senate Floor Analyses

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UNFINISHED BUSINESS

Bill No: SB 394

Author: Allen (D), et al.

Amended: 7/3/25 in Assembly

Vote: 21

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 3/19/25 AYES: Durazo, Choi, Arreguín, Cabaldon, Laird, Seyarto, Wiener

SENATE JUDICIARY COMMITTEE: 13-0, 4/1/25

AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Valladares, Wahab, Weber Pierson, Wiener

SENATE FLOOR: 39-0, 5/27/25

AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener NO VOTE RECORDED: Reyes

ASSEMBLY FLOOR: 72-0, 7/10/25 (Consent) - See last page for vote

SUBJECT: Water theft: fire hydrants

SOURCE: Association of California Water Agencies and Las Virgenes Municipal Water District

DIGEST: This bill (1) allows local agencies to establish ordinances specific to water theft from hydrants, (2) modifies penalties for other water theft ordinances, and (3) adds theft from fire hydrants to provisions of existing law related to civil suits for water theft.

Assembly Amendments Made clarifying changes.

ANALYSIS:

Existing law:

- 1) Authorizes the legislative body of a local agency to make any violation of any ordinance enacted by the local agency subject to an administrative fine or penalty, and set forth by ordinance the administrative procedures that govern the imposition, enforcement, collection, and administrative review by the local agencies of those fines or penalties.
- 2) Authorizes a local agency that provides water services to adopt an ordinance that prohibits water theft and makes a violation of an ordinance enacted by the local agency regarding water theft subject to an administrative fine or penalty.
- 3) Establishes penalties for violation of an ordinance prohibiting water theft as follows:
 - a) Meter tampering is punishable by a fine not to exceed: \$130 for a first violation; \$700 for a second violation within one year of the first violation; and \$1,300 for a third violation and each additional violation within one year of the first violation.
 - b) Any other water theft is punishable by a fine not to exceed: \$1,000 for a first violation; \$2,000 for a second violation within one year of the first violation; and \$3,000 for a third violation and each additional violation within one year of the first violation.
- 4) Defines a "local agency" as a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission or agency thereof, or other local public agency.
- 5) Authorizes a utility to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts any of the following acts:
 - a) Diverts, or causes to be diverted, utility services by any means whatsoever;
 - b) Makes, or causes to be made, any connection or reconnection with property owned or used by the utility to provide utility service without the authorization or consent of the utility;

- c) Prevents any utility meter, or other device used in determining the charge for utility services, from accurately performing its measuring function by tampering or by any other means;
- d) Tampers with any property owned or used by the utility to provide utility services; and
- e) Uses or receives the direct benefit of all, or a portion of, the utility service with knowledge of, or reason to believe that, the diversion, tampering, or unauthorized connection existed at the time of the use, or that the use or receipt, was without the authorization or consent of the utility.
- 6) Establishes a rebuttable presumption that there is a violation of 5), above, if on premises controlled by the customer or by the person using or receiving the direct benefit of utility service, there is either, or both, of the following:
 - a) Any instrument, apparatus, or device primarily designed to be used to obtain utility service without paying the full lawful charge therefor; and
 - b) Any meter that has been altered, tampered with, or bypassed so as to cause no measurement or inaccurate measurement of utility services.

This bill:

- 1) Authorizes a utility to bring a civil action for damages against any person who tampers with a fire hydrant, fire hydrant meter, or fire detector check, or connects to, diverts water from, or causes water to be diverted from, a fire hydrant without authorization from the utility that owns the fire hydrant.
- 2) Considers a public agency having firefighting or emergency response responsibilities during a fire, or a qualified insurance resource, to have authorization from the utility during an active fire incident, as specified.
- 3) Provides that a person who tampers with or uses a fire hydrant, fire hydrant meter, or fire detector check without authorization to obtain water and without paying the full lawful charge of the water is presumed to be in violation of 1), above.
- 4) Revises the existing civil penalty for a third and each subsequent violation of a local ordinance against water theft to apply any time after a second violation, not just if the violation occurred within one year of the first violation.

- 5) Authorizes the legislative body of a local agency that provides retail water services to adopt an ordinance that prohibits unauthorized connection to a fire hydrant, and makes a violation of an ordinance enacted by the local agency regarding water theft committed via the unauthorized connection to a fire hydrant subject to an administrative fine or penalty, as provided.
- 6) Punishes a violation of an ordinance adopted under 4) is punishable as follows:
 - a) A fine not exceeding \$2,500 for a first violation;
 - b) A fine not exceeding \$5,000 for a second violation; and
 - c) A fine not exceeding \$10,000 for a third violation and each additional violation.
- 7) Requires the local agency to adopt an ordinance that sets forth the administrative procedures governing the imposition, enforcement, collection, and administrative review by the local agency of the fines or penalties.
- 8) Provides that an "unauthorized connection to a fire hydrant" includes the unauthorized use of a fire hydrant, fire hydrant meter, or fire detector check.
- 9) Prohibits a local agency from imposing fines under this bill and existing water theft law.

Background

Responding to concerns that some water agencies lacked sufficient authority to impose fines to deter water theft, the Legislature enacted SB 427 (Eggman, Chapter 137, Statutes of 2021). SB 427 allowed, notwithstanding any other law, any local agency that provides water services to enact an ordinance that prohibits water theft and makes a violation of an ordinance enacted by the local agency regarding water theft subject to an administrative fine or penalty. SB 427 requires the local agency to establish procedures for the imposition, enforcement, collection, and administrative review of the administrative fines or penalties for water theft, and requires the local agency to establish a process for granting a hardship waiver to reduce the amount of the fine imposed for water theft upon a showing by the responsible party that payment of the full amount of the fine would impose an undue financial burden.

Water agencies note that water theft continues, despite the ability to adopt ordinances under SB 427. This water theft often occurs through unauthorized connections to fire hydrants, which can result in large water losses in short periods of time, damage water infrastructure, and contamination of water systems. They want the Legislature to increase the penalties that can be charged for water theft from fire hydrants, as well as other types of water theft.

Comments

Purpose of this bill. According to the author, "Water is one of California's most precious resources, especially as the state continues to face the challenges of drought and climate change. Unfortunately, the theft of water from fire hydrants has become a growing problem, costing local agencies millions of gallons of water and hundreds of thousands of dollars annually. Illegal actors use specialized tools to steal water from hydrants for commercial purposes, such as construction, landscaping, and farming. These costs are ultimately passed on to ratepayers, raising costs for paying customers. This activity not only undermines affordability but also jeopardizes public safety, conservation efforts, and the integrity of our water systems. Current penalties are insufficient deterrents to water theft and are a "cost of doing business" for the commercial entities responsible. SB 394 addresses this critical issue by enhancing penalties for water theft from fire hydrants and providing water agencies with the tools they need to hold perpetrators accountable."

Stronger penalties needed? State law caps violations of most local ordinances at \$500 per violation after the second violation. However, violations of local building and safety codes, which can pose a direct risk to people and property, are penalized at higher rates. The implicit public policy in this fine structure is that violations that have greater potential for harm merit higher financial penalties. Water theft fines already exceed the rates that are charged for other violations of local ordinances—even those that pose a direct risk to people and property. SB 394 goes further in two ways:

a) First, the existing fines for violations of building and safety codes reset after one year, so that a subsequent violation in the next year is fined at the lowest rate (\$130), even if the same person has violated the law repeatedly in previous years. Existing water theft penalties follow this same pattern. SB 394 removes the requirement that the violations occurred in the same year for third and subsequent violations, so that those violations continue to be penalized at the highest rate.

b) Second, current law defines water theft broadly to include any unauthorized connection to property owned or used by the utility, which includes fire hydrants. Accordingly, utilities can already punish water theft from fire hydrants, but they are bound by the fine limits in existing water theft law. SB 394 establishes an even higher tier of fines for tampering with a fire hydrant that are more than double the amount of other water theft violations, topping out at \$10,000 per violation for three or more violations. Additionally—unlike existing water theft ordinances—SB 394 does not require that the local agency adopt a process for granting hardship waivers to individuals that don't have the ability to pay the fine.

These are undoubtedly significant harms to local agencies and the public at large, because ratepayers bear these costs. On the other hand, there are many violations of local ordinances that have the potential for serious consequences that are penalized at lower rates. For example, the 2016 Ghost Ship fire in Oakland resulted in the deaths of 36 people, but fines for code violations similar to those that led to the conflagration top out at \$1,300—thousands of dollars less than the highest penalty for water theft from a hydrant. Given that the Legislature has not recently raised the fine amounts for code violations that endanger life safety, is an increase in the fines for water theft as proposed by this bill is justified?

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 7/12/25)

Association of California Water Agencies (Co-Source)

Las Virgenes Municipal Water District (Co-Source)

Aromas Water District

Beaumont-cherry Valley Water District

Bella Vista Water District

Burbank/Burbank Redevelopment Agency; City of

California Chamber of Commerce

California Contract Cities Association

California Fire Chiefs Association

California Municipal Utilities Association

California Special Districts Association

California Water Association

California-Nevada Section, American Water Works Association

Calleguas Municipal Water District

City of Agoura Hills

City of Fairfield

City of Hidden Hills

City of Norwalk

City of Roseville

City of Sacramento

City of Thousand Oaks

Coachella Valley Water District

Coastside County Water District

Community Water Systems Alliance

Crescenta Valley Water District

Crestline-lake Arrowhead Water Agency

Cucamonga Valley Water District

Desert Water Agency

East Bay Municipal Utility District

East Valley Water District

Eastern Municipal Water District

El Dorado Irrigation District

Elk Grove Water District

Elsinore Valley Municipal Water District

Fire Districts Association of California

Foothill Municipal Water District

Helix Water District

Inland Empire Utilities Agency

Irvine Ranch Water District

Kinneloa Irrigation District

Lakeside Water District

League of California Cities

Mendocino County Russian River Flood Control & Water Conservation

Mesa Water District

Metropolitan Water District of Southern California

Mid-peninsula Water District

Mission Springs Water District

Monte Vista Water District

Monterey Peninsula Water Management District

Orchard Dale Water District

Padre Dam Municipal Water District

Paradise Irrigation District

Pinyon Pines County Water District

Placer County Water Agency

Rancho California Water District

Rio Linda Elverta Community Water District

Rosamond Community Services District Rural County Representatives of California San Gabriel Valley Water Association San Juan Water District Santa Clarita Valley Water Agency Santa Fe Irrigation District Santa Margarita Water District Scotts Valley Water District Three Valleys Municipal Water District **Tuolumne Utilities District** Upper San Gabriel Valley Municipal Water District Utica Water and Power Authority Valley Center Municipal Water District West Valley Water District Western Canal Water District Western Municipal Water District

OPPOSITION: (Verified 7/12/25)

None received

ASSEMBLY FLOOR: 72-0, 7/10/25

AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Garcia, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur

NO VOTE RECORDED: Alanis, Bauer-Kahan, Carrillo, Flora, Gallagher, Gipson, Rivas

Prepared by: Anton Favorini-Csorba / L. GOV. / (916) 651-4119 7/14/25 9:29:56

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