SENATE JUDICIARY COMMITTEE Senator Thomas Umberg, Chair 2025-2026 Regular Session

SB 394 (Allen) Version: February 14, 2025 Hearing Date: April 1, 2025 Fiscal: No Urgency: No AM

SUBJECT

Water theft: fire hydrants

DIGEST

This bill authorizes a utility to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts to tamper with a fire hydrant, fire hydrant meter, or fire detector check, or diverts water, or causes water to be diverted, from a fire hydrant with knowledge of, or reason to believe, that the diversion or unauthorized connection existed at the time of use for nonfirefighting purposes or without authorization from the appropriate water system or fire department. The bill 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 existing law. The bill also provides enhanced civil penalties for water theft committed via the unauthorized connection to a fire hydrant in violation of an ordinance adopted by a local agency that provides retail water services, as specified.

EXECUTIVE SUMMARY

The author and sponsors of the bill note that water theft threatens public health and safety, water affordability, and water efficiency. They argue that existing penalties for water theft are inadequate and not an effective deterrent providing various examples of water theft and the fiscal cost of that theft to water agencies and the public (*see* Comment 2 below). In order to safeguard this precious natural resource, the bill seeks to provide enhanced penalties for water agencies to deter water theft from fire hydrants. The bill passed the Senate Local Government Committee on a vote of 7 to 0. The bill is sponsored by the Association of California Water Agencies (ACWA) and the Las Virgenes Municipal Water District. The bill is supported by numerous water agencies and districts, some cities, and the League of California Cities. No timely opposition was received by the Committee.

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PROPOSED CHANGES TO THE LAW

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. The administrative procedures must provide a reasonable period of time for a person to correct or remedy a violation prior to the imposition of fines or penalties, when the violation pertains to building, plumbing, electrical, or other similar structural or zoning issues that do not create an immediate danger to health or safety. (Gov. Code, § 53069.4(a).)
- 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.
 - a) Violation of an ordinance prohibiting water theft via 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) Violation of any other ordinance prohibiting 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. (Gov. C. § 53069.45)
- 3) 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. (Gov. Code, § 54951.)
- 4) 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. (Civ. C. § 1882.1.)
- 5) Provides there is a rebuttable presumption that there is a violation of 1), 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. (Civ. C. § 1882.3.)
- 6) Defines "utility" for purposes of 4) and 5), above, as any electrical, gas, or water corporation as those terms are defined in the Public Utilities Code and includes any electrical, gas, or water system operated by any public agency. (Civ. C. § 1882.)

This bill:

- 1) Authorizes a utility to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts to tamper with a fire hydrant, fire hydrant meter, or fire detector check, or diverts water, or causes water to be diverted, from a fire hydrant with knowledge of, or reason to believe, that the diversion or unauthorized connection existed at the time of use for nonfirefighting purposes or without authorization from the appropriate water system or fire department.
- 2) 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.
- 3) 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.
- 4) 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.
 - a) A violation of an ordinance adopted under 4) is punishable as follows:
 - i. a fine not exceeding \$2,500 for a first violation;
 - ii. a fine not exceeding \$5,000 for a second violation; and

- iii. a fine not exceeding \$10,000 for a third violation and each additional violation.
- b) 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.
- c) Provides that an "unauthorized connection to a fire hydrant" includes the unauthorized use of a fire hydrant, fire hydrant meter, or fire detector check.
- d) Prohibits a local agency from imposing fines under this provision and Section 53069.45 of the Government Code.

COMMENTS

1. Stated need for the bill

The author writes:

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.

2. <u>This bill seeks to provide enhanced penalties and remedies for water theft from fire hydrants</u>

The ACWA reports water agencies incur financial costs for both the loss of revenue from stolen water and any actions that must be taken as a result of, and to prevent, water theft.¹ For example, the West Valley Water District reports experiencing an estimated loss of 45 to 60 million gallons of water due to theft, which is roughly the equivalent of \$200,000 to \$300,000 in lost revenue.² The Las Virgenes Municipal Water District, a sponsor of the bill, reports an estimated loss of 22 to 45 million gallons of water due to theft, which is roughly the equivalent of \$150,000 to \$300,000 in lost

¹ Association of California Water Agencies, *SB 394 (Allen): Enhanced Penalties for Water Theft from Fire Hydrants*, (Feb. 2025) available at <u>https://www.acwa.com/wp-content/uploads/2025/02/Fire-Hydrant-Water-Theft-Fact-Sheet.pdf</u>.

revenue.³ In order to prevent theft, the Contra Costa Water District has taken several actions that they report costs upwards of \$250,000 in 2021 alone. These steps include "locking hydrants in coordination with their local first responders, communications to customers, installing signage and cameras, implementing patrols, installing pressure monitoring devices, and constructing fill stations and dedicated hydrants for paying customers."⁴ An egregious example of the effect of water theft happened in the Coachella Valley Water District where a violator admitted to accessing a hydrant illegally two to three times a week, stealing an estimated 80,000 to 100,000 gallons of water and causing water levels a two different reservoirs to drop seven feet.⁵

In order to strengthen existing penalties for water theft from fire hydrants this bill 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. Under the bill, a violation of the adopted ordinance is punishable by a fine not to exceed \$2,500 for a first violation, \$5,000 for a second violation, and \$10,000 for a third violation and any subsequent violation. A local agency that adopts such an ordinance must also adopt an ordinance setting forth the administrative procedures governing the imposition, enforcement, and collection of the fines or penalties, including a procedure for administrative review of the fines or penalty by the local agency. The bill also prohibits a local agency from imposing fines under these provision as well as those fines authorized for water theft under Section 53069.45 of the Government Code.

Additionally, the bill authorizes a utility to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts to tamper with a fire hydrant, fire hydrant meter, or fire detector check, or diverts water, or causes water to be diverted, from a fire hydrant with knowledge of, or reason to believe, that the diversion or unauthorized connection existed at the time of use for nonfirefighting purposes or without authorization from the appropriate water system or fire department. The bill establishes a rebuttable presumption that a person who tampers with or uses a fire hydrant, fire hydrant meter, or fire detector check without authorization to obtain the water and without paying the full lawful charge of the water is civilly liable to a utility for damages. Lastly, the bill modifies the existing civil penalty for a third or any subsequent violation of a local ordinance against water theft under Government Code Section 53069.45 to apply any time after a second violation has occurred, not just if the third or subsequent violation occurred within one year of the first violation. This will allow water agencies to more effectively punish repeat offenders and hopefully act as a stronger deterrent against repeat violations.

³ Ibid.

⁹ Ibid. ⁴ Ibid.

⁵ Ibid.

3. Statements in support

The Las Virgenes Municipal Water District, a sponsor of the bill, writes in support stating:

[...] Under current law, the maximum penalty for water theft from a hydrant is \$1,000 for a first offense. The penalty increases to \$2,000 and \$3,000 for a second and third offense, but the enhanced penalties only apply if the second and third offenses are committed within 12 months of the first offense. A theft committed more than twelve months later would be treated as a first offense. Experience has shown these penalties are failing to deter water haulers from stealing water from fire hydrants for profit.

In the case of LVMWD, thefts usually occur during periods of drought where property owners, seeking to circumvent outdoor watering restrictions, purchased water from haulers who illegally tapped into fire hydrants. LVMWD has no evidence that the property owners were aware of the theft, and no action has been taken them, but the water haulers are clearly aware of the illegal nature of their actions. They possess expensive, specialized tools needed to access the fire hydrants, and they have access to commercial water trucks, all of which indicates they have professional experience and know the legal requirements.

While the financial loss to LVMWD is an obvious concern, the public safety implications are far worse. If an improperly closed fire hydrant has an air gap, to give one example, a firetruck connecting to the hydrant in an emergency can be severely damaged and unable to fight a fire until it is repaired. [...]

SUPPORT

Association of California Water Agencies (sponsor) Las Virgenes Municipal Water District (sponsor) Bella Vista Water District California Municipal Utilities Association California Special Districts Association California Water Association Calleguas Municipal Water District City of Fairfield City of Roseville Coachella Valley Water District Community Water Systems Alliance Crescenta Valley Water District Crestline-Lake Arrowhead Water Agency Cucamonga Valley Water District Desert Water Agency SB 394 (Allen) Page 7 of 8

East Bay Municipal Utility District Eastern Municipal Water District El Dorado Irrigation District Elk Grove Water District Foothill Municipal Water District Helix Water District Kinneloa Irrigation District Lakeside Water District Las Virgenes - Triunfo Joint Powers Authority Las Virgenes Municipal 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 Monte Vista Water District Orchard Dale Water District Padre Dam Municipal Water District Paradise Irrigation District Placer County Water Agency Rancho California Water District **Rosamond Community Services District** Rural County Representatives of California 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** Utica Water and Power Authority Valley Center Municipal Water District West Valley Water District Western Municipal Water District

OPPOSITION

None received

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RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation:

SB 427 (Eggman, Ch. 137, Stats. 2021) increased the civil penalty amounts for violation of an ordinance adopted by a local agency for water theft and required the local agency to adopt an ordinance that sets forth the administrative procedures governing the imposition, enforcement, collection, and administrative review of the administrative fines or penalties for water theft and to establish a process for granting a hardship waiver to reduce the amount of the fine, as specified.

PRIOR VOTES:

Senate Local Govenrment Committee (7 Ayes, 0 Noes)
