

# **Bond Case Briefs**

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## **PUBLIC UTILITIES - CALIFORNIA**

### **Coziah v. Otay Water District**

**Court of Appeal, Fourth District, Division 1, California - July 15, 2024 - Cal.Rptr.3d - 2024 WL 3408627**

Resident brought class action against water district, alleging that the district imposed tiered water rates on single family residential customers which were not proportional to the cost of the service in violation of Proposition 218.

Superior Court, San Diego County, entered judgment against district as to liability, and, following remedy phase, awarded \$18 million refund, with monthly increases until water district imposed rates consistent with Proposition 218. Water district and resident both appealed, and appeals were consolidated.

The Court of Appeal held that:

- Evidence was sufficient to support finding that tiered water rates were based on nonspecific data and assumptions, rather than on the actual cost of service to each parcel, and thus violated Proposition 218;
- District's water conservation goals did not allow it to impose tiered water rates on single-family residential customers which violated Proposition 218;
- Evidence was sufficient to support finding that tiered water rates discriminated against single family residential customers;
- As a matter of first impression, court could grant a refund to resident as part of mandate claim;
- Evidence supported finding that residents were damaged by tiered water rates;
- Court's inclusion of all charged amounts, not just overcharges, when calculating refund due residents did not involve any unpled offset; and
- Court's calculation of refund which water district owed residents relied unnecessarily on projected and proxy data, and thus was unreasonable.