City of Upland
Mayor's Office

June 22, 2026

The Honorable Sasha Renée Pérez
California State Senate
1021 O Street, Suite 6720
Sacramento, CA 95814

**Re: SB 1417 (Pérez) – Mutual Water Companies: Assessments and Water Charges
Notice of Opposition – City of Upland**

Dear Senator Pérez:

I am writing on behalf of the City of Upland in respectful opposition to SB 1417 due to its potential impacts on mutual water companies. San Antonio Mutual Water Company serves a significant portion of the City of Upland and surrounding communities, and the City maintains a majority ownership interest in the company. For that reason, SB 1417 would have direct local impacts on Upland residents, ratepayers, public officials, and other shareholders.

While the City supports transparency and accountability, SB 1417 imposes requirements that create substantial legal, operational, privacy, and financial concerns that warrant careful reconsideration.

Regulatory Overreach and Operational Complications

San Antonio Mutual Water Company, along with several other mutual water companies throughout Southern California, derives its water resources from federally owned forest lands. These organizations have successfully operated for decades under California's Corporations Code and established governance structures.

SB 1417 introduces a highly prescriptive regulatory framework that creates unnecessary jurisdictional conflicts and operational complications. Although the bill is presented as mirroring Proposition 218 transparency requirements applicable to public agencies, it extends far beyond those standards. Public water agencies are not required to distribute notices to every commercial newspaper and radio station in a county, nor are they restricted to conducting public meetings only within narrowly defined facilities meeting specific capacity requirements.

Imposing requirements on private, member-owned mutual water companies that exceed those imposed upon public utilities represents a significant and unprecedented expansion of state oversight.

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Serious Privacy and Public Safety Concerns
One of the most troubling provisions of SB 1417 is the requirement that mutual water companies disclose shareholder information and direct contact details upon request.

The City of Upland maintains a majority ownership interest in San Antonio Mutual Water Company. As a result, the company's shareholder records include numerous public officials, judicial officers, law enforcement personnel, and community leaders. Due to the public facing nature of many of these individuals, it would be inappropriate and potentially unsafe to release this contact information.

Such disclosures could facilitate targeted harassment, intimidation, or "doxxing" of individuals who serve our communities in sensitive public positions. Existing California laws generally recognize the importance of protecting customer and shareholder information. SB 1417 would effectively remove those protections for mutual water company shareholders and expose them to unnecessary risk.

Personal Targeting of Board Members
The bill further requires notices regarding water charges and assessments to identify individual board members who voted in favor of a proposal.

This provision has the potential to discourage qualified individuals from serving on mutual water company boards and creates an environment where directors may become targets of personal attacks for carrying out their fiduciary responsibilities.

Water infrastructure management frequently requires complex decisions regarding rates and assessments to maintain compliance with state water quality regulations, fund critical infrastructure improvements, and ensure long-term system reliability. Board members must be free to make these decisions based upon sound governance principles rather than fear of personal retaliation or public intimidation.

Significant Administrative and Financial Burdens
SB 1417 also creates substantial new administrative burdens that will increase operating costs for mutual water companies and, ultimately, the shareholders they serve.

The bill disrupts longstanding landlord-tenant relationships by requiring financial correspondence and accountability to be directed solely to shareholders, even when tenants are the primary users and consumers of the water service. This creates unnecessary complications in billing and collections.

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Additionally, the bill imposes rigid notice requirements, mandatory digital fulfillment of extensive document requests at no cost, and additional notification obligations involving municipal Chief Administrative Officers and neighboring water agencies. These administrative burdens will require additional staff time and resources, costs that will inevitably be passed on to local property owners through higher water rates. Given that the stated goal of this legislation is to protect and reduce rates for ratepayers, the new administrative and financial burdens would contradict the purpose of this legislation.

Conclusion
While the City supports reasonable transparency and accountability, the bill as drafted creates significant privacy and public safety concerns, imposes disproportionate administrative burdens, and risks undermining the effective governance of mutual water companies. For these reasons, the City of Upland respectfully opposes SB 1417.

We respectfully request that you hold the bill or work with affected local governments and mutual water companies on amendments that protect shareholder privacy, preserve local governance, and achieve transparency without compromising personal safety or system operations.

Thank you for your consideration of the City's concerns and for your continued service to the residents of Upland, California.

Sincerely,

Bill Velto
Mayor, City of Upland

CC: The Honorable John Harabedian
The Honorable Michelle Rodriguez
The Honorable Eloise Reyes

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