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June 22, 2017

Hon. Chief Justice Cantil-Sakauye and  
Associate Justices of the California Supreme Court  
350 McAllister Street  
San Francisco, CA 94102-4797

SUPREME COURT  
Our File No. 48011.0003  
**FILED**

JUN 26 2017

Jorge Navarrete Clerk

Deputy

Re: *Citizens for Fair REU Rates v. City of Redding* (Case No. S224779):  
Notice of New Authority

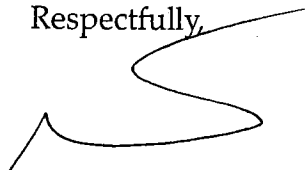
Honorable Chief Justice and Associate Justices:

I represent the City of Redding ("City") in the above-captioned matter. I write under California Rules of Court, rule 8.520(d), to inform the Court of a new authority that was not available in time to be included in the City's briefing on the merits: *San Diego County Water Authority v. Metropolitan Water District of Southern California* (June 21, 2017, A146901, A148266) \_\_\_ Cal.App.5th \_\_\_, 2017 WL 2665185 (SDCWA).

SDCWA involved a challenge under Proposition 26 and other laws to the Metropolitan Water District's charge for transporting water. The appellate court described the standard of review for a statutory challenge as: "[T]he courts do not weigh competing methodologies to determine the best water rates. We determine only whether substantial evidence supports the fair compensation determination made by the rate-setting agency." (Slip Op., p. 27.) The court further noted that, under Proposition 26, an appellate court "review[s] the trial court's resolution of factual conflicts for substantial evidence." (Slip Op., p. 31.)

SDCWA thus supports the City's arguments regarding the standard of review and burden of proof in a Proposition 26 dispute, set forth in the City's Opening Brief to this Court at pages 12 to 15, and in its Answer to Amicus Curiae at pages 23 to 26.

Respectfully,



Michael G. Colantuono  
SBN: 143551

MGC:jrd  
Enclosure: Proof of Service

RECEIVED

JUN 26 2017

**PROOF OF SERVICE**

*Citizens for Fair REU Rates v. City Of Redding*

California Supreme Court Case No. S224779

Third District Court of Appeal Case No. C071906

Shasta County Superior Court Case No. 171377 (Consol. with Case No. 172960)

I, Ashley A. Lloyd, declare:

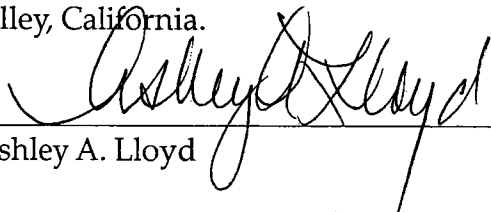
I am employed in the County of Nevada, State of California. I am over the age of 18 and not a party to the within action. My business address is 420 Sierra College Drive, Suite 140, Grass Valley, California 95945-5091. On June 23, 2017 I served the document(s) described as **LETTER REGARDING NEW AUTHORITY** on the interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

**SEE ATTACHED LIST**

BY MAIL: The envelope was mailed with postage thereon fully prepaid. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Grass Valley, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after service of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on June 23, 2017 at Grass Valley, California.

  
\_\_\_\_\_  
Ashley A. Lloyd

**SERVICE LIST**

*Citizens for Fair REU Rates v. City of Redding*  
California Supreme Court Case No. S224779  
Third District Court of Appeal Case No. C071906  
Shasta County Superior Court Case No. 171377 (Consol. with Case No. 172960)

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