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Water Agencies File Lawsuit to Protect Water Rates and Local Control

Citrus Heights Water District and Fair Oaks Water District stand with customers against alleged San Juan Water District wholesale water rate overcharge

Citrus Heights, CA (**April 11, 2024**) – As a last resort, Citrus Heights Water District (CHWD) and Fair Oaks Water District (FOWD) [filed a joint lawsuit](#) against their wholesale water provider, San Juan Water District (SJWD). CHWD and FOWD elected officials, who represent about two-thirds of SJWD’s population, unanimously backed the case. The districts allege that SJWD’s rate increase illegally overcharges CHWD and FOWD customers.

“Wholesale water from SJWD is CHWD’s single largest outbound cost. We are committed to making sure our customers pay their fair share - and no more,” said CHWD Board President Caryl Sheehan. “Local residents, business owners, and our Districts pleaded with the SJWD Board to work with us, but they simply approved the rates over our opposition.”

SJWD’s Board of Directors voted to approve the higher rates on December 13, 2023, with only Director Pam Tobin voting against the increase, and urging more coordination with CHWD and FOWD.

“SJWD approved unfair rates that also make it more expensive to use local water supplies that we’ve already invested in,” said Chris Petersen, FOWD Board President. “At the end of the day, litigation is something that FOWD and CHWD wanted to avoid, but found necessary for better, fairer rates.”

SJWD is a wholesale water agency that provides water to local water agencies, including FOWD and CHWD, who in turn deliver it to homes and businesses. SJWD provides water directly to homes and businesses in the Granite Bay area. SJWD also sells much of its least expensive water to others, which the districts allege leaves CHWD and FOWD customers with higher bills.

The complaint suggests that under the new rate plan that SJWD recently approved, local water agencies are *disincentivized to conserve or use local, reliable groundwater*. This appears to conflict with State policy or decades-long efforts to build regional water supply resiliency. The current rate plan could make the region more vulnerable to water shortages and keep rates artificially high for CHWD and FOWD customers.

The Superior Court of California, County of Sacramento will assign a judge to oversee the case. CHWD and FOWD will keep the community up to date as the lawsuit progresses. The Districts encourage customers to stay informed about this important issue.

Stay informed:

www.chwd.org/lawsuit

www.fowd.com

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