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Media Contact
Mary Elise Conzelmann, Public Affairs Manager
Phone: (916) 735-7718
Email: mconzelmann@chwd.org

CITRUS HEIGHTS WATER DISTRICT TAKES LEGAL ACTION TO PROTECT CUSTOMERS

CHWD files lawsuit to stop environmental violations

Citrus Heights, Calif. — The Citrus Heights Water District (CHWD) has filed a lawsuit against its wholesale water provider, the San Juan Water District (SJWD), after SJWD approved an agreement to sell and transfer up to 6,000 acre-feet of water between April 2026 and February 2027 to Sacramento Suburban Water District (SSWD) — without conducting the environmental review required under the California Environmental Quality Act (CEQA).

This is the second legal enforcement action CHWD has taken to hold SJWD accountable for violating CEQA as will be highlighted below.

“This water was originally secured on behalf of our customers — it is a critical part of our water supply, especially during drought years when other sources are cut back,” said Board President Caryl Sheehan.

President Sheehan said, “San Juan simply cannot transfer our water to agencies outside the wholesale service area without following the law. We asked them to do the right thing, and they chose to ignore our community again. Filing this lawsuit is necessary to protect the interests of the 70,000 customers we serve.”

SJWD approved the transfer agreement in March 2026 and declared it exempt from CEQA review. CHWD asserts this determination is unlawful. The District argues that SJWD has entered into a series of virtually identical transfer agreements with SSWD over multiple years and that treating each one as a standalone project — rather than evaluating them together as a whole — violates CEQA's prohibition on piecemealing environmental review.

CHWD contends that a properly scoped environmental review would reveal potentially significant harmful impacts, including:

- **Groundwater quality and depletion** as reduced surface water deliveries drive greater reliance on groundwater pumping
- **Interference with groundwater recharge**, which depends on balanced surface and groundwater management
- **Water supply reliability for CHWD customers**, particularly during drought years — when the valuable senior water rights at the center of these transfers are most critical

“Before filing suit, we showed up at San Juan’s Board meeting and formally asked them to reconsider,” said Board President Sheehan. “We also sent them a settlement offer. They rejected our settlement request. Our customers deserve the water resource protections the law provides and our community invested in, and we intend to enforce them.”

CHWD is asking the court to direct SJWD to rescind its approval of the transfer agreement and halt any transfers to SSWD until a legally adequate environmental review is completed.

In 2023, CHWD brought a CEQA action that succeeded in prompting SJWD to rescind its illegal delegation of authority to its General Manager to sell water to Sacramento Suburban and to follow the law as required by CEQA.

CHWD has additionally raised repeated concerns over SJWD’s four separate attempts to merge with SSWD. A merger of that scale would reshape the regional water landscape, posing serious risks to the local autonomy and accountability that Citrus Heights and surrounding communities depend on.

“Citrus Heights Water District is committed to protecting the interests of our customers,” said Hilary Straus, General Manager of CHWD. “The pattern of San Juan entering into agreements without conducting the necessary CEQA review is a direct threat to Citrus Heights Water customers and it needs to stop.”

The legal case has been filed in Sacramento County Superior Court. CHWD will keep customers informed as the lawsuit progresses.

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About Citrus Heights Water District: Established in 1920, CHWD is an independent, not-for-profit public agency that provides safe and reliable drinking water to customers in Citrus Heights, Fair Oaks, Orangevale, Carmichael, and Roseville. CHWD’s water supply is rooted in pre-1914 rights to surface water from the North Fork of the American River. In 1954, CHWD and other area retail agencies formed the San Juan Water District specifically to acquire the pre-1914 surface water rights of the North Fork Ditch Company and to serve as their wholesale water supplier. CHWD operates more than 250 miles of water pipes and maintains a system of wells and pumping facilities that deliver high-quality water meeting or exceeding all state and federal drinking-water standards. For more information, visit chwd.org.