



NEWS RELEASE

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San Juan Water District Prevails in CEQA Litigation

Granite Bay, Calif. – the Sacramento County Superior Court ruled yesterday in favor of San Juan Water District (San Juan), thus ending the litigation filed on Sept. 14, 2023 by two of its Wholesale Customer Agencies - Citrus Heights Water District (CHWD) and Fair Oaks Water District (FOWD). The lawsuit alleged that San Juan had violated the California Environmental Quality Act (CEQA) in March 2023, when the San Juan Board of Directors delegated to their General Manager the ability to enter into future transfer agreements with Sacramento Suburban Water District (SSWD), as long as those transfers were exempt from CEQA and met other requirements.

Sacramento Superior Court Judge Jennifer K. Rockwell ruled yesterday that San Juan does not have to pay any of the \$93,000 in attorneys' fees that CHWD and FOWD claimed to have expended in pursuing the complaint. These attorneys' fees are now solely the responsibility of the ratepayers of CHWD and FOWD to pay. Her ruling noted that CHWD and FOWD had made no effort at all to communicate their objections to the delegation action that the San Juan Board took in March 2023, nor made any attempt to settle the litigation. Instead, CHWD and FOWD merely provided to San Juan a notice of the litigation the day before the lawsuit was filed with the Court.

"On behalf of the San Juan Board of Directors, I can say that we are thrilled that Judge Rockwell ruled in our favor and denied the motion for attorneys' fees," said Manuel Zamorano, President of the San Juan Board of Directors. "This nuisance litigation was unfounded and unnecessary, and we are pleased that we are not saddled with paying a penny of the litigants' expenses."

San Juan has transferred surplus water supplies to SSWD and to other buyers in recent years, but only after ensuring that the water supply needs of CHWD, FOWD and San Juan's other Wholesale Customer Agencies would be met. San Juan's water supply agreements with CHWD and FOWD also require that any revenues from such transfers, which can be \$1 million per year or more, are applied directly to the wholesale water supply costs that the Wholesale Customer Agencies would otherwise be required to pay. The revenues from these transfers have helped keep San Juan's wholesale water rates as the least expensive in the State of California.

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[San Juan Water District](#) provides reliable, high-quality water service to approximately 265,000 retail and wholesale customers in eastern Sacramento and southern Placer counties. In addition to serving its own retail customers, San Juan delivers wholesale water supplies to Citrus Heights and Fair Oaks water districts, Orange Vale Water Company, the City of Folsom (for customers north of the American River) and, periodically, to Sacramento Suburban Water District.