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**GreenValley Landowners will take
water rights case to Supreme Court**

The Green Valley Landowners Association, acting on behalf of more than 800 rural water customers in unincorporated Solano and Napa counties, has indicated it will appeal a decision by the California Court of Appeals to the California Supreme Court.

The decision has major ramifications for the disenfranchised water customers, and casts a shadow over the powers and rights of all 121 charter cities in the State of California

In January 2013, the GVLA filed a class-action lawsuit against the City of Vallejo on behalf of 810 rural water customers. The lawsuit concerns Vallejo's management of the Lakes Water System, a huge municipal water system designed by and for the benefit of the city in the late 1800s and early 1900s.

Over the decades, Vallejo allowed several hundred non-resident customers in rural Solano and Napa counties to connect to the water system. According to the lawsuit, from the late 1800's until 1992, Vallejo, as the primary beneficiary of the system, paid for approximately 98 percent of the operation and maintenance costs.

In 1992, the City of Vallejo unilaterally decided to levy 100 percent of the operational costs of the Lakes Water System onto the backs of its several hundred non-resident customers, who were not consulted and had no vote in the matter. As a result, water rates for the non-resident customers have skyrocketed.

Lakes Water System rates are more than four times the average 2013 Solano County water rates and are among the highest in the state.

In a move that could further compound the harm, the GVLA lawsuit alleges, Vallejo published plans to sell the Lakes Water System to a private, corporate utility that could charge the customers the full cost of their purchase price as well as the needed \$30 million to \$60 million in improvements, plus profit.

Vallejo intends to leave these Lakes Water System customers with a bill of \$30 million to \$60 million to repair and replace fully depreciated structures, pipes and pumps. Water rates would need to increase three- to four-fold to cover this astronomical expense. The proposed sale would leave the customers without any guaranteed source of water.

Vallejo intends to reap a \$10 million profit from such a sale, while reserving for itself all water rights associated with the Lakes Water System as well as thousands of acres of non-watershed land connected to the water system, according to the GVLA suit.

The lawsuit alleged that Vallejo and the non-resident customers have an implied agreement, based on 100 years of sharing in the costs of the water system, that Vallejo would pay for the vast majority of the cost of operating the Lakes Water System.

The Court of Appeals held that Vallejo, a charter city, is bound by the general laws of the state in the absence of a contrary charter position. In this case, while Vallejo's charter did not require a written contract, the Court of Appeals held that Vallejo was subject to a general law statute purportedly requiring municipal contracts to be in writing.

If it is allowed to stand, this decision will have negative effects on 810 ratepayers in GreenValley, GordonValley, Old Cordelia, and parts of American Canyon and Willotta Oaks. Moreover, it will also adversely impact every single charter city in the state.

GVLA Attorney Stephen Flynn described the ramifications of the California Court of Appeal opinion:

“The Court of Appeal, in finding for Vallejo in this one case, inadvertently threw every charter city in the State under the bus. As a result of this decision, charter cities in California are now bound by the general laws of the state, unless the charter specifically displaces those general laws. This is something we have not seen since 1913,” Flynn added.

"Every charter city is now subject to hundreds, likely thousands, of state statutes unless their charter specifically displaces those statutes," said Flynn. "Every charter city is going to have to redraft their charters to avoid this. The result could be charters in the hundreds of pages, just like they used to be in the late 1800s and early 1900s." said Flynn.

Flynn is confident the case will be accepted by the California Supreme Court.

“The Supreme Court considers two things in taking a case. First, is there a conflict of law? Second, does the case have larger public implications? We have both. Here, as a result of the Court of Appeal’s decision, there is now a very clear conflict of law with the *GVLA v. Vallejo* case being the outlier. Further, this decision involves not only the rights of 810 rural water customers, but it adversely affects every single charter city in the state.

“If this Appeals Court decision is allowed to stand, it will fundamentally transform the nature of charter cities in a way not seen in 102 years, and we expect that these cities across California will offer support for our position in the appeal.”