

## Judge rules for Casitas water district in its quest of takeover of Golden State Water

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Ventura County Superior Court Judge Kent Kellegrew denied Golden State Water's attempt to stop an eminent-domain takeover of its Ojai franchise by the Casitas Municipal Water District in a decision filed March 13.

In his ruling, Kellegrew denied the validity of Golden State's arguments that the use of a Mello-Roos communities facilities district was inappropriate.

Kellegrew said that on Aug. 27, 52 percent of affected Ojai registered voters by an 87 percent margin — well in excess of the two-thirds required — to adopt a bond measure of up to \$60 million to fund the purchase.

Steve Wickstrum, Casitas' general manager, said the ruling was welcome.

"I think right now we're very happy to see the ruling," said Wickstrum, who said there could be an appeal of Kellegrew's decision. "We're now going through the other legal processes, and hopefully we be able to move forward in accomplishing what the public in Ojai have allowed us to do."

Denise L. Kruger, senior vice president if regulated Utilities for Golden State Water Company, issued a statemen saying, "Golden State Water Company is reviewing Judge Kellegrew's ruling and will decide how best to proceed following the analysis."

Kellegrew rejected Golden State's arguments that water rights are an "intangible asset," making them ineligible for such an action, and that the Community Facilities Act, more commonly know as Mello-Roos, is not meant to be used for eminent-domain actions.

"On the subject of purchase, Golden State asserts that the exercise of the power of eminent domain is not a purchase. The court rejects Golden State's argument, broadly speaking, the power of eminent domain comes in two phases. First is the condemnation or taking. Second is the requirement that just compensation be provided to the party whose property is condemned. While the court acknowledges that the eminent domain process does not involved a 'willing' seller, the absence of willingness does not defeat the purchase."

Ojai attorney Ryan Blatz represents Ojai Friends of Locally Owned Water, which started the Golden State franchise takeover. He has said any class action on behalf of six Ojai residents, as well as Friends of Locally Owned Water, which joined the lawsuit as defendants, will likely take place after Casitas acquires the Ojai Golden State franchise.

Blatz said that depends on whether Golden State decides to appeal Kellegrew's decision.

"The court made it clear that Measure V is valid and that the will of the people should be respected. This is a decisive victory for Ojai Flow, Casitas and all Golden State customers in the Ojai area. We hope that Golden State decides to cut their losses by agreeing to negotiate their departure from the community. As it currently stands, the Ojai community has paid over \$1.8 million in extra water costs as a result of Golden State's lawsuit," Blatz said.