

ISLAND VALLEY DAILY BULLETIN

Claremont explains to judge why it should take over water system

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Despite nearly nine decades of stewardship of the Claremont water supply, [Golden State Water Co.](#) continues to neglect addressing deficiencies in the system, attorneys for the city said Wednesday.

Rather than fixing those operating deficiencies, such as inactive wells and low-pressure fire hydrants, the water company's rate increases have subsidized shareholder dividends and big executive salaries, Kendall MacVey said during [Claremont](#)'s opening statement Wednesday morning in Los Angeles Superior Court.

The city of Claremont is suing Golden State to acquire its water system [via eminent domain](#). The trial, which will be decided by a judge, started Tuesday.

Golden State has an incentive to pass the costs to the customer, MacVey told presiding Judge Richard Fruin.

"Under the status quo, we have a government-protected, for-profit private monopoly," he said.

The city's goal is to gain greater control of the local water supply and distribution system, enhance customer service and improve public transparency. Claremont also wants to set the water rates.

In short, "The city of Claremont wants to have a say in its water system," MacVey said.

Residents had been fighting with the water company over its rate increases since 2012, prompting the city to file its eminent domain case in 2014 to take over the water system.

A Claremont-owned water system would require a public and transparent rate-setting process, MacVey said. The city would not only have to notify customers of any proposed increases, it would have to schedule a public hearing and any opposition would have to be taken into consideration.

“There will be, for the first time, the opportunity for real meaningful public comments on water policy, budgets and rates,” MacVey said.

In contrast, Golden State files an application with the California Public Utilities Commission for its rate changes every three years. MacVey dubbed it “a propose and oppose” model: The public learns of rate increases when Golden State files an application with the CPUC, leaving no opportunity for the public to offer input prior to the filing.

The water system is part of Golden State’s Region 3, which includes Claremont, Apple Valley and Barstow — all of which have different water needs and populations but are under the same rate-setting process, MacVey added.

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On top of that, it wasn’t until the lawyers were preparing for trial that Claremont learned Golden State had a master plan for the local water system.

“Discovery has allowed us to open the black box for the first time of how the water system operates,” said MacVey with the Riverside firm Best, Best & Krieger.

MacVey also challenged claims made Tuesday by Golden State attorney George Soneff that La Verne — the city’s chosen third-party operator — would not be competent to run the system. Referring to a deposition of a key Golden State official, MacVey said the water company acknowledged it has lost several senior employees of its own.

He also challenged the notion that the water system is safe and reliable.

Claremont officials believe fire hydrants used to fight the 2003 Grand Prix fire — which burned 136 homes and scorched some 60,000 acres — had “dangerously low water pressure.”

Citing the same study from Golden State, provided by the engineering firm Alda, a number of hydraulic issues have not been addressed since the water company took over in the late 1920s. Not only do operating inefficiencies still exist, so do a series of issues relating to operations and poor management staff, he said.

Before the trial began Tuesday, court officials carted in nearly two dozen boxes filled with reams of documents and exhibits. The eminent domain case is considered to be the first of its kind in the state.

In attendance Wednesday were Claremont City Manager Tony Ramos and Assistant City Manager Colin Tudor, as well as key Golden State staff. Fruin will ultimately decide if Claremont has the right to take the water system, and if the answer is yes, a separate legal process will determine the fair price.