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Governor Signs Bill Authorizing State Takeover of Sativa

With enactment of Gipson bill, legislator makes request for criminal investigation of Sativa Board.

SACRAMENTO, Calif --- Governor Jerry Brown took action and signed a bill by Assemblymember Mike Gipson which would require the State Water Resources Control Board (Water Board) to appoint an administrator to take over the Sativa Water District.

"Residents being served by Sativa have been dealing with a water crisis for far too long," said Gipson. "Sativa ratepayers have experienced brown water coming from their kitchen faucets and bath tubs, which is completely unacceptable. Now that AB 1577 has become law, Sativa's board of directors will be replaced by a state administrator and the district will be set to chart a new path of stability and improved water quality."

The bill will also require the State Controller to perform an audit or financial review of Sativa within 90 days of the appointment of an administrator and investigate any financial malpractice. One of the most important provisions in this bill, however, is the specific language about protecting ratepayers.

"In addition to providing residents with clean drinking water, my top priority is to ensure that rates remain affordable. That is why I included language into AB 1577 that explicitly requires rate payer interests to be represented during the negotiations with parties who want to buy and acquire the district."

If water service is provided by an investor-owned utility in the future, rates would be subject to review and approval by the California Public Utilities Commission through a public approval process. This includes a review and analysis by a ratepayer advocate whose job would be to protect Sativa ratepayers."

Gipson has also sent a letter to the California Attorney General and Los Angeles District Attorney asking for an investigation of Sativa's previous Board of Directors. In the past, Sativa's Board failed to perform regular audits, payed themselves exorbitant "Christmas bonuses", and openly practiced nepotism.

"These are just a few of the issues that have come to my attention, but I remain particularly concerned with allegations that Sativa officials engaged in behavior that may constitute an inappropriate use of public funds," stated Gipson.

The enactment of AB 1577 will now begin the process to ensure that Sativa is stabilized and well-managed before it is consolidated with a larger system. On top of this, an investigation would help shed light into the causes of this water crisis and further bring justice to Sativa's ratepayers.

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