

# KNOW YOUR RIGHTS

What every mutual water company shareholder must know about the SWRCB consolidation process

The State Water Resources Control Board (SWRCB) has authority to order the consolidation of your water system. But consolidation — whether voluntary or involuntary — triggers important legal rights that protect you as a shareholder. Here is what you need to know.

Your right	What it means in practice
Notice	You must receive written notice before the SWRCB takes action. Do not ignore any correspondence from the State Water Board or its Division of Drinking Water.
Public hearing	You are entitled to participate in a formal public hearing and submit written comments and oral testimony before any order is issued.
Legal representation	You may be represented by an attorney at all proceedings. If your system receives a consolidation notice, consult a California water law attorney immediately.
Vote on voluntary consolidation	If the board pursues a voluntary merger or asset sale, shareholders typically have the right to vote on the transaction under state corporate law.
Just compensation	If your assets are transferred involuntarily, the California Constitution guarantees fair payment for your ownership interest.
Judicial appeal	You can appeal a final SWRCB order to superior court. Deadlines are short — act promptly.
DAC protections	If your system serves a disadvantaged community, the Board must ensure any consolidation does not result in unaffordable rates.

## 5 actions to take right now if you have received a consolidation notice

- 1. Do not ignore it. Deadlines begin running the moment notice is received.
- 2. Notify your board of directors and ensure all shareholders are informed.
- 3. Contact Small Water System Warriors (SWSW) for immediate guidance and peer support.
- 4. Retain a California water law attorney to represent your interests in the proceeding.
- 5. Request all SWRCB correspondence in writing and preserve your records.

### Small Water System Warriors

SWSW provides information and networking opportunities for California's small and mutual water companies.

[www.swsw.org](http://www.swsw.org)

### California Association of Mutual Water Companies

CalMutuals advocates for small and community water systems, especially those serving disadvantaged communities.

[www.Calmutuals.org](http://www.Calmutuals.org)