Del Norte Triplicate NEWS

Lawsuit Filed Challenging Crescent City’s 2026 Water Rate Hike

By Linda Sutter October 23, 2026

CRESCENT CITY, CA (MPG) - A major legal challenge was filed in Del Norte County Superior Court against the City of Crescent City, targeting the water rate increases adopted earlier this year. The case, brought by longtime resident Donna Westfall, seeks to invalidate Ordinance No. 862, the law that established Crescent City’s new five year water rate schedule beginning July 1.

The lawsuit is a reverse validation action, a special type of case required under California law when a resident challenges the legality of government approved fees or charges. Under Government Code section 53759 and Code of Civil Procedure sections 860–870.5, anyone contesting a water rate increase must file within a short window and must follow strict procedural rules. Westfall’s filing meets those requirements and asks the court to review whether Crescent City’s rate structure complies with Proposition 218, the constitutional amendment that governs property related fees such as water service.

At the heart of the lawsuit is a claim that Crescent City has not demonstrated that its new rates are tied to the actual cost of providing water service, as required by Article XIII D, Section 6 of the California Constitution. Proposition 218 requires cities to prove two things.

Revenues cannot exceed the funds required to provide water service, and each customer must pay only the proportional cost of service attributable to their parcel.

Westfall argues that the City’s publicly released water rate study—prepared by Rural Community Assistance Corporation (RCAC)—contains material inconsistencies, missing data and unsupported assumptions. Among the issues raised there have been conflicting water usage and revenue figures for Pelican Bay State Prison, the system’s largest customer. A 60/40 fixed to variable cost allocation that lacks documented peak demand data or cost causation analysis. Unclear treatment of non rate revenue and fund balances, unexplained internal service charges and County Service District (CSD) allocations and capital project estimates that lack supporting engineering detail or verification.

As well as a meter capacity multiplier system that mirrors national theoretical ratios but may not reflect Crescent City’s actual infrastructure costs.

The lawsuit does not claim that Crescent City cannot raise rates or fund necessary improvements. Instead, it argues that the City must first prove that each cost included in the rate model is required for water service and that each cost is allocated proportionally among customers.

The complaint also alleges that the City's Proposition 218 notice did not adequately disclose the basis for the rate calculations. While the notice included rate tables and general explanations, it did not reveal key assumptions—such as the fixed variable cost split, meter multipliers, prison data discrepancies or internal allocations—making it difficult for ratepayers to understand how the charges were derived.

Westfall asks the court to declare Ordinance No. 862 invalid in whole or in part, order Crescent City to redo its rate study using transparent, supported and proportional cost of service methods. As well as enjoin the City from collecting unconstitutional portions of the rates and require recalculation of future rates and potential credits to ratepayers.

The case now moves into the validation process, where the City must publish legal notice and respond in court. The outcome could affect water bills for every customer inside Crescent City limits.