



Wildfire and Inverse Condemnation Risk for Community Water Systems

July 23, 2019

Inverse Condemnation



*No other state applies
inverse condemnation
in quite the same manner
that California does.*

Inverse Condemnation



- **Inverse condemnation:** The government takes private property but fails to pay compensation as required by the 5th Amendment.
- The property owner sues to obtain the required just compensation.

Inverse Condemnation



- In CA, inverse condemnation also covers damaging of property.
- If a public agency damages property “*for a public use,*” then it owes the owner compensation (damages).
- Also applies to private and municipal utilities (possibly PUDs and CSDs, zones of benefit).

Inverse Condemnation



- **Strict Liability:** A public entity is liable for property damage substantially caused by a public improvement, regardless of foreseeability or fault.

Inverse Condemnation



- **2008 Freeway Complex Fire**

- Orange County
- Started by car
- Yorba Linda Water District
- \$69 million

- **2017 Thomas Fire**

- Ventura and Santa Barbara Counties
- Causes still being investigated
- City of Ventura and Casitas Municipal Water District

Inverse Condemnation



Questions