

XJV/niz 4/27/2006

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Los Angeles County Waterworks District No. 40,  
Antelope Valley,

Complainant,

vs.

California Water Service Company,

Defendant.

Case 06-04-005  
(Filed April 4, 2006)

**ADMINISTRATIVE LAW JUDGE'S RULING  
GRANTING MOTION TO INTERVENE, PROVIDING ADDITIONAL  
NOTICE OF PREHEARING CONFERENCE AND REQUIRING  
PREHEARING CONFERENCE STATEMENTS**

**Motion to Intervene**

By motion filed April 19, 2006, Palmdale Hills Property, LLC (Palmdale Hills) moves to intervene in this complaint proceeding initiated by Los Angeles County Waterworks District No. 40 (LA County Waterworks). Palmdale Hills is a real estate development company that seeks to develop property in Antelope Valley, California, known as the Ritter Ranch. Underlying both the instant complaint and Advice Letter No. 1744 (AL 1744), which California Water Service Company (CWS) filed with this Commission on September 13, 2005 are several fundamental water supply issues, e.g., whether sufficient water exists to serve

the Ritter Ranch development, and if so, which entity has the legal rights to that water.

I will grant the motion as Palmdale Hills has a significant interest in this proceeding and appears ready, willing and able to participate in it fully and in a timely manner. The grant is in accordance with Rule 45(h) of the Rules of Practice and Procedure, which authorizes such action prior to the time for filing responses.

### **Prehearing Conference**

As previously noticed in the Commission's Daily Calendar, a prehearing conference (PHC) has been set and will be held at the Commission Courtroom in San Francisco on:

**Friday, May 12, 2006, 9:00 a.m.**

### **PHC Statements**

In order to advance discussion at the PHC, I direct complainant, defendant and intervenor to file PHC statements on the topics listed below. PHC statements shall be filed by May 10, 2006 and shall be served on the preliminary service list as provided by Rules 2.3 and 2.3.1 of the Commission's Rules of Practice and Procedure. Please note that I should be served, as should the Assigned Commissioner, Geoffrey Brown.

The list below may prove preliminary. My overarching objective, however, is to distinguish and clarify substantive and procedural issues in order to enable the Commission to resolve, in a timely manner, any and all portions of this dispute which lie within its subject matter jurisdiction.

1. CWS admits, in the Motion to Dismiss filed April 25, 2006, that it neglected to serve LA County Waterworks when it filed AL 1744 with the Commission on September 13, 2005. However, CWS contends that subsequently (approximately September 27, 2005)

- it served the Chair of the Los Angeles County Board of Supervisors. Does LA County Waterworks admit or deny that the Chair was served? Was additional service required on LA County Waterworks? Does LA County Waterworks contend that such service was or was not lawful service ?
2. I can find no record that LA County Waterworks filed a protest or late-filed protest to AL 1744. Since LA County Waterworks opposes AL 1744, why was no protest filed?
  3. How many acre feet of water, annually, is required to serve the Ritter Ranch development (i.e. approximately 7,000 new homes)?
  4. AL 1744 indicates that CWS intends to meet the water supply needs of the Ritter Ranch development through “surface water and well water.” (AL 1744, p. 1.) Will groundwater come from existing wells in the Antelope Valley groundwater basin? Who holds or will hold the rights to the water?
  5. What is the status of the consolidated water basin adjudication litigation and the Chapter 11 bankruptcy litigation referred to in the complaint and identified below and what timeline is contemplated for resolution of each?
    - (a) *Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., et al.*, Los Angeles County Superior Court Case No. BC 325201.
    - (b) *Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., et al.*, Kern County Superior Court Case No. S-1500-CV-254348.
    - (c) *In re: Ritter Ranch Development LLC*, U.S. Bankruptcy Court, Central Dist. of Calif., San Fernando Valley Div, Case No. SV 98-25043 GM, Adversary Case. No. 05-01396?
  6. Has a temporary restraining order, preliminary injunction or other order which affects rights to Antelope Valley groundwater issued in any of the proceedings identified in question 5? Are there other legal or contractual constraints on groundwater pumping from the Antelope Valley basin?
  7. CWS is not named as a defendant on the face of either of the water basin adjudication complaints. Has either complaint been

- amended to name CWS? Is CWS material to any adjudication of the Antelope Valley groundwater basin, or not?
8. Given allegations about groundwater overdraft in the Antelope Valley groundwater basin, please discuss the implications of the California Environmental Quality Act (CEQA) for the Ritter Ranch development. Under the circumstances, does CEQA apply to this Commission's review of CWS' proposed service territory expansion? What other CEQA review is contemplated, underway or completed in connection with the proposal to develop Ritter Ranch and provide it with water service for approximately 7,000 homes? Which agencies have been or will be identified as lead or responsible agencies in connection with any required CEQA review?
  9. Has CWS informed the Department of Health Services of its intention to drill additional wells in the Antelope Valley groundwater basin?
  10. Exhibit 4 to the instant complaint refers to a 1980 report of the California Department of Water Resources, Southern District, entitled "Utilization of Water Resources in Antelope Valley." What was the purpose of this report when issued and what is its status now? Has this report been updated?

To permit useful discussion of these issues and any other substantive or procedural issues that may be raised, parties should ensure that one or more authorized representatives attend the PHC and that such representatives are familiar with the complaint.

**IT IS RULED that:**

1. The motion to intervene filed April 19, 2006 by Palmdale Hills Property, LLC is granted.
2. On or before May 10, 2006, the complainant, defendant and intervenor shall file brief prehearing conference (PHC) statements on the topics listed in the body of this ruling.

3. PHC statements shall be served on the preliminary service list as provided by Rules 2.3 and 2.3.1 of the Commission's Rules of Practice and Procedure.

Dated April 27, 2006, at San Francisco, California.

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Jean Vieth  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Granting Motion to Intervene, Providing Additional Notice of Prehearing Conference and Requiring Prehearing Conference Statements on all parties of record in this proceeding or their attorneys of record.

Dated April 27, 2006, at San Francisco, California.

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Elvira Niz

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074,

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TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.