

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

Application of Stephen Fernandez doing business as Ramona Water Company to sell and Louis DeMartino to buy the water system in Riverside County, California.

Application 04-03-012  
(Filed March 11, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING  
REQUIRING FURTHER INFORMATION  
TO DETERMINE NEED FOR HEARING**

**1. Summary**

This is an application for authorization under Pub. Util. Code § 854 for the sale and transfer of ownership of a small water utility serving about 90 customers in a community two miles east of Anza in Riverside County. The Commission's Water Division has determined that unless more complete information on the sale can be assembled, the matter should proceed to public hearing prior to Commission approval of the sale.

This ruling seeks responses to a number of questions so that a determination can be made whether to proceed to public hearing. Ramona Water Company (Ramona) is directed to respond to these questions within 30 days of the date of this ruling.

**2. Background**

Ramona is a California corporation deemed to be a public utility subject to Commission jurisdiction in Decision (D.) 81097 on March 6, 1973. The water system emerged in the 1960s as developers drilled wells and installed

distribution mains in order to sell lots in Ramona's service area. According to the application, the system includes six wells and approximately 4,000 feet of water mains.

According to the application, the owner of Ramona proposes to sell the system at a price of \$45,000 to Louis DeMartino, identified by the Water Division as the managing general partner of Great Western Water District (Great Western), a privately owned California corporation. The Water Division states that Great Western was formed in 2004 for the purpose of acquiring rural water systems and operating them with centralized services to obtain economies of scale.

The current owner of Ramona is identified in the application as Stephen Fernandez, whom the Water Division states is president of Coachella Valley Collection Service.

### **3. Questions to be Answered by Applicants**

In order to process this application, and in order to determine whether public hearings will be necessary, applicants are directed to provide written answers to the following questions:

1. Commission records show that Ramona had been managed since 1998 by Steven Garcia, who had placed a lien on the company following the deaths of the owners, Mr. and Mrs. Michael Dunn. Please explain whether Steven Garcia obtained ownership of the company and how ownership then came to be held by Steven Fernandez. (Attach copies of documentation of these transfers if available.)
2. Has a Probate Court or other government agency authorized the transfer of the ownership of Ramona? Please explain. (Attach copies of documentation of these authorizations if available.)

3. Is the buyer, Louis DeMartino, acting in his individual capacity, or is he acting on behalf of Great Western?
4. Is Great Western acting at this point as a holding company (in which case a certificate of public convenience and necessity (CPCN) would not be required) or is it acting as a public utility water purveyor? Does Great Western seek a CPCN as part of this application?
5. Does Great Western own or operate any other water systems?
6. Has the acquisition of Ramona already taken place? If so, when did the acquisition take place and was the acquisition made subject to the approval of this Commission pursuant to Pub. Util. Code § 854? (Attach copies of documentation of any transfer if available.)
7. Have customers been notified of the transfer of ownership? (Attach copies of customer notice if available.)
8. Has any customer complained about the transfer of ownership?
9. What improvements to the water system, if any, are planned by the new owner?
10. Does the new owner plan at this time to request an increase in rates?
11. If a public hearing on this application becomes necessary, is Palm Springs a convenient location for hearing? If not, what other location is preferable?
12. If a public hearing on this application becomes necessary, please state those dates in early April or late May that would be most convenient for the applicants.

Applicants are directed to respond to these questions, in writing, on or before 30 days from the date of this ruling. The response need not be filed. The

response should be sent to the undersigned Administrative Law Judge, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102. A copy of the response should also be sent to Fred L. Curry, Assistant Director, CPUC Water Division, at the same address.

**IT IS RULED** that applicants shall respond in writing to the questions set forth above on or before 30 days from the date of this ruling.

Dated February 18, 2005, at San Francisco, California.

/s/ GLEN WALKER

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Glen Walker

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 Requiring Further Information to Determine Need for Hearing on all parties of record in this proceeding or their attorneys of record.

Dated February 18, 2005, at San Francisco, California.

/s/ FANNIE SID  
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Fannie Sid

**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.