

**Minutes from the Public Hearing**

# Daily Breeze

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## PROOF OF PUBLICATION (201 5.5 C.C.P.)

STATE OF CALIFORNIA

County of Los Angeles,

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of the THE DAILY BREEZE

a newspaper of general circulation, printed and published

in the City of Torrance  
County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of County of Los Angeles, State of California, under the date of

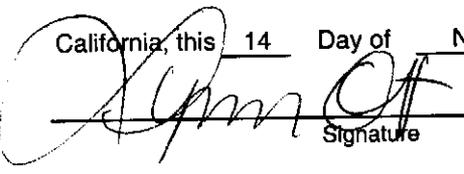
June 10, 1974

Case Number SWC7146  
that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement there of on the following dates, to-wit

Nov. 14,

all in the year 2005  
I certify (or declare) under penalty of perjury that the foregoing is true and correct.  
Dated at Torrance

California, this 14 Day of Nov. 2005

  
Signature

This space is for the County Clerk's Filing Stamp

### DB 11-79

#### Notice of Public Participation Hearings California Water Service Company - Palos Verdes Service Area Application No. 05-08-0

California Water Service Company (Cal Water) has filed an Application requesting rate increases in the PALOS VERDES district of \$2,111,565 or 8.38% in fiscal year 2006-2007, \$1,890,300 or 6.91% in fiscal year 2007-2008, and \$1,890,300 or 6.47% in fiscal year 2008-2009. The California Public Utilities Commission will hold Public Participation Hearings November 28, 2005 in Redondo Beach on the Company's application to hear customers' views on the proposed increases and any other aspect of the company's operations. As part of the hearing, Cal Water is also seeking your comment on its Urban Water Management Plan filed with the Application. Copies of the plan are available from Cal Water's offices and will be provided at the hearings.

In three other current applications, Cal Water has also proposed a new, alternative ratemaking mechanism called a "rate base equalization account" (RBEA). If the Commission approves this proposal, the costs of major capital improvements necessary to meet water quality standards and water supply needs in high cost districts would be spread among all 24 Cal Water Districts. Cal Water estimates that this would result in increased charges to all customers of approximately \$0.61 per month. The Commission's staff has also indicated that it may propose special rates to lessen the effects of any increases on qualifying low-income customers.

The following table shows Cal Water's forecasted rate changes by connection type:

#### Monthly Metered Service Charge

Meter Sizes	Present Rates	Proposed Rates in Cal Water's Application		
		2006 Rate	2007 Rates	2008 Rates
5/8 x 3/4-inch	\$9.65	\$12.68	\$13.28	\$13.68
3/4-inch	\$14.50	\$18.14	\$19.92	\$21.70
1-inch	\$21.80	\$27.28	\$32.94	\$38.59
1 1/2-inch	\$38.00	\$47.55	\$57.41	\$67.27
2-inch	\$48.30	\$60.44	\$72.97	\$85.51
3-inch	\$90.60	\$113.37	\$136.88	\$160.40
4-inch	\$148.20	\$185.44	\$223.91	\$262.37
6-inch	\$273.30	\$341.96	\$412.91	\$483.85
8-inch	\$428.20	\$535.81	\$646.94	\$758.08
10-inch	\$723.90	\$905.81	\$1,093.70	\$1,281.58
12-inch	\$1,562.25	\$1,992.38	\$2,191.20	\$2,390.02
14-inch	\$2,171.25	\$2,716.88	\$2,988.00	\$3,259.12

#### Quantity Charges (Per Ccf. One Ccf is one-hundred cubic feet or 748 gallons)

Potable Water =	\$2,2437	\$2,3384	\$2,4689	\$2,599
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Under Cal Water's proposal, rates for each year would become effective on July 1. The increases shown for 2007 and 2008 are estimates using current inflation factors. The actual 2007 and 2008 increases could be higher or lower based on the latest inflation factors available at the time the increases take effect.

Almost all residential customers in the Palos Verdes District have 5/8" x 3/4" meters. The average customer uses about 28 Ccf of water per month and would see their monthly water bill increase by \$5.88 or 8.1% from \$72.47 at present rates to \$78.35 in mid-2006, by an additional \$4.06 or 5.2% to \$82.41 in mid-2007, and by an additional \$4.06 or 4.9% to \$86.47 in mid-2008.

The effect on your water bill will vary depending on whether you use more or less water than these averages, or if you have a meter larger than 5/8" x 3/4". The rates shown on your monthly water bill may vary slightly from the existing rates shown above due to temporary surcharges or surcharges currently in effect in your area.

An Administrative Law Judge from the California Public Utilities Commission will conduct two Public Participation Hearing sessions on November 28, 2005, at 2:00 p.m. and 7:00 p.m., in the Redondo Beach City Hall Council Chambers, 415 Diamond Street, Redondo Beach.

The Public Utilities Commission encourages you to attend these hearings and express your views. If specialized accommodations are needed, such as sign language or other interpreters, please contact the Commission's Public Advisor's Office at (415) 703-2074, toll-free at 1-866-949-6390, TTY toll-free at 1-866-636-7789, or regular TTY at (415) 703-5282 at least 5 working days before the event.

If you cannot attend a Public Participation Hearing, you may submit written comments to: Public Advisor's Office, California Public Utilities Commission, 320 West 4th St., Ste 500, Los Angeles, CA 94013, or by e-mail to Public.advisor@cpuc.ca.gov. You may also call the Commission at 866-949-6391 (toll free). Please mention that you are writing about Application 05-08-012. Your comments will be circulated to the Commissioners and will become part of the correspondence available to the Commission as it decides this application.

Evidentiary hearings devoted to analyzing the need for the requested rate increase and ways of allocating any approved increases among different classes of customers are scheduled to begin in January 2006 at the Commission's Offices in San Francisco. Please confirm the schedule by visiting the Commission's website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov), then clicking on the Daily Calendar link. These are technical hearings at which the Commission receives the testimony of experts on both sides who have examined Cal Water's application in great detail. Evidentiary hearings are open to the public but only those presenting evidence or cross-examining witnesses may participate. For more information about becoming a party and participating in the evidentiary hearings, contact the Commission's Public Advisor at the address above.

Parties at the evidentiary hearings may offer proposals that differ from those requested by Cal Water. After considering all proposals and evidence presented during the formal hearing process, the Commission will issue a final decision on Application 05-08-012 that may adopt all or part of Cal Water's proposal, amend or modify it, or deny the application. The Commission's final decision may be different from Cal Water's proposal.

A copy of Cal Water's Application and further information may be obtained from the company's local offices by calling (810) 257-1400. You may also contact the company's headquarters at 1720 North First Street, San Jose, California 95112-4596, or by calling (408) 367-6200.

CALIFORNIA WATER SERVICE COMPANY

Pub. November 14, 2005

1 REDONDO BEACH, CALIFORNIA, NOVEMBER 28, 2005 - 2:00 P.M.

2 \* \* \* \* \*

3 ADMINISTRATIVE LAW JUDGE MC VICAR: Please come to  
4 order. This is the time and place set by the California  
5 Public Utilities Commission for the public-participation  
6 hearing in Applications 05-08-006 through -013, the  
7 applications of California Water Service Company for a  
8 general rate increases in eight districts, including the  
9 districts that we're here for today.

10 I'm Administrative Law Judge Jim McVicar.

11 We have two members of the public present.  
12 Neither has indicated that they'd like to speak, so what I'm  
13 going to do now is take a recess until any other members of  
14 the public show up. We will be in recess.

15 (Recess taken)

16 ALJ MC VICAR: Please come to order.

17 Why don't you have a seat for a minute first?

18 MS. COLBERT: Yeah.

19 ALJ MC VICAR: As I indicated before, this is the time  
20 and place set for the public-participation hearing in  
21 California Water Service Company's eight applications,  
22 including applications for districts here in Los Angeles.

23 I'm Administrative Law Judge Jim McVicar.

24 We have two more members of the public who have  
25 signed in and would like to make statements.

26 I typically ask the water company to explain a  
27 little bit about what it is they're asking for and why they  
28 need it, and then ask the Commission staff to explain how

1 they audit that request before we go to hearings on it. So  
2 first, I'd like to introduce John Foth, with the water  
3 company, who'll explain the water company's side.

4 MR. FOTH: Good afternoon.

5 ALJ MC VICAR: Off the record, please.

6 (Off the record)

7 ALJ MC VICAR: Back on the record.

8 Thank you very much, Ms. Chan.

9 We have two folks who have signed up this  
10 afternoon to make a statement. The first is Melody Colbert.  
11 So, if you'd come to the podium, please state your name.  
12 Spell your name for the record.

13 Thank you.

14 STATEMENT OF MS. COLBERT

15 MS. COLBERT: My name is Melody Colbert. M-e-l-o-d-y  
16 C-o-l-b-e-r-t. I am a resident of Rolling Hills Estates in  
17 Palos Verdes, and I'm a customer of California Water Service  
18 Company.

19 And I received the notice of request for a rate  
20 increase. And it seemed to coincide with the planned water  
21 main replacement project that I only learned about kind of by  
22 accident in attending a Rolling Hills Estates City Council  
23 meeting one evening. This was an audience item not on the  
24 agenda, so I didn't know that this issue came before the  
25 City Council. And several representatives of California  
26 Water Service Company were there to make a presentation,  
27 complete with PowerPoint presentation, to discuss how the  
28 water main needed to be replaced.

1           Turned out they had been working with a  
2 subcommittee from the City Council for about a year or so,  
3 unbeknownst to me, prior to that time. And they informed us  
4 that they needed to -- their plan was to construct a new  
5 water main in a main thoroughfare. That's Palos Verdes Drive  
6 North. And construction would take about a year and a half.  
7 And they would be closing down this main artery -- portions  
8 of this main artery -- over that period of time.

9           The reason this concerned me -- several reasons;  
10 but one was that -- due to my involvement with the  
11 projected -- the planned South Coast Golf Course on the  
12 former closed hazardous-waste Palos Verdes landfill, I was  
13 very aware of several things in that area; that there were  
14 many schools, residents, and daycare centers along that  
15 corridor that could be affected by a golf course being built  
16 on the landfill.

17           And then it also occurred to me that digging,  
18 trenching along that corridor not only would have a  
19 tremendous traffic impact, but also likely an air-quality  
20 impact. So one of the questions we raised at that meeting  
21 was: why was there no environmental impact report for this  
22 project? That was definitely going to impact traffic.

23           But even more so than that it was the nature of  
24 kind of surprise. Why was this issue or this item -- why did  
25 it come up as an audience item not on the agenda? Certainly  
26 there was plenty of time to agenda-ize the item.

27           So I went back and did a little research. And  
28 sometime -- not a month or two or -- several months later,

1 there was again another -- an emergency City Council meeting  
2 where they were discussing. The water service company came  
3 and made a presentation and said this is why they had to --  
4 they gave reasons for needing to replace the water main, and  
5 why they had to tear up Palos Verdes Boulevard --  
6 Palos Verdes Drive North, and not consider other routes.

7 Sorry. My thoughts aren't all that organized. I  
8 have -- I know the facts that I want to get out here, or at  
9 least, my perception of the facts.

10 Again, my research on the golf course -- proposed  
11 golf course project started raising questions, because I had  
12 this memo. And it was directed to the golf manager or  
13 supervisor or -- I don't know the term -- Steve Duron, who  
14 manages golf issues for the County of Los Angeles.

15 And there was a memo dated January 5th, 2000, from  
16 an individual named David Mesa. I don't know if he was a  
17 contractor for the County, or what his role was. There's no  
18 identification on this memo that I received; but the subject  
19 is California Water Service PV landfill site. And in it, it  
20 states that California Water Service operates and maintains  
21 existing 4-inch, 6-inch, and 8-inch service lines near the PV  
22 landfill site. At this time, it has no plans to  
23 design/construct new water systems.

24 It goes on to talk about -- potable water for the  
25 proposed golf course could be provided from a new water line.  
26 Location and size cannot be determined at this time.

27 So this memo -- and then this was for January  
28 2000.

1           And then in 2003, there was a letter written as  
2 part of the draft environmental impact report for the  
3 golf-course project from the consultants for the golf course,  
4 saying that California Water Service Company will need to  
5 provide a letter to the project proponent indicating its  
6 ability to meet the project's potable-water needs.

7           Also as part of the draft environmental impact  
8 report, there's a letter from California Water Service  
9 Company on their letterhead, saying Cal Water will install  
10 facilities to the property line of the project, or if a  
11 dedicated right-of-way is provided, to on-site golf-course  
12 facilities.

13           So it just seemed odd to me that, as of January  
14 2000, there were no plans to have -- change any water  
15 facilities or the water main. And suddenly -- not suddenly,  
16 but within a few years, I'm attending City Council meetings  
17 where the Water Service Company is saying our water lines are  
18 aging; we are not going to be able to meet the demand.

19           And they don't talk about -- they didn't talk  
20 about, in their -- in these meetings, the projects, or what  
21 was causing the increased demand; but certainly, clearly,  
22 these projects that include not only the golf course, but  
23 proposed hotels and other residences in the peninsula area --

24           I'm looking for another document here.

25           There was a special meeting, a City Council  
26 meeting -- the emergency meeting was February 22nd, 2005 --  
27 again where the Water Service Company made their statements  
28 to the public and to the City Council about why the water

1 main needed to be replaced.

2 And they presented a -- or after the meeting, I  
3 requested a copy of the report from the California Water  
4 Service Company.

5 Part of the water -- part of that report said  
6 that, in determining the demand for water, that they  
7 anticipated an increased demand. They said in the document  
8 that they checked. They had met with all the planning  
9 departments of each of the cities.

10 So I contacted the Rancho Palos Verdes planning  
11 department, Gregory Pfoost, P-f-o-s-t; sent him an e-mail,  
12 asking him when did the water company meet with their  
13 planning department.

14 And in the response to me, he says -- and this is  
15 dated April 2004; actually, this is prior to that meeting --  
16 "I checked with all the planners at the City, and none recall  
17 specifically meeting California Water Service Company to  
18 discuss future needs." He says, "However, that doesn't mean  
19 we didn't furnish them information regarding future  
20 projects."

21 And he also included a list of projects from the  
22 City of Rancho Palos Verdes. And it included the South Coast  
23 Golf Course -- the proposed golf course -- and a hotel, and  
24 luxury residences that were planned in Rancho Palos Verdes.

25 So my question is: where is the increased demand  
26 coming from, that the water lines need to be replaced or  
27 increased in size?

28 As far as I can determine from the information I

1 have, it's all new projects: the golf course specifically in  
2 Rolling Hills Estates -- my city -- and hotel built by  
3 Donald Trump, and more golf courses. So I just don't  
4 understand why residents are being asked to shoulder the cost  
5 of new infrastructure, when the demand that's being --  
6 increase in demand is not because there is increasing  
7 residential population, as the city is -- to use the term  
8 "built out." The peninsula area is built out. It's -- any  
9 new projects are going to be those that are built by  
10 developers on new land.

11 Just seems to me the developers should be paying  
12 the additional costs of -- if that's really why these water  
13 mains are being replaced.

14 The other -- another reason that was given at the  
15 meeting -- the council meeting that I attended -- was that  
16 the water mains are aging. And at that time, I believe they  
17 said the water main was about 50 years old.

18 So I did a little research to find out: what is  
19 the average age of water mains? When are they usually  
20 replaced? When do they need to be replaced?

21 And in -- again, in my research, I looked up water  
22 main replacement. And there were different sources. One  
23 source for some information was a study by the Ohio EPA. And  
24 it says their average -- water systems average 68 years.

25 And then an organization called "the Water Science  
26 and Technology Board" gives distribution, pipe age, and  
27 replacement rates. In theirs, they give -- I won't go  
28 reading all the information, but the upshot of it is: post

1 World War II pipes tend to have an average life of 75 years.

2 So the age of the pipes doesn't really seem to be  
3 a strong argument to me for why they need to replace the  
4 water main and disrupt a lot of the -- disrupt traffic,  
5 disrupt, you know, air quality, whatever else they're going  
6 to do and are planning to do in Rolling Hills Estates, and at  
7 the same time, perhaps cause some health risks.

8 Again, without an environmental impact report, we  
9 don't really know what the impacts are of this project. We  
10 don't know if there's any requirement to perform an  
11 environmental impact report, but certainly a project of this  
12 size, if it were done by any other developer, I am certain,  
13 would require an environmental impact report.

14 One other item that was cited, again -- the water  
15 company's presentation at the emergency meeting of the  
16 City Council -- was the condition of the pipes, condition of  
17 the water main. They cited -- as part of the presentation,  
18 it came up that there were 22 breaks over the last 30 years  
19 in the water main, and four breaks over the last five years.

20 And I don't have the quote, but this was a Water  
21 Service Company representative who was making the  
22 presentation. And these were just notes that I took.

23 So I didn't know -- I had no point of reference to  
24 know whether that was bad, average, good.

25 I did, again, a little research, and found there  
26 are 338 miles of water main in Palos Verdes of the Water  
27 Service Company. And it said 22 breaks in 30 years, and five  
28 breaks -- four breaks over the last five years.

1           So again, I went back to the Internet and looked  
2 to see if I could find any point of reference. And an  
3 article from a Pittsburgh publication is talking about  
4 their -- I realize geography makes a difference; land  
5 movement makes a difference, but I'm only -- I only have  
6 general references at my disposal.

7           And this is someone speaking, quoted from the West  
8 View Water Authority in Pittsburgh. She covers 30 Pittsburgh  
9 area municipalities. They had 17 breaks in June -- this is  
10 in 2004 -- and 20 in July, out of 753 miles of water main.  
11 That's not too bad. This is the spokesman for the water  
12 authority. And they have about twice as much water main;  
13 twice as many miles.

14           Again, as part of this article, it says the  
15 National Industry Group says that might not be enough for  
16 Pittsburgh or any other aging city over the next few decades  
17 as pipes reach a standard of projected life spans to replace  
18 the pipes.

19           They give a -- there's a quote from the American  
20 Water Works Association. It says, "We don't generally  
21 replace because we think pipe is bad. We ask: is it sized  
22 correctly? Do we have expansion or growth coming up?"

23           The other thing we look at is its breakdown  
24 history. That's a good indicator.

25           So that's another one of my questions, you know.  
26 What is our -- the breakdown listing? Is this really bad?  
27 What is it in comparison to other municipalities or other  
28 water mains? And is the age something that -- our water

1 pipes are breaking down more quickly than others?

2 Again, these were reasons that were cited by the  
3 water company in their presentation on why the water mains  
4 needed to be replaced.

5 So, from my observation, the only reason I can see  
6 is because of new development. Again, why should residential  
7 customers shoulder the burden of paying for infrastructure,  
8 when it's developers of luxury resorts and golf courses whom  
9 I believe should be paying these -- the costs for the  
10 infrastructure?

11 That's my statement.

12 ALJ MC VICAR: Thank you.

13 Mr. Colbert [sic], would you like to make a  
14 statement?

15 Then I think I would propose to go off the record.  
16 And you and the water company folks, if you have questions,  
17 go ahead and ask your questions and get your answers.

18 And then if you'd like to wrap up with a summary  
19 of what you've learned, that would be fine.

20 Mr. Colbert [sic], please state your name and  
21 spell your name for the reporter.

22 STATEMENT OF MR. MC GUIRE

23 MR. MC GUIRE: It's Peter McGuire.

24 ALJ MC VICAR: Excuse me.

25 MR. MC GUIRE: M-c-G-u-i-r-e.

26 Right now, I live in Arizona, but I have a house  
27 over here on Rolling Meadows Road in Rolling Hills Estates.

28 Now, I -- Ms. Colbert and myself worked together

1 on this just a little bit, and put most of our information  
2 together, and she covered most of it. The subject matter  
3 that -- of course, I don't want to repeat the things that she  
4 has already mentioned, but I'd like to make a couple of  
5 additions. And maybe I have a couple of questions, too, of  
6 Mr. McVicar.

7 First of all, I don't know, in reading those  
8 documents -- Ms. Colbert, I didn't know if they were water  
9 line breaks. I saw them as water line leaks. I don't know  
10 if you call that a break or not.

11 In the 20-some years that I've been on the  
12 peninsula, I've never seen a water line break. I drove up  
13 and down PV Drive North over to Long Beach and to Westwood  
14 part of the time for those years, and never seen a water  
15 break yet -- or water line break yet.

16 I don't know what danger we're in over here. I  
17 know our PV has land movements -- I mean considerable ones --  
18 over along PV drive south. And they just run the pipes on  
19 top of the road or on top of the land or the ground, and they  
20 seem to get along just fine. I don't know if this is a  
21 problem over there. I don't see any scheduled construction  
22 over there. And I think, well, if we had a break in our  
23 area, we might just have to do the same thing temporarily  
24 until you fix the break.

25 I think this is a lot of expense. Nothing was  
26 really mentioned here about the cost of some of these items.  
27 It was -- in our city, it's something like \$7.6 million,  
28 which I consider a lot of money in any event. And I -- and I

1 consider 15 months of unbelievable inconvenience along  
2 PV Drive North, which is our main thoroughfare -- it's our  
3 main -- I would call it "east/west thoroughfare" for the  
4 entire peninsula. I don't know if you're aware of just what  
5 kind of an impact that would be, but it's enormous. We have  
6 schools along there and everything. I mean, people on the  
7 peninsula -- we don't have school buses, so people are  
8 driving their kids to school and things of that nature.  
9 There are huge backups there as it is, even without any  
10 construction, every single day. So I don't know. There was  
11 no -- there is no mention of this.

12           And I also would like to take issue with the  
13 fact -- the way this was -- the way this was proposed, and  
14 the way it was worked in our city with our City Council. And  
15 to meet quietly, never in public, for apparently one year --  
16 none of us knew anything that was going on. We have no notes  
17 of anything like that. There are no minutes of these  
18 meetings that I know of. And then they put it -- item's not  
19 on the agenda to consider, and pass on. Now, I think this is  
20 very strange. And I think it's not very -- it's not such --  
21 it's not something that I would consider the way to do  
22 things. I think it's rather sneaky.

23           So I don't know what's going on here, but  
24 suddenly, after some memos and comments about "we are built  
25 out. We don't need any more water service or additional  
26 water service," suddenly we have this enormous  
27 multimillion-dollar need to replace pipes. And, oddly  
28 enough, they start from one golf course, and go all the way

1 over to another golf course on the other side of the  
2 peninsula. And in the middle is the county's new golf  
3 course -- the proposed golf course.

4 And they want reclaimed water at all these golf  
5 courses, so it's a lot cheaper, I imagine. And it's my  
6 information that they are going to allow another entity to  
7 put reclaimed water pipes in the same ditch that they're  
8 going to put the California Water Service new pipes in, and,  
9 I think, maybe at no cost, because there was no cost  
10 mentioned in these comments. So I think there's another  
11 ulterior motive here: that of the reclaimed-water pipes in  
12 this ditch.

13 Now, if they had to do this with their own money,  
14 it would be a tremendous expense for them. And the  
15 coincidence of us needing new water pipes, when our water  
16 pipes aren't very old -- they don't leak, and they seem to be  
17 in better shape or better repair than, let's say, the  
18 national average, as Ms. Colbert pointed out in her studies.  
19 So I kind of question the project's need, based on the  
20 information that's been provided to us and the information  
21 that we've been able to discover in the meantime.

22 The way they, the water service here, explained  
23 our rate increases: well, 4 or 5 percent here, a little bit  
24 there, and so on. Well, it adds up to 25 percent, which I  
25 consider, you know, a lot of money for all the residents.  
26 And I think what's happening here is the residents are being  
27 asked to pay for water that's going to be brought to a few  
28 golf courses and Donald Trump, maybe, on the other side of

1 the hill. I don't know if the water is going to be -- any  
2 kind of improved service is going to be over there or not,  
3 but I don't think that -- I don't think this is fair.

4 I also would like to know, your Honor, if the  
5 California Water Service falls under the Public Records Act,  
6 so we can request records of the -- or from the California  
7 Water Service, like we do other public agencies. So if --  
8 are you aware of that, or do you have any idea?

9 ALJ MC VICAR: Why don't you go ahead and finish your  
10 statement? And then we'll get to questions.

11 MR. MC GUIRE: Well, I'd like to get that in the  
12 record anyway as a request.

13 So in any event, I think that concludes my  
14 statements.

15 I concur with everything, all the data that  
16 Ms. Colbert presented. And I'd like to add those -- my  
17 comments to her comments as well.

18 ALJ MC VICAR: Thank you.

19 Let me make one quick statement.

20 California Water Service Company is a private  
21 company, regulated by the California Public Utilities  
22 Commission. And the Commission itself is subject to the  
23 Public Records Act; my understanding is that private  
24 companies are not.

25 Off the record.

26 (Off the record)

27 ALJ MC VICAR: Back on the record.

28 While we were off the record, we've had about a

1 20-minute to half-hour discussion between Ms. Colbert and  
2 Mr. McGuire on one side, and the company spokespeople on the  
3 other side. And I think now one of the company  
4 representatives would like to summarize that -- their plans  
5 with respect to this area. It doesn't need to be very long,  
6 from my standpoint.

7 STATEMENT OF MR. TAMBLE

8 MR. TAMBLE: Thank you.

9 California Water Service Company was proposing a  
10 pipeline project to install a 27-inch pipeline and a 24-inch  
11 pipeline on PV Drive North to Crenshaw, and then up Crenshaw  
12 to a proposed pump station, reservoir site.

13 The initial study indicated that PV Drive North  
14 would be the most practical pipeline alignment; but in  
15 preparing a traffic-control study for the project, and due to  
16 the length of the time it took to construct the pipeline, we  
17 found that it was not practical to install the pipeline at  
18 PV Drive North. So we've been investigating an alternative  
19 location through potential easement north of PV Drive North.

20 In addition, we have separated from the West Basin  
21 Municipal Water District recycled pipeline project. We had  
22 tried to coordinate facilities on PV Drive North between  
23 West Basin and Cal Water and Southern Cal Edison and some  
24 undergrounding that they had to do, but we have since taken  
25 another approach to separate the potable line project with  
26 Cal Water from the West Basin Municipal Water District  
27 recycled project.

28 ALJ MC VICAR: Thank you very much.

1 Do you have any other questions?

2 MR. MC GUIRE: I do. I'd like to make another comment  
3 yet.

4 ALJ MC VICAR: Do you want this on the record?

5 MR. MC GUIRE: Yes, please.

6 ALJ MC VICAR: All right.

7 STATEMENT OF MR. MC GUIRE

8 MR. MC GUIRE: Again, my name is Peter McGuire.

9 And I would like to know why we would have this  
10 21 percent increase for -- I mean, forever, apparently, is  
11 what it looks like, because -- I mean, are we the only ones  
12 that are paying for all of this -- for \$7.6 million worth of  
13 pipe-size increase for the entire peninsula?

14 In other words, I mean, is this going to be  
15 something that we pay for for another 20, 30, 40 years, or  
16 whatever?

17 ALJ MC VICAR: All right.

18 MR. MC GUIRE: Or is some of this going to be offset  
19 by -- wherever these new developments are?

20 I don't even know where this new need is; why we  
21 would need an increased-size pipe.

22 In other words, why couldn't we go to pipe  
23 bursting, and put a 20-inch pipe in? Why do we need a  
24 24-inch pipe? It's my understanding we have enough water  
25 pressure. We have adequate -- we're all built out. We don't  
26 need additional water. And so why is it that we need this  
27 expensive project?

28 ALJ MC VICAR: All right. Before you answer, let me

1 state: I usually don't get into question-and-answer sessions  
2 on a public-participation hearing like this. So what I'm  
3 going to do is go off the record. And you can ask whatever  
4 questions you have. And then if somebody wants to summarize  
5 what they think they've heard, that's fine. So we'll go off  
6 the record.

7 (Off the record)

8 ALJ MC VICAR: Back on the record.

9 Thank you. We have no other members of the public  
10 here today, and nobody else signed up to make statements. So  
11 at this point, I am going to adjourn until 7:00 p.m. this  
12 evening, when we will be back in this room for the evening  
13 session. So we are adjourned. Thank you very much.

14 (Whereupon, at the hour of 3:30 p.m., a  
15 recess was taken until 7:00 p.m.)

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AFTERNOON SESSION - 7:00 P.M.

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ALJ MC VICAR: Please come to order. This is the time and place set by the California Public Utilities Commission for the further public-participation hearing in Application 05-08-006 through -013, the applications of California Water Service for rate increases in eight districts.

We had just one member of the public who was here a few minutes ago, and did not wish to speak. He had a question about sprinkler systems. And the company has answered his question. And he has now departed.

So we are in recess until either 7:45, or unless somebody else shows up. So we are in recess.

(Recess taken)

Please come to order.

We have one member of the public who is in the back who did not wish to make a statement, and we had two people who initially wished to make statements, two people from Palos Verdes district. And they talked to the company representatives at length of the record about the same projects that were discussed this afternoon in the afternoon session. They got all their questions answered. They do not wish to make a statement, and they have now departed.

So there is nobody else here from the public. And it's 7:45, and we are going to adjourn. We are adjourned.

(Whereupon, at the hour of 7:45 p.m., this Public-Participation Hearing having concluded, the Commission then adjourned.)

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