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SUPERIOR COURT OF CALIFORNIA COUNTY OF HUMBOLDT

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SUPERIOR COURT OF CALIFORNIA, COUNTY OF HUMBOLDT

THE PACIFIC LUMBER COMPANY, And SCOTIA PACIFIC COMPANY LLC,

Plaintiff/Petitioners,

NORTH COAST REGIONAL WATER QUALITY CONTROL BOARD, et al.,

Defendant./Respondents.

FRESHWATER CREEK AND ELK RIVER WATERSHEDS LAND, RANCH AND PROPERTY OWNERS, RESIDENTS AND MANAGERS ("OWNERS")

Plaintiffs/Petitioners,

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NORTH COAST REGIONAL WATER QUALITY CONTROL BOARD, et al.,

Defendants/Respondents.

RULINGS ON MOTIONS TO INTERVENE and OSC'S RE PRELIMINARY INJUNCTIONS

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NO:

CV050674

RULINGS ON MOTIONS TO INTERVENE and OSC'S RE PRELIMINARY INJUNCTIONS

NO. CV050675

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Preliminary Comments. Since the hearing held on November 9, 2005, the court has reviewed and considered all pleadings (including all exhibits) and all oral arguments presented by counsel. The comments that follow the rulings below are not intended to be an exhaustive discussion of all points raised or a complete discussion of the court's analysis of all issues.

Because PALCO in Case No. CV 050674 and the petitioner in Case No. CV 050675 ("Owners") have advanced many of the same arguments they are generally referred to herein collectively as "PALCO".

Motions to Intervene

Both motions to intervene are granted.

Comments. The petition of PALCO, and to a lesser extent the petition of Owners, seeks to delay the hearings, to have the court structure the hearings, and to have certain agency jurisdictional issues ruled on by the court before the hearings. Those jurisdictional issues involving Water Code Sections 13225(b) and 13360 and PRC Section 4582.71, in turn, go to the heart of the subject matter of the hearings.

The standard of CCP Section 387(b) is satisfied in both cases. Interveners have long term, identifiable interests in the subject matter of the proposed hearings before the Regional Board concerning WDR's as well as interests in having the hearings move forward toward resolutions.

The complaints in intervention previously submitted shall be filed and deemed denied by all other parties; provided, however, that other parties may plead to said

complaints within 30 days of service if they so choose.

TRO's and OSC's re Preliminary Injunctions

Both TRO's are dissolved and both petitions for preliminary injunctions are denied.

Comments. PALCO's arguments contain many criticisms of the staff of the respondent Regional Board. The staff is alleged to have an abiding bias against PALCO that is manifested by improper prejudgments, conspiracies with PALCO's critics, supression of legitimate comment on staff recommendations, and prejudicial manipulation of hearing notices and structure. PALCO contends that the showing made against the staff is so strong that this court should conclude that the results of hearings before the Regional Board are preordained, and therefore the court should put a halt to the Regional Board's administrative process and then structure that process fairly through a special master or otherwise. Further PALCO urges the court to conclude that, as a matter of law, the Regional Board does not have the power to establish WWDR's that set rate of timber harvest limitations, and therefore rate of harvest limitations should be adjudged to be in excess of the Regional Board's jurisdiction.

PALCO has not demonstrated a likelihood of prevailing with a permanent injunction in the case, nor has PALCO demonstrated a likelihood of irreparable injury if a preliminary injunction is not granted. To conclude otherwise would not only involve speculation about the final construct and results of the administrative process but, more importantly, would ignore the doctrines of ripeness and exhaustion of remedies. Simply put, all relevant statutes and appellate authorities dictate that this court should not usurp

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 the role of the Regional Board or its staff by intervening in the administrative process before that process has reached final decision(s). Rather, the Board should be allowed to proceed at its own risk concerning all of the issues raised, including the procedural due process issues and the legal jurisdictional issues.

Hunt v. Superior Court (1999) 21 C. 4th 984 does not support PALCO's contentions concerning the ripeness issue. In Hunt, respondent county had completed the administrative process of adopting the questioned eligibility standards, but had not implemented them. The court ruled that the petitioners need not wait until they were affected by the standards before bringing the action challenging the standards. If the petitioners had sought court intervention before the county adopted the standards then the ripeness doctrine would have precluded judicial intervention.

Coachella Valley Mosquito & Vector Control District v. CPERB (2005) 35 C 4th

1072, 1083 does explain and apply the administrative jurisdiction exception to the exhaustion of remedies doctrine, but does not assist PALCO's arguments. In Coachella a PERB hearing officer ruled on certain issues concerning PERB jurisdiction, the petitioner District requested the PERB to reverse the hearing officer, and the PERB refused. Then the action was filed. In the present cases the Regional Board has not taken any final action, although PALCO forcefully argues that the Regional Board's adoption of WWDR's that contain rate of harvest restrictions is a foregone conclusion. If PALCO's predictions prove true, then Coachella could lend support to an argument that PALCO need not exhaust its remedies with the State Board before seeking court determinations concerning the agency jurisdiction issues. Similarly, if PALCO or Owners are unable to fully present their positions before the Regional Board because of their failure to comply with procedural requirements that were contained in misleading notices, then McQueen v. Mid-Peninsula Regional Open Space District (1988) 202 Cal.

Superior Court, Humbold

 App. 3d 1136 could forgive any alleged failure to exhaust remedies before the Regional Board. However, neither <u>Coachella</u>, or <u>Hunt</u>, or <u>McQueen</u>, or any other authority cited by PALCO can be read to give PALCO what it seeks here—a preliminary injunctive order stopping a statutorily created administrative body from carrying out its mandated functions based on a showing that the agency will probably will get it wrong. If the law were otherwise the courts would be swamped with requests for orders directing administrative agencies how to do their jobs.

Thus, PALCO's shots at the staff of the Regional Board amount to a preemptive salvo across the bow, but cannot at this stage prevent the Board from steering its own course. As emphasized by PALCO, the Board is legally obligated to exercise independent decision-making that is legally correct, no matter what infirmities there may or may not be in the staff analyses and recommendations. Assuming arguendo that PALCO'S allegations of staff bias were valid, the Board must still be given an opportunity to discharge its duties fairly. The Board's functions should not be judicially usurped by presuming the board is guilty by association, even if its staff and associates were proven to be guilty.

The interlude caused by the issuance of the TRO's in these cases has allowed PALCO and the Board three additional months to analyze and evaluate the public comment received in response to the preliminary staff recommendations issued in June 2005. It has also allowed the Board and its attorneys time to weigh the jurisdictional arguments advanced by PALCO and to consider what changes, if any, should be made in hearing procedures in light of the various constitutional arguments. All in all, if PALCO's or the Owner's substantive arguments have merit, the delay should result in less vulnerable final decisions by the Regional Board. However, for the reasons

explained in the authorities that discuss the ripeness doctrine, the court cannot at this juncture give any preliminary or advisory opinions on those subjects.

The Regional Board should now proceed with its administrative processes forthwith. Setting of trial dates will be discussed at the appearance presently scheduled for December 8, 2005.

Dated: December 1, 2005

John K. Letton, (ret.) Assigned Judge of The Superior Court

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RULINGS ON MOTIONS TO INTERVENE and OSC'S RE PRELIMINARY INJUNCTIONS

STATE OF CALIFORNIA,)
COUNTY OF HUMBOLDT) SS. AFFIDAVIT OF SERVICE BY MAIL

I, Linda Galovich say:

That I am a citizen of the United States, over 18 years of age, a resident of the County of Humboldt, State of California, and not a party to the within action; that my business address is Humboldt County Courthouse, Eureka, California; that I served a true copy of the attached ____

RULINGS ON MOTIONS TO INTERVENE AND OSC'S RE PRELIMINARY

INJUNCTIONS by placing said copies in the attorney's mail delivery box in the Court

Operations Office at Eureka, California on the date indicated below, or by placing said copies in
envelope(s) and then placing the envelope(s) for collection and mailing on the date indicated below
following our ordinary business practices. I am readily familiar with this business practice for
collecting and processing correspondence for mailing. On the same day that correspondence is
placed for collection and mailing, it is deposited in the ordinary course of business with the United
States Postal Service at Eureka, California in a sealed envelope with postage prepaid. These
copies were addressed to:

FRANK SHAW BACIK, POBOX 720, UKIAH CA 95482 (AND FAXED TO 462-7839) SHARON DUGGAN, 370 GRAND AVENUE #5, OAKLAND, CA 94610 (AND FAXED TO 510-271-0829)

WILLIAM VERICK, 424 FIRST STREET, EUREKA CA 95501 (AND FAXED TO 510-268-8901

NICHOLAS STERN, DEPUTY ATTORNEY GENERAL, P O BOX 944255, SACRAMENTO, CA 94244-2550 (AND FAXED TO 916-327-2319)

EDGAR B. WASHBURN, MORRISON & FOERSTER, 425 MARKET STREET, SAN FRANCISCO CA 94102-2482 (AND FAXED TO 415-268-7522)

GAVIN H. McCABE/JOHN DAVIDSON/MICHAEL W. NEVILLE, DEPUTY ATTORNEY GENERALS, 455 GOLDEN GATE AVE., SUITE 11000, SAN FRANCISCO CA 94102-7004 (AND FAXED TO 415-703-5480)

HON. JOHN K. LETTON

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Executed on the 5 day of December, 2005, at the City of Eureka, County of Humboldt, State of California.

DWIGHT W. CLARK, Clerk of the Court

By Linka Halon Deputy Clerk