

Case No. 25CU0114

Tulare Lake Canal Company et al. v. Stratford Public Utility District et al.

Sandridge Partners, LP's Motion to Compel Arbitration as to Installation of the Pipeline or in the Alternative for Reconsideration and Modification of Ruling Denying Arbitration

January 20, 2026 at 8:15 a.m. in D-2, J. Burns

The motion to compel arbitration is denied.

Sandridge relies heavily on the court's prior determination that granting arbitration on the issue of when the pipeline can be installed was consistent with its ruling. (Oct. 7, 2025 Order at pp. 4-5.) Sandridge contends that the court should require the parties to arbitrate the issue of the "conditions and timing for the construction of the pipeline appeared to be." (Memo. P&A at p. 10.) According Sandridge therefore, the court should vacate its issuance of the preliminary injunction and defer the issue of provisional remedies to arbitration, because "[a]ny need for a provisional remedy like a preliminary injunction can be addressed by the arbitrator." (*Id.* at p. 11 [citing *Ferguson v. Corinthian Colls., Inc.* (9th Cir. 2013) 733 F.3d 928, 937; see also *Kirk v. Ratner* (2022) 74 Cal.App.5th 1052, 1062].)

The court acknowledges its earlier determination that the issue of "whether a court must first find the EIR is adequate before, for example, the Common Use Agreement may be executed and the pipeline construction commenced . . . appears to require mediation and arbitration." (Oct. 7, 2025 Order at p. 4.) While the court declined to make such an order at that time based on Sandridge's failure to appropriately request such relief, the court now finds an independent basis to reject Sandridge's request. The court's order entering the preliminary injunction was based on TLCC's demonstration of a likelihood of success on the merits of its action against Stratford under CEQA, independent of whether other conditions in the settlement agreement for beginning construction are met. In other words, whether it is appropriate for an arbitrator to determine the "conditions and timing for construction of the pipeline" is inapposite to whether an injunction should remain in place based on the court's own assessment of the merits of the CEQA action and separate and apart of the arbitrator's interpretation of the settlement agreement.

Sandridge does not explain how the court is able to order arbitration on this issue while also keeping the preliminary injunction intact and in fact requests the opposite, i.e., dissolving the preliminary injunction as somehow "premature." Sandridge instead argues that TLCC, under the settlement agreement, "waived the right to the preliminary injunction sought and granted herein" and that the determination of "whether Sandridge's interpretation of the settlement agreement is correct" must be submitted to the arbitrator. (Reply at p. 6.) The court disagrees and implicitly rejected this argument when it issued the preliminary injunction. (See, e.g., Opp. to Request for Preliminary Injunction at pp. 3-5.) Instead, because arbitration of the issue of the "conditions and timing" of the construction of the pipeline is not only likely to result in conflicting rulings, but in fact appears to be intended to obtain a conflicting ruling, the court may exercise its discretion to refuse to order the issue to arbitration. (Code Civ. Proc. § 1281.2, subd. (c) [permitting the court to refuse

to enforce an arbitration agreement if a party to the arbitration is also a party to a pending court action or special proceeding with a third party, arising out of the same transaction or series of related transactions and there is a possibility of conflicting rulings on a common issue of law or fact]; see Opp. at p. 8.)

Based on the foregoing, the motion to compel arbitration as to the installation of the pipeline or to modify its prior ruling and vacate the injunction is denied.

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The court does not require notice of intent to appear. (Cal. Rules of Court, rule 3.1308(a)(2).) If no parties appear, the court will construe the non-appearance as a submission on the tentative ruling and will adopt the tentative ruling as the order of the court. Parties intending to present oral argument regarding a tentative ruling are expected to contact opposing counsel(s) the day before the hearing to ensure the appearance of all affected parties at the hearing. If only one party appears to present oral argument as to the tentative ruling, the court generally will not allow for oral argument and instead will continue the hearing for the appearance of all parties.