

1 RUSSELL M. MGLOTHLIN (State Bar No. 208826)
RYAN C. DRAKE (State Bar No. 262580)
2 BROWNSTEIN HYATT FARBER SCHRECK, LLP
21 East Carrillo Street
3 Santa Barbara, CA 93101
Telephone: (805) 963-7000
4 Facsimile: (805) 965-4333

5 Attorneys for Defendant, CITY OF SEASIDE

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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF MONTEREY

10 CALIFORNIA AMERICAN WATER,

11 Plaintiff,

12 vs.

13 CITY OF SEASIDE, et al.,

14 Defendants.

Case No. M66343

Assigned for All Purposes to the
Honorable Roger D. Randall (Ret.)

**DECLARATION OF DEWEY EVANS
(CEO OF WATERMASTER) IN SUPPORT
OF CITY OF SEASIDE'S REVISED
PROPOSAL FOR IN LIEU
REPLENISHMENT PROGRAM AND
OFFSET OF REPLENISHMENT
ASSESSMENT LIABILITY**

17 MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT,

18 Intervenor,

20 MONTEREY COUNTY WATER
RESOURCES AGENCY,

21 Intervenor,

22
23 AND RELATED CROSS-ACTION.

24 I, Dewey Evans declare as follows:

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26 1. I am the Chief Executive Officer of the Seaside Basin Watermaster
27 ("Watermaster"). I report directly to the Watermaster Board of Directors. I have personal
28 knowledge of the following, and, if called as a witness, I would and could testify competently to the

1 following based upon my personal knowledge arising from my activities and duties as the
2 Watermaster's Chief Executive Officer:

3 2. On April 7, 2010, the Watermaster Board of Directors unanimously approved a
4 revised Memorandum of Understanding ("MOU") with the City of Seaside ("City") for a proposed
5 in-lieu replenishment program involving the Bayonet and Blackhorse Golf Courses. The revisions
6 are intended to address concerns the Court had pertaining to the stay of enforcement of the City's
7 accrued replenishment liability, as proposed in Paragraph 4 on the earlier MOU regarding the
8 proposed in lieu replenishment program approved by Watermaster on November 4, 2009. After
9 consideration and discussion of the terms of the revised MOU, the Board determined that the terms
10 of the MOU will facilitate efficient replenishment of the Seaside Groundwater Basin ("Basin"), and
11 are fair and equitable to the City and the Watermaster.

12 3. The revised MOU amends Paragraph 4 to limit the stay of enforcement to just this
13 Water Year, which would thereafter be extended only if Watermaster and the Court deem
14 appropriate. This modification allows an opportunity for Seaside to commence the in lieu
15 replenishment program and to use the program as a means of offsetting the city's accrued
16 replenishment liability, but also preserves authority with Watermaster, and ultimately the Court, to
17 terminate the stay of enforcement if the program does not proceed as projected, or if a termination
18 of the stay is otherwise appropriate.

19 4. In approving the revised MOU, the Board determined that the temporary stay of
20 enforcement of the City's current Replenishment Assessment liability pursuant to Paragraph 4 of
21 the MOU, as revised, will facilitate the realization of the proposed program, and will not otherwise
22 impair any other opportunity for the Watermaster to obtain replenishment water for the Basin.

23 5. In light of current projections for development of new water supplies available to the
24 Monterey Peninsula, it is unlikely that any other meaningful source of replenishment water would
25 be available for Watermaster to purchase prior to the expiration of the MOU with the City in April,
26 2015.
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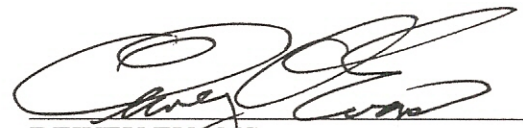
6. Watermaster's current Replenishment Assessment rate is \$2,780 per acre-foot.

8. The City's existing Replenishment Assessment liability is \$1,737,569, and Watermaster projects that the City's Replenishment Assessment liability will grow to \$2,335,241 through Water Year 2010.

9. I concur with projections by the City that, assuming the program proceeds as planned, the in lieu replenishment from the program should offset the City's current and accrued replenishment assessment liability by 2013, if not sooner in 2012.

I declare under a penalty of perjury under the laws of the State of California that the forgoing is true and correct, and that this declaration is executed this __th day of April, 2010 at Seaside, California.

Dated: April 24, 2010


DEWEY EVANS