THOMAS D. ROTH, State Bar No. 208601 Law Offices of Thomas D. Roth MAY 1 1 2009 One Market, Spear Tower, Ste. 3600 San Francisco, California 94105 DERIOR COURT 3 Telephone: (415) 293-7684 Facsimile: (415) 435-2086 4 SHERI L. DAMON, State Bar No. 166427 5 S. HANS Damon Law Offices 618 Swanton Road 6 Davenport, California 95017 Telephone: (831) 345-3610 Facsimile: (831) 423-8382 7 8 Attorneys for Defendant, SECURITY NATIONAL GUARANTY, INC. 10 SUPERIOR COURT OF STATE OF CALIFORNIA 11 COUNTY OF MONTEREY 12 CALIFORNIA AMERICAN WATER, Case No. M66343 13 Plaintiff. 14 ORDER AFTER HEARING ON ٧. SNG'S MOTION TO ENFORCE AND 15 CITY OF SEASIDE et al., CLARIFY THE AMENDED DECISION 16 Defendants. Date: April 29, 2009 Time: 1:30 p.m. 17 Department: 15 18 Assigned for all purposes to the Honorable Roger D. Randall (Ret.) 19 20 MONTEREY PENINSULA WATER MANAGEMENT DISTRICT 21 Intervenor. 22 23 24 Security National Guaranty, Inc.'s ("SNG") Motion to Enforce and Clarify the 25 Amended Decision came on for hearing before this Court on April 29, 2009 at 1:30 p.m. 26 27 28

ORDER AFTER HEARING ON SNG'S MOTION TO ENFORCE - 1

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Having read the motion, the points and authorities, the declarations and documents filed by the Parties, the records and pleadings herein, and having heard argument of counsel, the Court grants declaratory relief regarding certain issues raised by the parties.

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## IT IS HEREBY ORDERED:

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- 1. Holders of water rights in the Seaside Basin ("Basin") are entitled to use specified amounts of the available water, as set forth in the Amended Decision, and the usage by holders of those rights needs to be accomplished in the manner most beneficial to preservation of the integrity of the Basin. Therefore, for example, production and use of water from inland wells is preferable to use of water from wells adjacent to the seashore.
- 2. The efficient usage of water from the Seaside Basin may require that Basin water be temporarily stored with water from non-basin sources.
- 3. Any attempts by any agency or organization to impose obligations on the use of Basin water rights must be viewed with concern for the integrity of the Physical Solution.
- 4. Accordingly, the Court declares that the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT (MPWMD) has water distribution permitting authority granted by law but the MPWMD cannot exercise that authority in contravention of the Physical Solution imposed by the Amended Decision for management of the Basin.
- 5. The Court declares that the Physical Solution governs the environmental aspects of Seaside Basin ground water usage, and further holds that no Party to this adjudication can require environmental review under the California Environmental Quality Act (CEQA) with regard to such usage.
- 6. To the extent that the findings of the MPWMD denying the application of SNG and California American Water (CAW) are inconsistent with the principles set forth hereinabove, and in particular Findings 17 through 21 and specifically to the extent that any of the findings reference a need for CEQA review of the impact of the application

on Seaside Basin production the findings impinge upon the decision and cannot stand.

transmute Carmel River water into Seaside Basin water, nor Seaside Basin water into

Carmel River water. MPWMD has authority to require an accounting of water quantity

environmental decisions based upon mere storage of water from two sources. So, for

example, if there is a wheeling agreement between Parties within the Seaside Basin

which includes a provision for "front loading" or "prior to delivery" production of

with adjudicated water rights, there would be no issue as to Carmel river water.

water from the Seaside Basin that was adequate to cover draw down by another Party

As a matter of law, commingling of water and storage from different sources does not

to satisfy itself that no Carmel River water is being used but it cannot make

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## IT IS FURTHER ORDERED:

Based on the foregoing,

- 13 A. The MPWMD is ordered to set aside its denial of the SNG and CAW joint application 14 for water distribution permit, and in particular its Findings Numbered 17 through 21;
  - B. The MPWMD is ordered to reopen its hearing on the matter of the SNG/CAW application and to reconsider the application in light of this ruling;
  - C. The request of SNG to declare certain MPWMD rules ministerial is denied because resolution of this matter requires no such finding;
  - D. The request of SNG for attorneys' fees is denied on the ground that the relief sought in the motion primarily benefits the moving parties as opposed to other users of the Seaside Basin's resources.
  - E. The Court specifically denies MPWMD's argument that administrative mandamus is the proper procedural vehicle for reviewing these issues. The Motion concerns the interpretation, implementation and enforcement of the Amended Decision and is within the jurisdiction of this Court pursuant to the reserved jurisdiction clause of the Amended Decision and the inherent authority of this Court.
  - F. The MPWMD is ordered to reopen, reconsider and make a final determination

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concerning SNG's and CAW's permit application filed September 15, 2008 on or before June 10, 2009, at a regular or special meeting, as necessary, after taking into account the findings and declarations set forth and clarified in this Order.

SO ORDERED.

Honorable ROGER D. RANDALL
Judge of the Superior Court