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9 G. Scott Fahey and Sugar Pine Spring Water, LP

10  
11 **BEFORE THE STATE OF CALIFORNIA**  
12 **STATE WATER RESOURCES CONTROL BOARD**

13 **IN THE MATTER OF**  
14 **ADMINISTRATIVE CIVIL**  
15 **LIABILITY COMPLAINT ISSUED**  
16 **AGAINST G. SCOTT FAHEY AND**  
17 **SUGAR PINE SPRING WATER, LP**

18 **DECLARATION OF SCOTT FAHEY IN**  
19 **SUPPORT OF OPPOSITION TO MOTION**  
20 **TO COMPEL PRODUCTION OF**  
21 **DOCUMENTS IN RESPONSE TO**  
22 **SUBPOENA DUCES TECUM**

23 I, G. Scott Fahey, declare:

24 1. Since September 1, 2001, I have been the Manager of the General Partner of Sugar  
25 Pine Spring Water, LP, a Nevada Limited Partnership. I have sole and complete authority  
26 regarding any and all management decisions of Sugar Pine Spring Water, LP. Sugar Pine Spring  
27 Water, LP has no employees.

28 2. I was issued Water Right Permit 20784 (Application A029977) and Water Right  
Permit 21289 (Application A031491). I and Sugar Pine Spring Water, LP are the  
Defendants/Respondents in the above-entitled proceeding before the State Water Resources  
Control Board ("Board").

3. In this proceeding, the Prosecution Team brought a Motion to Compel Production  
of Documents in Response to Subpoena Duces Tecum ("Motion To Compel" or "Motion")  
against me and Sugar Pine Spring Water, LP (collectively, "we," "our" or "us") in order to obtain  
an order requiring us to disclose our trade secret information about "per-unit pricing" contained in  
invoices from water sales, which the Prosecution Team sought in Item 7 of its Subpoena. That

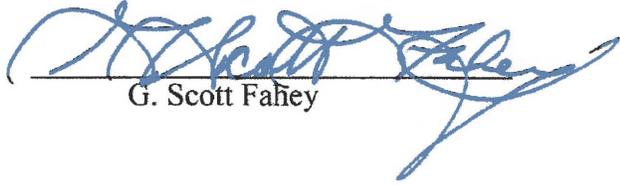
1 Motion To Compel was brought even though the Prosecution Team admits that we agreed “to  
2 verify the number of gallons sold and the dollar amount received by Sugar Pine for said water,  
3 without divulging proprietary information,” and even though the Prosecution Team admits that  
4 we provided “the total dollar amount sold under the invoices.” Thus, we have already given the  
5 Board the total number of gallons sold and provided the Board with the total amount of sales; the  
6 Board can compute the average per unit price from that disclosed information, if such  
7 computation is that necessary to this matter.

8 4. The information sought by the Prosecution Team regarding the unit price per  
9 gallon of water sold by us constitutes our proprietary trade secrets. If we are required to disclose  
10 the unit price per gallon of water in this public administrative proceeding, then we might as well  
11 close down our business as our customers would know exactly what every other one of our  
12 customers pays for water and would demand the same price. Our invoiced customers pay the  
13 same unit price for water, with the exception of one of them, hereinafter referred to as the  
14 “Special Invoice Customer.” The Special Invoice Customer pays more in order to ensure that it is  
15 first in line after our contract customers. The contract customers can contractually take any, all,  
16 or none of the water as needed after notice. Once the Special Invoice Customer establishes its  
17 order, then any water left over goes to the remaining invoiced customers on a first come - first  
18 serve basis. The contract customers’ unit price is less than the price charged invoiced customers.  
19 If the information about the unit price per gallon of water is made public in this proceeding, as the  
20 Board demands, then our invoiced customers would leverage the exposed contract unit price and  
21 demand a huge reduction in the invoice unit price. In that likely scenario, we could not negotiate  
22 individually, and we would be stuck with one price for everyone. As a result, our annual income  
23 could be reduced up to 75% of its current level.

24 5. I (and Sugar Pine Spring Water, LP through me) have carefully protected that  
25 per unit pricing from public disclosure. Sugar Pine Spring Water, LP has no employees, and I  
26 have carefully protected that per unit pricing information from public disclosure, by *not* telling,  
27 revealing, communicating, or writing to anyone, other than my attorneys, that information. If  
28 asked by a third-party “How much do bottlers pay for a gallon of spring water?” I reply, “Not

1 enough!" I do not reveal that information. The other Limited Partners of Sugar Pine Spring  
2 Water LP do not know the unit prices paid by each respective bottler. To my knowledge, no one  
3 else knows that information except my attorneys. Furthermore, the Nestles Water North  
4 America, Inc. and I have a confidentiality clause within our contract in order to protect the per-  
5 unit pricing information, among other things.

6 I declare under penalty of perjury under the laws of the State of California that the  
7 foregoing is true and correct. Executed on December 8, 2015, at Boise, Idaho.

8  
9   
10 G. Scott Fahey