



PEBBLE BEACH  
COMPANY

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NOV 21 2003

MPWMD

Fran Farina  
General Manager  
Monterey Peninsula Water Management District  
Post Office Box 85  
Monterey, CA 93942-0085

VIA FAX: 644-9560

Re: Ordinance No. 109

Dear Fran:

The provisions of Ordinance No. 109 proposed by your Board relating to the measurement and usage of the Water Entitlement would change the methodology originally agreed upon by MPWMD to measure usage of the Water Entitlement granted by the Fiscal Sponsorship Agreement dated October 3, 1989, between MPWMD and Pebble Beach Company. Additionally, these provisions are inconsistent with how all other water use entitlements are measured by the MPWMD and every other jurisdiction within the District, and would create significant problems relating to monitoring and enforcement compared to the present methodology. We understand that the other interested parties, including the Independent Reclaimed Waters Users Group, the Carmel Area Wastewater District, and the Pebble Beach Community Services District, concur in our assessment of the deficiencies in the ordinance as currently proposed.

The MPWMD's existing and established methodology to allocate and track water use has been acceptable to the State Water Resources Control Board not only for the Entitlement Water that has been utilized from the Project thus far, but also for every other allocation the MPWMD has made since the fixture count and commercial use factor methodology was first adopted. The SWRCB has stated that the Water Entitlement is exempt from the provisions of Order 95-10, as long as usage of the Water Entitlement is below the amount of recycled water produced by the Project. With the maximum Water Entitlement set at 380 acre feet, and the minimum expected production of recycled water after Phase II estimated at 800 acre feet, the Project will have a 420 acre foot safety factor built in to provide further assurance that the State's requirement is always met. Given the history of your existing methodology, and the huge safety factor, we believe the State will be more than satisfied with reliance on your longstanding and proven methodology as an acceptable measure of usage for the Water Entitlement.

LEGAL AFFAIRS

For these reasons, we and the other interested parties believe the MPWMD should take no further action on Ordinance No. 109 until these issues have been satisfactorily addressed, including seeking the input of the SWRCB.

Sincerely,

Pebble Beach Company

By: Mark Stilwell

Mark Stilwell

Its: Executive Vice President

- C: Richard Andrews, PBCSD
- Ray von Dohren, CAWD
- Michael Bowhay, Independent Reclaimed Water Users Group
- Tom Jamison, Esq.
- David Laredo, Esq.
- Carl Nelson, Esq.
- Lloyd Lowrey, Esq.
- Robert Wellington, Esq.