

EXHIBIT 2-B

2 December 2003

Fran Farina, General Manager
Water Management District
Post Office Box 85
Monterey, California 93942

RE: 116 13th Street, Pacific Grove, APN#006-183-007

Dear Fran Farina,

After obtaining all City of Pacific Grove approvals and permits for a new home we plan at the address listed above, my wife, Sally Jean Aberg, and I recently applied for our Residential Water Release and Water Permit. We need this in order to pull our building permit from Pacific Grove's Community Development Department.

A 1949 house presently stands on the property. When construction begins for the new home, this house will be donated to Habitat for Humanity and moved to Palm Avenue in Marina. Meanwhile, it is, of course, the source of our water credits for the new project. Our new project calls for the use of 15.4 fixture units.

This should not be a problem, because the current house holds a total of 18.7 fixture units—more than we'll actually need to use. At least, this is our understanding. And it was the understanding of the Water District since 1992, which was the year after we purchased the home and the same time as a brief suspension of the water moratorium because of the discovery of some new water on the Peninsula.

You are probably quite familiar with the history of the brief lifting of the moratorium. People with house projects in the dream stage scrambled to lay claim to water credits before the window of opportunity closed again. I proposed a number of ways I could officially obtain some water for myself with my own project in mind.

However, it was an employee of your Water Management District herself who gave me permission not to, for example, add on a second bathroom at that time. Instead, knowing my plans for a new home, she suggested I install 10 additional shower heads in the existing shower. Frankly, I was surprised, but naturally, given both the District's blessing and the further blessing of the City of Pacific Grove, I paid nearly \$1,500 for these water credits and completed the installation. My work was checked by the City and since then there have been at least two "spot checks" to make certain the water credits are continuing to be properly warehoused towards the new project.

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There was only one reason I went through the time and expense of securing these additional fixture units: to guarantee that this water was both legal and paid for when I eventually had the permissions and finances to proceed with the building.

In fact, from 1992 up until I completed the design of my new home and applied for my building permit, it was my understanding—and the Water Management District's and the PG Community Development Department's opinion, too—that each shower head was valid and that each one was originally valued at 2 fixture units, for a total of 28.7 units for the house. You might want to check with our project's over-seer, Barbara Oldfield, or with Judy McClelland in the Community Development Department. They know the history of my water, and they have documented the shower heads. In addition, Barbara was aware that our existing property fixture count stood at between 18.7 and 28.7 (depending on the final eventual fixture count determination) when we applied for Planning Commission approvals, Architectural Review Board approval, and our Building Permit.

We need nowhere near the maximum fixture unit count we may in fact be entitled to (28.7) or even the reduced fixture unit count (18.7). We need just 15.4 fixture units, as mentioned above. We are not disputing the reduction in fixture units. We are only disputing the District's request that we purchase those we need for a second time.

We acknowledge that rules governing Peninsula water use and fixture unit credit calculating may have changed in the past ten years. And we have happily signed and had notarized the two deed restrictions your District requires and is about to file with the County concerning our proposed project's water. But we must protest the fee being attached to our water permit, some \$1,200. We believe our status needs to be "grandfathered in." Otherwise, we feel someone from the District was negligent in not notifying us—and perhaps other people, too?—that our water credits and fees paid were in jeopardy. A simple letter of warning would have sufficed. Instead, we were never given a chance to save the credits or avoid the double payment that is now being asked.

May we please request that you review our special situation and allow us to pick up our water permit and proceed on to the City of Pacific Grove to pull our building permit without paying any further fees to the District? Sally and I look forward to your reply.

Most sincerely yours,

Jeffrey N. Becom

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