



EXHIBIT 2-C

**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

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January 5, 2004

TRANSMITTED VIA FACSIMILE

COPY

Mr. Jeffrey N. Becom
Post Office Box 534
Pacific Grove, California 93950

Subject: 116 13th Street, Pacific Grove. APN: 006-183-007

Dear Mr. Becom:

This letter responds to your correspondence dated December 2, 2003, requesting relief from the connection charge associated with a proposed second bathroom at 116 13th Street in Pacific Grove. Your request stems from the fact that you received a water permit on September 16, 1992, and paid the District a connection charge (\$1,319.40) to add nine gang showerheads (nine fixture units) to an existing shower. The District debited the City of Pacific Grove's water allocation for 0.09 acre-feet of water and verified installation of the multiple showerheads after completion of the project. You would like compensation for removal of the nine additional showerheads.

On September 2, 2003, you submitted a water permit application to the District for a new single-family residence using water credits from the demolition of the existing house. The pending water permit includes a second bathroom and requires payment of fees in the amount of \$1,226.51. The fees include a connection charge of \$959.51 for 4.7 fixture units for the second bathroom, \$150 in processing fees, \$72.00 for legal review and \$45 for recording the two deed restrictions that are required as conditions of the permit. The District credited two fixture units (equivalent to \$408.30 in connection charges) for the removal of the multiple showerheads and used the fixture unit credit to offset the addition of two utility sinks in the new home.

Your letter indicates that you are aware of the change in the rules related to credit for the removal of multiple showerheads that occurred on July 16, 2001. Resolution 2001-09, adopted by the Board on July 16, 2001, disallows water credits for more than two showerheads in a shower stall. In this regard, you could maintain the ten showerheads, as permitted, but credit is available for only two showerheads if the shower (with all ten showerheads) is removed. The District's Board of Directors is currently in the process of reviewing Resolution 2001-09. The District's Water Demand Committee will re-examine the provisions of Resolution 2001-09 on January 20, 2004, and may make recommendations for future consideration by the full Board. The meeting begins at 1:00 in the District's conference room and is open to the public.

It is the District's understanding that you are not disputing the reduction in credit for removal of multiple showerheads that occurred when the Board adopted Resolution 2001-09, but that you are protesting the requirement to pay connection charges for the second bathroom that you are now proposing to add to the property. The second bathroom is allowed by Rule 24 without a requirement to offset the added water

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fixtures with on-site water credits, but connection charges are assessed for the additional fixture units. Your letter states that you believe you should be "grandfathered in" as you feel you did not receive adequate notice of the change in the rules regarding removal of multiple showerheads for credit. Finally, you are requesting that staff allow you to obtain your water permit without first receiving the connection charges for the added fixture units.

Unfortunately, District staff is unable to waive the connection charge requirement. An applicant may offset new water fixtures by replacing existing appliances with ultra-low consumption appliances or by retrofitting other water using fixtures in the house with fixtures approved for credit by the District to reduce or eliminate the connection charge. However, the application received by the District on September 2, 2003 for a second bathroom in your new home does not require that you offset the new fixtures and there is no proposal to do so. As the application is made under Rule 24 (Ordinance No. 98), the application is exempt from the requirement that the jurisdiction authorize a debit from its water allocation to supply the second bathroom, but the connection charge still applies. Staff does not have the authority to credit the entire connection charge paid by you for nine showerheads in 1992 to the current permit application or to reduce the connection charge.

Issuance of a water permit is a determination of the General Manager, and the determination may be appealed to the District Board within twenty-one (21) days pursuant to District Rule 70. You have the option of paying for the permit and protesting the connection charge assessed for your current permit application and appealing your case to the Board of Directors. The permit will be issued upon payment of the fees.

I am enclosing an appeal application for your convenience. Should you decide to appeal, you will need to complete the application and submit it along with a processing fee of \$250 within 21 days of the date the water permit is issued. Appeals are scheduled for the next available Board meeting and are considered by the Board after a public hearing. If you have questions about the process, please call me at 658-5601.

Sincerely,

Stephanie Pintar
Water Demand Manager

Enclosure