



# Supplement to 1/24/18 MPWMD Board Packet

Attached are copies of letters received between December 6, 2017 and January 16, 2018. These letters are listed in the January 24, 2018 Board packet under Letters Received.

<b>Author</b>	<b>Addressee</b>	<b>Date</b>	<b>Topic</b>
Joe Gunter	Bill Kampe/cc David Stoldt	1/2/18	Pure Water Monterey Project Expansion
Anthony Lombardo	David Stoldt	1/2/18	3360 Kingsley Court, Pebble Beach
Elizabeth Sanchez and Scott Liming	MPWMD Board	12/7/17	556 Lighthouse Avenue, Monterey

U:\staff\Boardpacket\2018\20180124\LtrPkt\LtrPkt.docx



## City of Salinas

OFFICE OF THE MAYOR • 200 Lincoln Avenue • Salinas, California 93901 • (831) 758-7201 • Fax (831) 758-7368

1

January 2, 2018

The Honorable Mayor Bill Kampe  
President, MPRWA  
City of Pacific Grove  
300 Forest Avenue  
Pacific Grove, CA 93950

RECEIVED

JAN 03 2018

MPWMD

Dear Mayor Kampe:

As the Mayor of the City of Salinas, I chair the Salinas Valley Groundwater Sustainability Agency (SVGSA). The City of Salinas is also a member of the Monterey Regional Water Pollution Control Agency (Monterey One Water). It has come to the City's attention that the California Public Utilities Commission (CPUC) has requested information to explore options to expand the Regional Water Pollution Agency's project known as the Pure Water Monterey Groundwater Replenishment Project as a possible alternative to the desalination project submitted to you by California American Water Company (CalAm) to supply the Monterey Peninsula with water.

I am writing you based on the City's membership on both the GSA and the Water Pollution Control Agency Boards to inform you that the expansion of the Pure Water Monterey project is not a feasible alternative to CalAm's desalination plant proposal. In fact, it is quite likely there will be no water whatsoever available to augment the 3,500-acre-feet of recycled water that the Pure Water Monterey project has committed to deliver to the Monterey Peninsula.

Based on reports from the Monterey County Water Resource Agency to the Board of Supervisors, over the last 60 days, it appears that salt water intrusion in the Salinas Valley Groundwater Basin is continuing to advance inland, further threatening not only the supply of water to Monterey County's largest industry, agriculture, but also the water supply for the cities near the coast including the City of Salinas

Any expansion of the Pure Water Monterey project would require the diversion of additional water from Salinas Valley to the Monterey Peninsula. This water is needed for the Salinas Valley to address the worsening salt water intrusion problem in the Salinas Valley Groundwater Basin. Neither the SVGA nor the City of Salinas would support the diversion of any additional water beyond the amounts already committed for the 3,500--feet committed to the Monterey Peninsula.

The Monterey Peninsula needs its own independent supply of water not dependent on water made available through reclamation of Salinas Valley groundwater, which is neither a guaranteed source nor a source that would ever be capable of meeting the water certainty for the long-term supply needs of the Monterey Peninsula.

The Honorable Bill Kampe  
January 2, 2018  
Page 2

The Monterey Peninsula has suffered for decades from a lack of political leadership to execute supply solutions. Studying non-existent water from the Salinas Valley Groundwater Basin will only further delay the solution to the Peninsula's water supply problem. A major practical drought-proof and secure water supply solution for the Monterey Peninsula is California American Water Company's desalination plant application currently pending before you. The desalination plant proposed by CalAm will significantly address the current cease and desist order of the State Water Resource Control Board. I urge that you move forward as expeditiously as possible to complete your consideration of that matter so that project may move forward.

Sincerely,



Joe Gunter  
Mayor  
City of Salinas

cc: Andrew Clarke, Board of Chair, MPWMD via email only to [andypwmd@gmail.com](mailto:andypwmd@gmail.com)  
David Stoldt, General Manager, MPWMD via email only to [dstoldt@mpwmd.net](mailto:dstoldt@mpwmd.net)  
Rudy Fischer, Board of Chair, MIW via email only to [boardclerk@mylwater.org](mailto:boardclerk@mylwater.org)  
Ron Stefani, President, CCSD via email only to [rjstefani@aol.com](mailto:rjstefani@aol.com)  
Eric Tynan, General Manager, CCSD via email only to [eric@castrovillecsd.org](mailto:eric@castrovillecsd.org)  
Nancy Isakson, Board Director, SVWCA to [nancy@salinasvalleywatercoalition.org](mailto:nancy@salinasvalleywatercoalition.org)  
Norm Groot, Executive Director, MCFB via email only to [norm@montereycfb.com](mailto:norm@montereycfb.com)  
Richard Svindland, President, CAW via email only to [Richard.svindland@amwater.com](mailto:Richard.svindland@amwater.com)  
Ian Crooks, VP Engineering, CAW via email only to [ian.crooks@amwatere.com](mailto:ian.crooks@amwatere.com)

**ANTHONY LOMBARDO & ASSOCIATES**

A PROFESSIONAL CORPORATION

3

ANTHONY L. LOMBARDO  
KELLY MCCARTHY SUTHERLAND  
CODY J. PHILLIPS  
MARIAN C. DOWNS

144 W. GABILAN STREET  
SALINAS, CA 93901  
(831) 751-2330  
FAX (831) 751-2331

January 2, 2018 **RECEIVED**

**JAN 08 2018**

4791.000

**MPWMD**

Mr. David Stoldt  
5 Harris Court, Building G  
P. O. Box 85  
Monterey, CA 93942-0085

RE: 3360 Kingsley Court, Pebble Beach

Dear Dave:

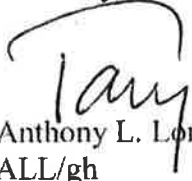
Gail recently followed up with staff about the additional research they were doing for this property on the three separate whole house inspections that were done this year. I believe that you are aware that each of these inspections ended with different counts, despite everyone's best efforts to get a clear and complete count. It is our understanding from Gail's last discussion with staff that all fixtures have been resolved as compliant/existing except that staff has been unable to reconcile the prior existence of one vanity sink of the two in the caretaker unit's master bathroom. From the attached County 2016 decision for modifications the "existing caretaker's unit" and change of classification to an accessory dwelling unit, this space is confirmed as existing as a caretaker's unit prior to any of the current/prior remodel work in the main house master bedroom and the lower floor changes in 2014. The dual sink situation existed prior to the pre-purchase inspection for these owners by MPWMD, as I believe is very evident from the attached photo of this bathroom. The design of the fixtures and "vanity" is unique to say the least and does not lend itself to an addition. In addition, it is our understanding that a caretaker's unit and/or accessory dwelling unit enjoys the same allowance for dual master bathroom sinks at no additional fixture cost as the main house.

I don't believe an amended permit, fees, or signed documents should be required in this case. In this circumstance, it would be best for all if a written confirmation of the fixture count and

Mr. David Stoldt  
January 2, 2018  
Page Two

verification of compliance with that accurate count is added to the property file, but an amended permit should be waived. Please call me when you have a chance and we can discuss.

Sincerely


A handwritten signature in black ink, appearing to read "Tony", written over a horizontal line.

Anthony L. Lombardo  
ALL/gh

Enclosures

cc: client  
Denise Duffy

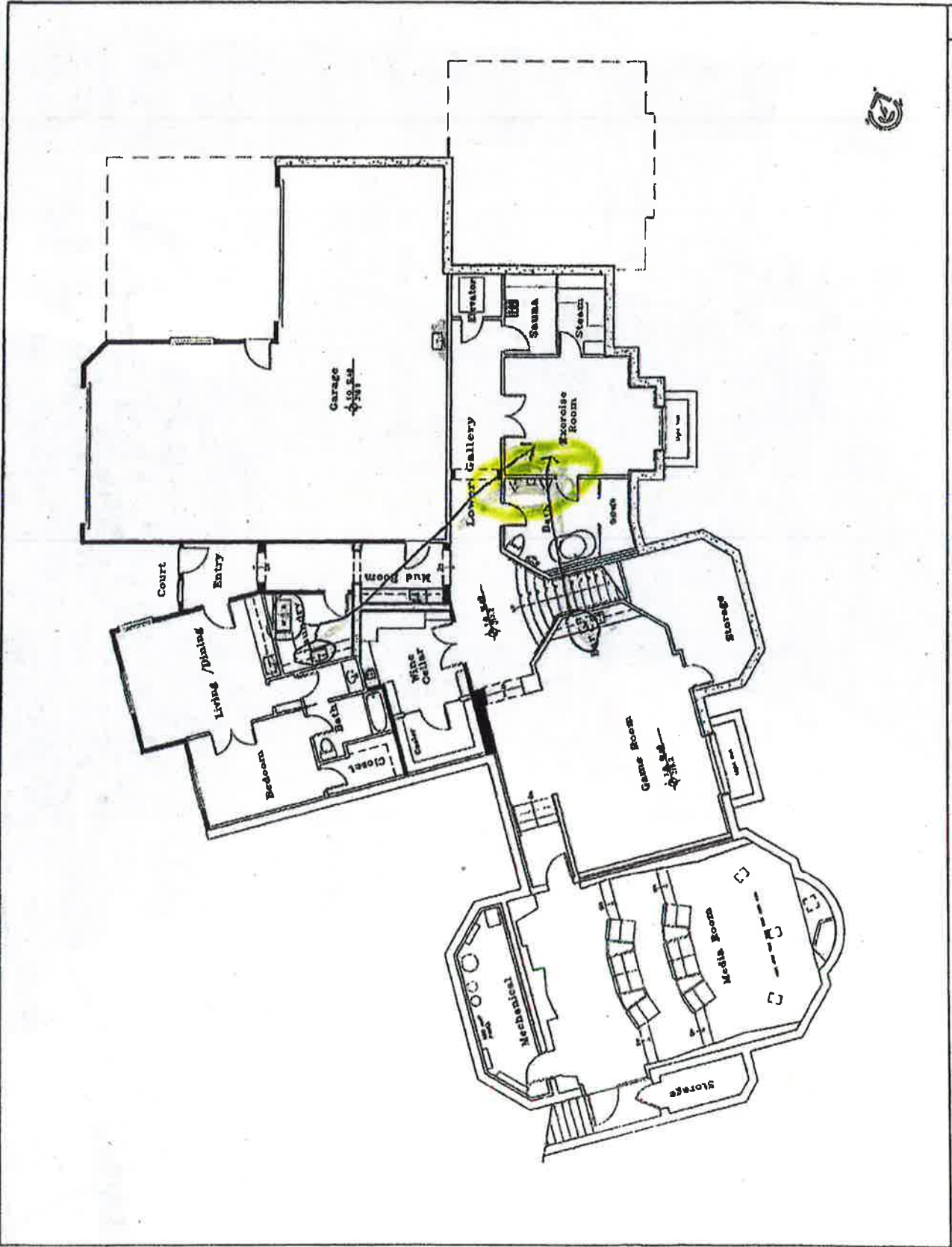



**Jon Sather Erlanson Architects**  
 1000 North 10th Street, Suite 1000  
 Minneapolis, MN 55401  
 Phone: 612.338.3333  
 Fax: 612.338.3334  
 www.jfe.com

**KINGSLEY COURT RESIDENCE**  
 1305 KINGSLEY COURT, RESIDENCE  
 APR 2014-01-13

SHEET NO. **EX-1.1**  
 PROJECT NO. **1305K**  
 DATE: **12/11/13**  
 DRAWN BY: **MM**  
 CHECKED BY: **MM**

1



1  
 EXISTING LOWER FLOOR PLAN

Box 223366  
Carmel, Ca., 93923  
December 1, 2017

RECEIVED

DEC 07 2017

MPWMD

Monterey Penn. Water Management Board  
5 Harris Ct., Bldg G  
Monterey, Ca. 93942-0085

Dear Board Members,

My wife and I are the owners of 554 Lighthouse Ave. in Monterey. We bought the property in 1995. On the property there are 3 structures. The front building was a bar named Beer Springs Tavern, behind it is a small single story house and behind it is a small tri-plex. All the buildings were built in the first part of the last century.

When we bought the property we remodeled the front building (the bar) and rented it out as a retail store. At that time I contacted the Water Board and they figured out that it was still going to be classified as a bar because I was not going to abandon use. That gave me .98 acre feet of water.

In February of 2006 I returned to the Water Board because I was concerned about losing my water credits. The water credits constituted a substantial cost of the property. At that time I talked to Robert Cline (see attached letter). After talking with him he assured me that my credits would remain intact permanently and I had nothing to worry about. (see letter)

We now have a buyer for our property and on October 17<sup>th</sup> we entered into an agreement with them and put the deal in escrow. The buyers own the joining property at the rear of our property. Their property faces Foam St.

Everything was moving along fine until we received a letter (attached) from the buyers telling me of your plans to change the rules and reduce our credits by 80.7%. My first thought was there was a mistake; after all I was assured by Mr. Cline that my water was safe.

As you can read in the letter the buyers figure that this is devaluing our property by \$ 158,000. This constitutes a major loss for us. We are not wealthy people and the proceeds from the sale were to be part of our retirement. I am currently 73 years old so



If you pass this new rule it could kill our sale all together and place an unnecessary hardship on us.

I really can't figure out the logic in this change. I tried to access the committee's notes on this matter at the Water Board today but was told they were unavailable. I was hoping to learn how this could possibly save any water. People are going to eat and drink where ever they are. If my place is a bar and they want a drink they will come in have a drink, dirty a glass, go down the street and have a meal and probably another drink then proceed to a Coffee Shop for after dinner coffee. Where is the savings? If they drank and ate at my place is there any savings? If my place wasn't there and they ate at the place down the street does it make a difference? In fact it could end up actually causing more water use. What nobody wants to admit is the only way to curb this problem is less people. Its simplistic thinking that by just shuffling the same amount of people in a different way you save water.

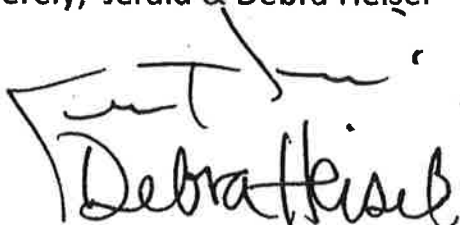
I am just a lay person but win I see a new office building just completed on property that joins us to the south and now the building of 4 new luxury condominiums that are going to sell for over a million dollars each I think where in the hell did they get the water. This property was Carswell's Heating & Sheet Metal Shop for years before it was purchased for development. As I recall that property had one or two bathrooms. Their water use on just that development is probable at least 20 fold of any savings anticipated by the board on this new proposal.

Again I'm just a little guy but I have always tried to honor my promises and expect others to honor theirs. I hope you can see how the little guy feels when he sees the big guys building all around them raking in huge profits using obscene amounts of water as the little guy gets rolled over again.

I know your intensions are good and that you have a difficult job but I can't figure why are you are spending time on something like this. I may be wrong but I have assumed this action is somehow a way to save water but I can't see how it could make any substantial difference especially considering the cost to little people like myself.

I am unfortunately unable to come to the meeting on Dec. 11 but I do hope you will rethink this proposal.

Sincerely, Jerald & Debra Heisel

A handwritten signature in black ink, appearing to read "Debra Heisel". The signature is written in a cursive, somewhat stylized font. Above the name, there are some faint, illegible scribbles that might be initials or a date.



**MONTEREY PENINSULA  
WATER MANAGEMENT DISTRICT**

---

5 HARRIS COURT, BLDG. G  
POST OFFICE BOX 85  
MONTEREY, CA 93942-0085 • (831) 658-5601  
FAX (831) 644-9560 • <http://www.mpwmd.dst.ca.us>

February 10, 2006

Jerald Heisel  
P.O. Box 223366  
Carmel, CA 93922

**Subject: 554 Lighthouse Avenue, Monterey. APN: 001-062-018**

Dear Mr. Heisel:

The District received your letter of February 1, 2006, in which you stated that the previously documented Water Use Credit for 554 Lighthouse Avenue, Monterey, should not expire, as the change in use was not permanent. District Rule 25.5 allows a formal Water Use Credit only when there has been a "permanent abandonment of use."

As the use was not permanently abandoned, a formal Water Use Credit does not exist. Please consider this notification that the District has not documented a formal Water Use Credit for the change in use of a bar to a retail space in 2001. The on-site credit remains available for use until it is permanently abandoned, at which time a formal credit will be documented.

Sincerely,

Robert Cline  
Conservation Representative

November 30, 2017

Jerald Heisel  
554 Lighthouse Ave.  
Monterey, CA 93940

Dear Mr. Heisel,

On Tuesday, November 28th, we met with the Monterey Peninsula Water Management District (MPWMD) to discuss water credits for 554 Lighthouse Avenue. We wanted to calculate fixture unit values for our planned redevelopment of the property to make sure we have the necessary water rights to execute our vision, as well as to discuss the potential of moving some excess water credit to our other property at 551 Foam Street if our redevelopment of that property might require us to do so.

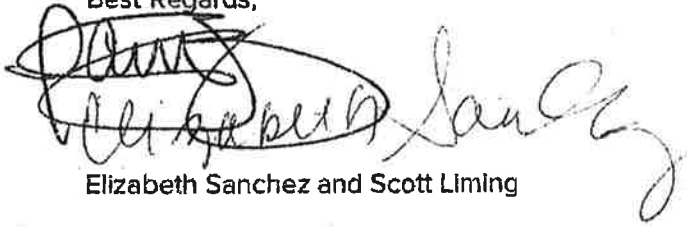
During our meeting, we received some very alarming news that we want to share with you as it could greatly impact our ability to develop the property to its full potential. On December 11th, the MPWMD Board of Directors will be meeting to vote on some proposed changes to the existing rules pertaining to water rights. One of the proposals going to vote is a motion to change the non-residential water use category of restaurants, bars, and brewpubs from Group III to Group II. If this proposal passes, it will greatly impact the water rights attached to your property. Currently, the front commercial unit is classified as a 49 seat bar in the eyes of MPWMD. This classification assigns 0.02 acre feet of water for each interior seat for a grand total of .98 acre feet. Under the new designation, the unit would only receive .0002 acre feet per square foot of interior space (945 sq. ft.) for a grand total of .189 acre feet. This substantial loss of .791 acre feet equates to an 80.7% reduction in water rights. In terms of plumbing fixtures, this loss equates to a 79.1 fixture unit basis point reduction.

The ramifications of this from a developer standpoint are monumental. A major build to maximize land use would basically be ruled out for lack of necessary water rights, and even the most minimal redevelopment we can envision would require us to greatly reduce the size of the front commercial unit to counter-balance the non-residential water credits we would have to use for residential purposes. This reduction in size of the commercial unit decreases the amount of income potentially generated by the unit, thereby decreasing the resale value of the property.

Although there is no guarantee that the motion will pass, the overwhelming impression that we received during our meeting was that it will pass. It seems as if MPWMD now realizes that it was much too generous in their past allocations of water for certain non-residential uses, and is now trying to reign in that mistake. In previous discussions with other builders and industry professionals in the area, the monetary value of water credits in regard to enhancement of property value is roughly \$50,000 per .25 acre feet of excess credit. Based on this, we would be losing approximately \$158,000 in water value if the motion passes. Because of this, we are opting to wait until after the December 11th meeting to make a final determination on the acquisition of 554 Lighthouse at the agreed price.

We apologize for any inconvenience this decision may cause, as we are aware that you are eager to close escrow immediately. But, we hope that you can be understanding of the fact that as developers, we must be ever-mindful of the bottom line. This is our business about which we are very passionate, and details like this can make or break our business. Thank you in advance for your patience while we continue to monitor this very important situation.

Best Regards,

Handwritten signatures of Elizabeth Sanchez and Scott Liming. The signature for Elizabeth Sanchez is on the left, and the signature for Scott Liming is on the right. Both signatures are written in black ink and are somewhat stylized.

Elizabeth Sanchez and Scott Liming