

John O'Hagan State Water Resources Control Board (SWRCB) 1001 I Street Sacramento, CA 95814

Re: Resolution of Condition 2 for Existing Service Addresses Order WR 2009-0060

Dear Mr. O'Hagan,

March 20, 2017

The membership of the Monterey County Association of REALTORS® remains concerned over the status of Condition 2 as outlined in the Cease and Desist Order (CDO) WR 2009-0060.

As currently written Condition 2 remains confusing as it relates to existing service addresses and may negatively affect existing and future property owners. Our members' ability to provide professional advice to real estate buyers and sellers on what constitutes "change in zoning use" or "increased use" remains subject to ex post facto interpretation that could lead to lawsuits, denial of critical housing projects and other important real estate related property matters.

The inability of property owners and California American Water to determine if a simple switch from using a property for one purpose to another is "increased use" or "change in zoning use" will significantly damage our clients' ability to make the highest and best use of their properties.

A property owner who wishes to convert an underperforming hotel to affordable senior housing would find it impossible if third parties interpreted this as "increased use" or "change in zoning use" even though a current water meter and allocation exists. Consequently, this community would unnecessarily lose a critical housing asset.

A modified Condition 2 does not open the door for unrestrained growth or increased water use. It simply means an owner of an underperforming property may change how it is used, and would only have an existing water allocation available for use. There would be no "new" water.

We support the recommended changes put forward by the Monterey Peninsula Water Management District general manager and we agree we need a clear, predictable and objective set of rules to allow investment in businesses and property. Vacancies, behaviors, necessity, business practices and economic conditions must be factored into a modified Condition 2 that meets the needs of the community while also conserving water.

We support the Effective Diversion Limit, as well as regulating individual buildings under the MPWMD's existing "water counting" rules.



Mark Bruno M

2017 MCAR President



