

July 11, 2016

Felicia Marcus, Chair
Tom Howard, Executive Director
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Matthew Quint
Division of Water Rights
State Water Resources Control Board
P.O. Box 2000
Sacramento, CA 95812-2000

Dear Ms. Marcus, Mr. Howard and Mr. Quint:

Mahoney & Associates Commercial Real Estate has been a commercial real estate brokerage firm representing buyers and sellers on the Monterey Peninsula for over 42 years.

We have been supportive of our elected official's efforts to legalize the water supply for the Monterey Peninsula and support their efforts to extend the Cease and Desist Order including their position that the effective diversion limit needs to be increased from the levels proposed in the staff report to 8,310 af. This will allow the community to avoid the prospects and consequences of water rationing provided we continue to use water diligently and wisely.

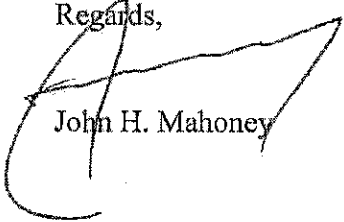
The provision in the draft Cease and Desist Order related to change in zoning or use is extremely problematic to us and we believe it should be eliminated from the extension order.

For over 30 years the concept of water allocations authorized by the Monterey Peninsula Water Management District has been the limiting factor on use of property. If the property owner had an allocation it could do whatever was legally permissible with its property with the approval of the local land use agency. To now add a further limiting factor that retroactively looks back at actual water use to restrict any new use, even though otherwise legally permissible, will adversely and potentially significantly reduce the value of the subject property as well as neighboring properties. The community was not given notice of this proposed restricted and retroactive measuring period that may result in taking away property rights that would otherwise exist.

As representatives of buyers and sellers of real estate we believe this cloud will create tremendous uncertainty in the market and could adversely impact real estate values as compared to historical uses and practices. We do not believe it should be the intent of the State Water Resources Board to disrupt the local economy in this manner.

In closing, we support the position of our elected officials in modifying the draft extension order and further believe that the change in zoning or use is inappropriate and should be eliminated.

Regards,



John H. Mahoney