

January 19, 2017

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,

The Monterey County Association of REALTORS® represents 1,300 members as well as current homeowners and future homebuyers and we are concerned over the status of Condition 2 as outlined in the Cease and Desist Order (CDO) WR 2009-0060.

Currently the reading of Condition 2 as it relates to existing service addresses is confusing and negatively affects 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" is not only hampered, but subject to post facto interpretation that could lead to lawsuits, denial of critical housing projects and other important real estate related property matters.

This may seem like an inconsequential issue, but 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.

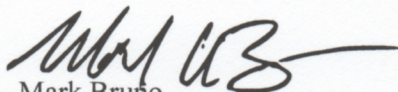
For example, a property owner who wishes to convert an underperforming hotel to affordable senior housing would find it impossible if third parties interpreted this as "increased use" or "change in zoning use" possibly triggering automatic denial. Consequently, this community would unnecessarily lose a critical housing asset.

Historically the ability to use or develop a property has been limited by the water allocation to a particular property. This allocation has determined property values as well as promoting investment dependent on water availability for the site.

We need a clear, predictable and objective set of rules to allow investment in businesses and property. At what point may vacancies, behaviors, necessity, business practices and economic conditions be factored into a modified Condition 2 that meets the needs of the community while simultaneously conserving water.

We believe that the entire community be held to the Effective Diversion Limit, but individual buildings be regulated under the MPWMD's existing "water counting" rules. We continue to support a revised Condition 2 as submitted by the MPWMD on January 3, 2017.

Sincerely,



Mark Bruno
2017 MCAR President

