

September 9, 2009

Mr. Salvatore Lucido
310 Monterey Avenue
Pacific Grove, CA 93950

Subject: Letter Agreement Resolving the Variance Request
Regarding capacity charges associated with 223/225 Palm Avenue, Marina, CA

Dear Mr. Lucido,

This is a Letter Agreement that resolves the Variance Request you submitted regarding relief from paying increased capacity charges. The project you commenced at 223/225 Palm Avenue in Marina failed to complete the design review process and make the final connections to the public water and sewer systems within a 1-year timeframe as required by the Marina Coast Water District Code (Code). Marina Coast Water District (District, MCWD) received your substantially complete Variance Request Form on April 14, 2009 and since that time the District Board has met and publically discussed the Variance Request on May 12, June 9, July 14, and September 8, 2009.

At the September 8 2009 MCWD Board Meeting, Resolution No. 2009-55 (attached) was approved that provides a limited variance to allow payment over time of the increased capacity charge and directs District staff to enter into this Letter Agreement, providing terms and conditions for monthly payments over a 12-month time period. The balance owed is \$10,057 and an invoice documenting the costs is attached. These costs are based on the completed plan review that provided an authorized-for-construction set of plans dated July 20, 2009.

The terms and conditions for making 12-monthly payments to resolve the \$10,057 balance owed are:

- 1) Payments will be due and payable from you to MCWD by the first day of each month. Payments may be made in person at, or may be mailed to, MCWD, ATTN: Director of Finance, 11 Reservation Road, Marina, CA 93933.
- 2) There will be 12-monthly payments in the amount of \$922.03 for each month in accordance with the attached amortization schedule. There will not be an invoice or any other notification sent by the District. The payments will commence on October 1, 2009, and the final payment will be on September 1, 2010.

- 3) Consistent with MCWD Water Code section 6.04.040, an interest charge of 18% per annum will be applied.
- 4) If the monthly payment is not received by the 15th of each month, 10% of that monthly payment will be added to the outstanding balance as a late charge.
- 5) If any payment is not made when due, MCWD may at its discretion declare the entire remaining balance owed at that time to be immediately due and payable and may suspend service to the property at 223/225 Palm Avenue until such payment is made in full. MCWD may sue to collect the amount due. If service is suspended, MCWD will charge you a re-connection charge and an additional deposit for each of the services to reinstitute service. If MCWD is required to employ legal counsel to collect any sums due MCWD or to enforce any other terms of this letter agreement, MCWD shall be entitled to reasonable attorney fees and costs in addition to any other relief that may be awarded.
- 6) The provisions of the Code will apply to service to your property.

If you have any questions, please contact Brian True at (831) 883-5937 or me at (831) 883-5938.

Sincerely,
MCWD

Jim Heitzman
General Manager

Cc: Brian True, MCWD
Suresh Prasad, MCWD
Lloyd Lowrey, MCWD Counsel

Applicant Acceptance:

Salvatore Lucido

Date