EXHIBIT 3-C

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

5 HARRIS COURT, BLDG. G POST OFFICE BOX 85 MONTEREY, CA 93942-0085 • (831) 658-5601 FAX (831) 644-9558 • http://www.mpwmd.dst.ca.us

January 27, 2004

Mr. Jonathan D. Ryan 1050 Marcheta Lane Pebble Beach, California 93953

Subject: 1050 Marcheta Lane, Pebble Beach. APN: 007-342-008

Dear Mr. Ryan:

This letter responds to your letter to Ms. Stephanie Pintar, Water Demand Manager, requesting the District reinstate the water credit for an outdoor fountain/pond that was disallowed when Resolution 2001-09 was adopted in July 2001. The fountain/pond existed when you purchased the property in September 1998. On February 8, 1999, the District documented that a credit of two fixtures units would result if the fountain/pond was permanently removed. You would now like to receive a water credit for two fixture units.

Following receipt of your letter on January 20, 2004, the District reviewed the information related to your property including reviewing any water permits, inspection report, Resolution 2001-09, and the District's Rules and Regulations. Resolution 2001-09, adopted by the Board on July 16, 2001, disallows water credits for exterior water fixtures. Public Notice of the Resolution was posted prior to the July 2001 Board meeting. Therefore, you may maintain the outdoor fountain/pond, but no water credit is available for it's removal.

The denial of a water credit for an outdoor fountain/pond at 1050 Marcheta Lane, Pebble Beach, is a final determination of the Water District's General Manager. Final determinations of the General Manager may be appealed to the District Board within twenty-one (21) days after any such determination pursuant to District Rule 70.

If you have any questions, please call the Water Demand Division at 658-5601.

Sincerely,

Gabriela Ayala

Conservation Representative