



**EXHIBIT 7-A**

CITY OF PACIFIC GROVE  
300 Forest Avenue □ Pacific Grove, California

March 4, 2013

Mr. David Stoldt, General Manager  
Monterey Peninsula Water Management District  
5 Harris Court, Building G  
P.O. Box 85  
Monterey, California 93942-0085

RE: Pacific Grove Local Water Project

Dear Mr. Stoldt,

As you are aware, the City of Pacific Grove has been working very hard to raise the needed funds to complete the design and engineering of the Local Water Project, and to do so in a timely fashion, to ensure that the resulting non-potable water is available for all interested and nearby consumers before the State's imposition of the water cliff.

To date, the City and its partners have received approvals or commitments for three Federal and State grants. To secure those grants, the City has appropriated over \$875,000 in City matching funding, while one of our partners on one grant, the City of Monterey, has also appropriated \$150,000 in matching funds.

We fully expect that the efforts being funded by those grants and matching funds will take the Local Water Project to 40% design completion.

One of the remaining challenges we face is locating the funding and other resources capable of taking the design to 100% completion. Given the long lead times for most Federal and State grants, and the projected impacts of sequestration, the research we have undertaken to date has not been encouraging.

Therefore, I am writing to seek any assistance the District may be able to provide to help us keep this project on track and complete the engineering and design efforts already well under way. I am available to provide any information you require and to meet with you or your staff at your convenience. I appreciate all assistance the District may be able to provide.

Sincerely,

A handwritten signature in black ink that reads "THOMAS FRUTCHEY".

Thomas Frutchey  
City Manager