

Hector Rocha  
760 Rebecca Circle  
Aromas, California 95004

|                             |                 |
|-----------------------------|-----------------|
| <b>HEARING SUBMITTAL #1</b> |                 |
| PROJECT NO./AGENDA NO.      | DN 170088/89/90 |
| DATE RECEIVED:              | 4/25/18         |
| SUBMITTED BY/VIA:           | email           |
| DISTRIBUTION TO/DATE:       | 4/25/18         |
| DATE OF HEARING:            | 4/26/18         |

April 25, 2018

**VIA EMAIL ONLY**

Mike Novo, Zoning Administrator  
Monterey County Zoning Administrator  
168 W. Alisal Street  
Salinas, California 93901

**Re: Permit Approval for the installation of a new residential well at 760 Rebecca Circle, Aromas CA.**

Dear Mr. Novo:

My name is Hector Rocha and I reside at 760 Rebecca Circle, Aromas, California, APN 267-141-011-000 (the "Property"). My father-in-law, Raul Fernandez, has owned the Property since approximately March 2004. I moved to the Property with my wife, daughter (19), and three sons ages 17, 15, and 6 in early 2016. My daughter recently moved out to attend college but often comes to visit.

As soon as I moved in, I noticed the issues with the well water. The water emits a foul smell and ranges from light brown to nearly black in color. (Please see recent picture attached as Exhibit 1.) The sediment and minerals in the water cause the pipes to continuously clog.

I have over fifteen (15) years as a pipe fitter with the UA Local Union 393 Plumbers, Steamfitters, and HVAC/R Service Technicians of Santa Clara and San Benito Counties. In addition, I spent several years as a lead Forman for HPS.

After moving in, I immediately approached Neil Klepeis, the president of the Murphy Hill Mutual Water Association, Number 2 ("MHMWA2" or the "Association") and explained my background to him. I offered to bring a professional compressor and install a camera in the system to help determine the source of the leaks. I further offered to do compression piping to flush out the system. I provided bids and offers from several different companies to perform the work at a minimal cost. Mr. Klepeis rejected my offers and stated that the Association lacked the funds to pay for the services. He was fixated on installing a blow-off valve on his property to flush the system. I explained that doing so would cause more harm to the already old infrastructure because it would increase pressure on the pipes.

I served as Vice President on the Association from early 2016 until late December 2017. As Vice President, I learned the extent of the water contamination. I was informed directly by Karen Pontius, REHS, Environmental Health Specialist II (Drinking Water Protection Services) that the water was not safe to drink or cook with. When I spoke with Mr.

Klepeis regarding this, he informed me that his objective was to keep chlorinating the system to keep "up to loop." I suggested that the best system was to do a loop system to allow the water to flush itself out, however, Mr. Klepeis stated that a loop system would not work due to easement issues.

At around the same time, it became apparent that the Association was not financially stable. On many occasions, Mr. Klepeis stated that certain methods of fixing the well were too expensive and at one point he floated the idea that each of the homeowners take out equity lines of credit to help pay for the new system. I have since learned that the Association is FTB Suspended and is legally unable to operate as a corporation or enter into any agreement or contracts to repair or replace the well. See Exhibit 2.

In early 2017, my father-in-law, Raul Fernandez made a proposal to the Association. Mr. Fernandez agreed to cover 100% of the financing cost of trenching of the entire water line loop and the cost of putting in a new well for the entire community (which was estimated at about \$100,000). The loan was to be repaid over ten (10) years with five percent (5%) interest rate. This would average Forty-Six Dollars (\$46.00) per household per month. In addition, my father-in-law offered to provide funds sufficient to install "certified" meters that comply with the County requirements.

Mr. Klepeis rejected the proposal. Several months later, after the Association repeatedly failed to come up with a solution and provide clean drinking water, I again raised the issue of Mr. Fernandez's proposal to Mr. Klepeis. Mr. Klepeis responded on July 12, 2017 that "[i]t gets a little complicated because he might then think that he is the chief owner of the system." Please see attached proposal as Exhibit 3 and text of conversation attached as Exhibit 4. At no time has Mr. Fernandez tried to take ownership of the proposed water system, nor does he have any motivation to do so. Mr. Fernandez is motivated by ensuring that his daughter, four grandchildren, and myself have clean water sustainable for drinking, cooking and bathing.

Around July 2017, it became obvious that the Association was not going to take any action to fix the system or dig a new well. It was at that time that I first started considering digging a well for my own residence. I was aware that Tiffany Vogt and Wilson Quick, residents at Rebecca Circle had recently dug their own well and left the Association due to their disagreements with the way in which the Association was managed and the ongoing failure to provide compliant water.

First, I reviewed the Associations by-laws which do not preclude my residence from leaving the Association.

Then, I had a conversation with Mr. Klepeis regarding my desire to drill a well. Mr. Klepeis approached me and asked me if I was considering getting my own well. I replied that

I was. On or about July 18, 2017, Mr. Klepeis wrote me a message in support of my efforts to obtain a new well stating:

“... If you or the others don’t want to participate then you are welcome to go your own way.... I will do everything in my power to make you happy and help you get your own well if that’s what you want. It is so much more valuable to me to have a you [sic] as a friendly and happy neighbor than the small amount of money, maybe \$500 each, that we could save by keeping you on the system. That’s nothing. The community bond is the most important and the most valuable thing.” Exhibit 5.

I then spoke with John Robinett of JT Robinett & Sons, located in Salinas, California. Mr. Robinett informed me that he had drilled a well for Mr. Wilson Quick, who was formerly in the MHMWA2 district, about four (4) months prior and it had not been a problem. He estimated the total cost would be about Forty Thousand Dollars (\$40,000.00). I retained JT Robinett & Sons in October 2017. To date, I have paid Mr. Robinett over Eight Thousand Dollars (\$8,000.00) for the permits and for his work to drill the well. The money was paid in reliance on his representations that the permits were complete and would be approved and that the well would be dug. Please see the contract which is attached as Exhibit 6.

It was not until late December 2017, that Mr. Klepeis decided to change his position and object to my permit application for a new well. Despite his statement that keeping me on the system would only cost a “small amount of money” in December 2017, he wrote a letter that he submitted to the County stating that “reducing [MHMWA2] membership by 20% or more will limit [its] ability to provide affordable water and to raise funds to drill a new well source, and install expensive mineral filtration, or replace coated pipe-as recommended by the Monterey County Environmental Health Bureau.” This statement is insincere. For over two (2) years, myself and other MHMWA2 members have repeatedly gone to the Association requesting for solutions to the failing water system and poor water quality. Mr. Klepeis’ response has repeatedly been “it is too expensive” or “the process is a long and time-consuming one” that “opens [the Association] up to a lot more regulation and oversight from the government.” Not to mention the fact that the Association is suspended and cannot take any action to provide affordable water, raise funds, drill a new well source, install expensive mineral filtration, and or replace coated pipe. In fact, the Association legally cannot take any action to even oppose this permit.

On March 2, 2018, Mr. Klepeis wrote a letter to the MHMWA2 members stating its goals to fix the water issue. For the first time, on March 2, 2018, less than a week before my administrative permit was set to be approved, Mr. Klepeis stated that he is “now” gathering bids from contractors over the next two months and “now” is investigating options, such as grants and loans to help pay for this work. Exhibit 7. Again, this letter is insincere. In May 2016, former member Tiffany urged him to look into federal grants, to which he replied he



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“doesn’t have time to look into that now.” Not to mention, my father-in-law offered a favorable loan a year ago and it was rejected out of the belief that my father-in-law would consider himself to be the “chief owner of the system.”

Again, I must stress, that the Association cannot operate as a corporation for as long as it is suspended and cannot enter into bids with contractors to repair the well.

I have also reviewed the letters from Claire Priddy and Paul McCollum in opposition to my permit and I would like to take the opportunity to address each of them.

***March 1, 2018 letter from Pal McCollum at 733 Rebecca Circle, Aromas 95004***

It should be noted from the outset that Mr. McCollum is not a member of the Association. I believe that he had his own residential well dug at least twenty (20) years ago.

Mr. McCollum’s letter states that the mutual water system is regulated by the county and is tested on a regular basis and that it “compl[ies] with all the county requirements.” This statement is patently false as indicated by the staff report which shows that the Association has been in and out of compliance since 2004 because of the high levels of the manganese exceeding the primary Maximum Contaminant Levels and coliform bacteria contamination. Please see March 27, 2018 notice by the Monterey County Health Department, Exhibit 8.

***February 26, 2018 letter from Claire Priddy***

Ms. Priddy’s letter concludes by stating that the Association has a “clear plan forward to build up needed infrastructure to comply with all county orders. The permitting of new wells in our neighborhood will do nothing for domestic water usage but threaten our neighborhood system and the ability of our neighbors to get affordable and safe drinking water.”

The Association has failed to provide safe drinking water for the past fourteen (14) years. It has continuously rejected plans to fix the water system. The water is neither safe nor affordable, which is a direct violation of my right to safe, clean, affordable and accessible water as signed into law by Governor Brown in September 2012.

Since moving to the Property, my family has had to purchase our own water to cook with and to drink. My wife, daughter, and children are forced to bathe in discolored water that has an offensive odor. I have had to purchase two water softeners for the shower at a cost of Thirty-Five Hundred Dollars (\$3,500.00) each and I have already had to purchase two washing machines and dryers. The buildup of manganese and bacteria in the water clogs the filters and pumps and makes our basic appliances fail.

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For the past two (2) years I have requested that the Association take steps to address this issue. I have offered my own 15 years' expertise to examine the issue, and my father-in-law offered a \$100,000 loan and a low interest rate to drill a new well. My pleas for action have been ignored. It was not until I was proactive in seeking my own well that members of the Association have lashed out at me. The attacks have been personal and unwarranted.

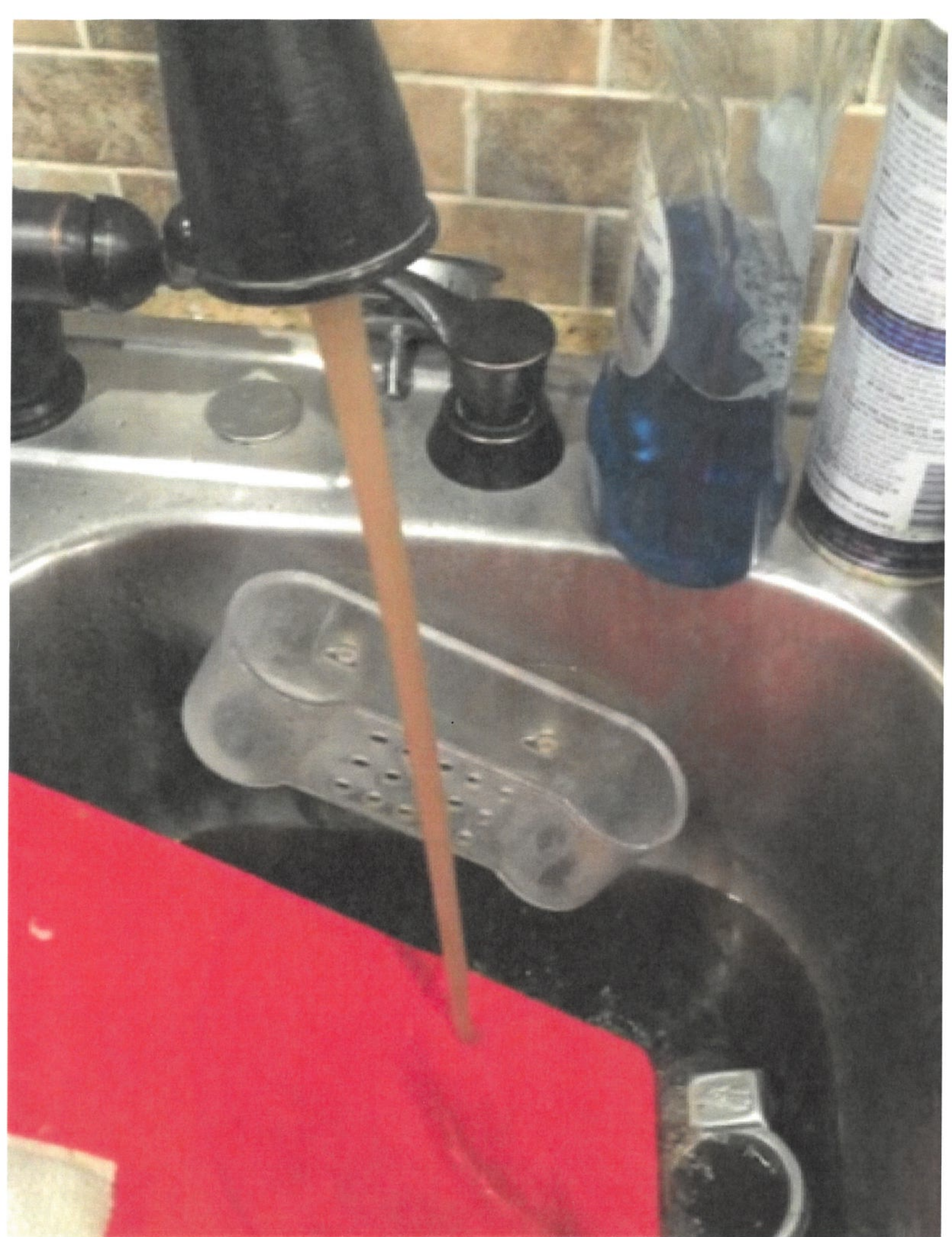
Mr. Novo, I am respectfully requesting that you grant my permit and allow my family and I to drill our own well so that I can ensure my family has access to clean and safe water. I have complied with every request of the county and have already invested over eight thousand dollars (\$8,000) in this project, not including attorneys' fees.

Very truly yours,

Hector Rocha







## **EXHIBIT 2**



Alex Padilla  
California Secretary of State

## Business Search - Entity Detail

The California Business Search is updated daily and reflects work processed through Tuesday, April 24, 2018. Please refer to document [Processing Times](#) for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity. Not all images are available online.

### C0653627 MURPHY HILL MUTUAL WATER ASSOCIATION

|                               |   |
|-------------------------------|---|
| Registration Date:            | 06/13/1972  |
| Jurisdiction:                 | CALIFORNIA  |
| Entity Type:                  | DOMESTIC NONPROFIT                                      |
| Status:                       | FTB SUSPENDED   |
| Agent for Service of Process: | NEIL E KLEPEIS<br>878 REBECCA CIRCLE<br>AROMAS CA 95004 |
| Entity Address:               | *   |
| Entity Mailing Address:       | PO BOX 194<br>AROMAS CA 95004                           |

| Document Type | ↕ | File Date  | ↕ | PDF   |
|---------------|---|------------|---|---|
| SI-COMPLETE   |   | 12/06/2017 |   |   |
| SI-COMPLETE   |   | 05/08/1989 |   | Image unavailable. Please request paper copy. |
| REGISTRATION  |   | 06/13/1972 |   | Image unavailable. Please request paper copy. |

\* Indicates the information is not contained in the California Secretary of State's database.

- If the status of the corporation is "Surrender," the agent for service of process is automatically revoked. Please refer to California Corporations Code [section 2114](#) for information relating to service upon corporations that have surrendered.
- For information on checking or reserving a name, refer to [Name Availability](#).
- If the image is not available online, for information on ordering a copy refer to [Information Requests](#).
- For information on ordering certificates, status reports, certified copies of documents and copies of documents not currently available in the Business Search or to request a more extensive search for records, refer to [Information Requests](#).
- For help with searching an entity name, refer to [Search Tips](#).
- For descriptions of the various fields and status types, refer to [Frequently Asked Questions](#).

[Modify Search](#)[New Search](#)[Back to Search Results](#)



Raul Fernandez's PROPOSAL for Murphy Hill Mutual Water Association 2:

(1) Cover 100% of the financing cost of trenching of the entire water line loop and the cost of putting in a new well for the entire community, which is an estimated amount of \$100,000, which would then be repaid over 10 years with 5% interest rate for repayment. This would be a repayment of \$1,065/month (\$46.00 per property/month).

AND

(2) Provide funds sufficient install "certified" meters that comply with the county requirements.

To the board of directors : murphy hill water association # 2

On or about -----during a board meeting of the murphy hill 2 water association . Hector Rocha my son in- law, presented a remedy on the water crisis. I proposed financing for the much needed re-drilling of the water well.

I also proposed , that if we needed a new location for the well , I was willing to offer my property for the new location of the well with an easement .The easement to the new well would be under the same provisions and regulations as the current location of the existing well.

I am financialy set and willing to lend murphy hill#2 water association with legal and financial obligation \$100,000 at 5% interest rate to be paid back with in the period of ten years .this would obligate the association to a monthly re- payment of \$ 1,065 per month.

This would break down to \$46.00 per month per member. These are sufficient amount of funds to complete the new well with the new location and not financialy burden the membership any further. My so-in-law has my consent to present this proposal to the board or any other issues concerning the Property at 760 rebecca cir aromas ca,95004

Respectfully: Raul Fernandez





Neal Next Door Pesidente (+18314061088) 7/11/2017 10:19:23 PM  
This Saturday at 10 a.m. at my house

Me 7/11/2017 10:19:40 PM  
Ok

Neal Next Door Pesidente (+18314061088) 7/11/2017 10:19:40 PM  
If you want to come a little early and we can chat then

Neal Next Door Pesidente (+18314061088) 7/12/2017 1:42:08 PM  
Are you guys looking to get your own well?

Me 7/12/2017 1:43:32 PM  
Why would you be interested in going half-and-half with us maybe or Or  
are you doing one

Neal Next Door Pesidente (+18314061088) 7/12/2017 1:46:09 PM  
No I'm not interested in doing a well I would rather get the system in  
really good shape. I'm looking to drill a well for the system probably  
early next year. About three or four people are thinking of doing well  
which would put the system in pretty bad shape in terms of funding

Me 7/12/2017 1:47:27 PM  
My father-in-law was willing to do it for all of us last time remember I  
don't know if I should ask him

Neal Next Door Pesidente (+18314061088) 7/12/2017 1:48:45 PM  
It gets a little complicated because he might then think that he is the  
chief owner of the system

Neal Next Door Pesidente (+18314061088) 7/12/2017 3:43:35 PM  
Do you have time to finish up the Christy concrete boxes? If not that's  
okay I can try to get somebody else to do it

Neal Next Door Pesidente (+18314061088) 7/15/2017 11:28:33 AM  
Hey Hector good chatting this morning. I'll stop by tomorrow. If you  
click on the View Invoice button in the email it should show you the  
whole invoice with the total balance due

Me 7/15/2017 11:32:36 AM  
See u serious

Me 7/15/2017 11:33:37 AM  
Are u serious

Me 7/15/2017 11:34:30 AM  
Can u send me the link I'm not good with that thank u

Me 7/15/2017 11:34:49 AM  
The are u serious was to someone as

Neal Next Door Pesidente (+18314061088) 7/15/2017 11:39:41 AM  
I'm starting to have trouble with it too on my phone I'll just come by  
tomorrow and we'll go over it together

## **EXHIBIT 5**

Sorry I do not understand. I hope we can talk in person soon to sort this out. There's nothing I can do to stop you from getting your own well. Being on the board our mission is to raise money to fix our system.

Neal Next Door Presidente (+18314061088) 7/18/2017 1:02:34 AM  
My only goal is to fix the system and get good water. If you or others don't want to participate then you are welcome to go your own way.

Neal Next Door Presidente (+18314061088) 7/18/2017 9:33:35 AM  
I will do everything in my power to make you happy and help you get your own well if that's what you want. It is so much more valuable to me to have a you as a friendly and happy neighbor than the small amount of money, maybe \$500 each, that we could save by keeping you on the system. That's nothing. The community bond is the most important and the most valuable thing.

Neal Next Door Presidente (+18314061088) 7/18/2017 9:33:49 AM  
The county asked me if the new wells were on the MHMWA2 system. That's it. What they did after that is their thing.

Neal Next Door Presidente (+18314061088) 7/18/2017 9:34:15 AM  
I hope you understand I am trying to reach out to you and the whole neighborhood to work with you in all ways -- not just water issues. To make my neighbors unhappy is the furthest thing from my mind. I want to help you in any way I can. Forget about the water, let's just be good neighbors.

Me 7/18/2017 10:19:10 AM  
I understand what you're saying I just a little frustrating that you had to spend more more money for things that might be out of your control but thank you for reaching out

Neal Next Door Presidente (+18314061088) 7/18/2017 10:27:57 AM  
I get it. Dealing with the bureaucracy is a pain. We wanted to have more informal water board meeting this Sat 10AM. To chat informally about future plans. Claire said she would host. Can you make it? Sat at 10AM at Claire's.

Neal Next Door Presidente (+18314061088) 7/21/2017 6:58:44 PM  
Hey Hector, I hope you can make it tomorrow morning at 10 a.m. at Claire's for a informal meeting with Lois and Jeff. I think we can clear the air and move forward. I also would like to figure out how to have some community get-togethers. Neil

Me 7/21/2017 9:31:30 PM  
I'm not going to be able too make it we have a lot of family stop by

Neal Next Door Presidente (+18314061088) 7/21/2017 9:59:16 PM  
Is there another time or day that would work?

Me 7/21/2017 10:23:12 PM  
Let me look at my schedule and I'll let you know tomorrow

Neal Next Door Presidente (+18314061088) 7/22/2017 9:37:07 AM





# MONTEREY COUNTY

## RESOURCE MANAGEMENT AGENCY



### Planning Services

(831) 755-5025 Fax (831) 757-9516

[www.co.monterey.ca.us/planning](http://www.co.monterey.ca.us/planning)

### Estimate of Planning Permit Application Fees

**File Number:** PLN170690  
**Date Prepared:** 10/3/2017  
**Entitlement:** Administrative Permit  
**Proposed Project:** Administrative Permit for the construction of a new water well. The project is located 760 Rebecca Circle, Aromas (Assessor's Parcel Number 267-141-011-000), North County Area Plan.

| Fee Description                | Qty. | Amount     |
|--------------------------------|------|------------|
| Admin Permit-CC                | 1.00 | \$159.00   |
| Admin Permit-ENV               | 1.00 | \$984.00   |
| Admin Permit-PLN               | 1.00 | \$1,868.34 |
| Admin Permit-PW                | 1.00 | \$744.00   |
| Admin Permit-WRA               | 1.00 | \$780.00   |
| Appointment Fee Credit         | 1.00 | \$-525.60  |
| Document Storage/Scanning      | 1.00 | \$18.68    |
| EHB Type 4-Major Discretionary | 1.00 | \$1,520.00 |
| General Plan Implementation    | 1.00 | \$181.66   |

**Estimate of Total Fees Due: \$5,730.08**

#### Notes:

1) This estimate reflects Planning permit application fees only. It does not include other fees that may be associated with the project such as Building permit fees, development impact fees, etc.

2) Fees included as part of a Combined Development Permit are normally charged at 85% of the standard permit fee.

3) The Monterey County Land Use Fee Schedule adopted by the Board of Supervisors can be found at <http://www.co.monterey.ca.us/government/departments-l-z/resource-management-agency-rma-/planning/resources/permit-fees>

10/3/2017

State Contractor Lic. No. 753337

**J. T. ROBINETT & SONS****WELL DRILLING**508 ECHO VALLEY ROAD  
SALINAS, CALIFORNIA 93907  
663-2493 — 724-4152**WATER WELL AGREEMENT**

This agreement is made and entered into at AROMAS, California on this 13 day of OCTOBER, 2017, by and between PAUL FERNANDEZ of AROMAS, California, hereinafter called the "OWNER," and J. T. ROBINETT & SONS, of Salinas, California, hereinafter called the "CONTRACTOR."

1. The OWNER engages and employs the CONTRACTOR subject to all terms and provisions contained herein to drill a water well or test hole on that certain land situated in the County of MONTEREY, State of California, and legally described as

See estimate provided

The OWNER warrants that he is the true owner of this land or is duly authorized by such owner to enter into this agreement.

2. OWNER SHALL pay CONTRACTOR the sum of \$ 20.00 per foot for a test hole or \$ 50.00 per foot for the completed water well. CONTRACTOR acknowledges a deposit of \$ 19,254.50 upon this contract. The balance shall be due upon completion of the well. A late charge of 10% per cent shall be charged at the option of the CONTRACTOR on all sums not paid when due. annual

3. The minimum depth of the well shall be 350 feet, the maximum depth of the well shall be 550 feet, and the diameter of the casing shall be 5 inches. Other specifications for the well are as follows:  
see estimate attached

4. CONTRACTOR may perform or provide such different or additional labor or materials as OWNER may from time to time direct. OWNER agrees to pay CONTRACTOR for the fair value of such additional work upon completion. Should the performance of any of the CONTRACTOR'S obligations be materially hampered or prevented by reason of fire, casualty, labor conditions, unavoidable accidents, act of God, governmental ordinance or decree, or any act of OWNER not contemplated in this agreement, CONTRACTOR may, at his sole option, be relieved of the performance of his obligation. CONTRACTOR shall thereupon be entitled to compensation for whatever labor or materials have been provided.

5. It is understood by both parties that the conditions to be found beneath the surface of the earth cannot be predicted. Therefore, it is the understanding of the parties that:

a. The CONTRACTOR does not agree to find or develop water nor does he represent or warrant the quantity, quality or kind of water, if any, which may be developed. Further, OWNER agrees that the development of water shall not be a condition precedent to the payment of the compensation set forth in this agreement.

b. OWNER agrees that it shall be his sole responsibility to test any water developed at any stage of this water well project for either quantity or quality. While CONTRACTOR may provide OWNER with his best estimates as to water quantity or quality, OWNER agrees that he shall rely upon these statements at his own risk and the CONTRACTOR shall not be held liable in any manner for their accuracy.

c. CONTRACTOR shall not be required to drill into rock or other solidified formation, and CONTRACTOR shall not be liable for any collapse in any well or for other deterioration after its completion.

6. OWNER agrees that upon the conclusion of the test hole drilling, CONTRACTOR may proceed to case the well unless notified to the contrary in writing by OWNER. Should OWNER desire work be temporarily discontinued at this point for further tests or other reasons, CONTRACTOR may at his sole option move his equipment to other well drilling sites. In this event, OWNER shall be liable for the additional sum to complete the well of \$ 2,000.00.

7. The OWNER shall give CONTRACTOR and its agents full right of ingress and egress to the property and sufficient space at the well site as the CONTRACTOR may need for his work, including dumping of all earth, water and debris taken from the well during drilling, and the storage of materials and equipment at the site. OWNER shall be responsible for site clean-up after the completion of the well.

8. The CONTRACTOR shall furnish all labor, tools and machinery necessary, and shall prosecute his work diligently and in a good and workmanlike manner. He shall carry employer's liability insurance, and hereby promises to save harmless the OWNER from any employer's liability and from any and all liens arising from the project based upon CONTRACTOR'S failure to compensate his employees or subcontractors. He shall keep all records required by law and shall furnish an OWNER with a copy of these records upon completion of the project and OWNER'S payment therefor.

9. OWNER agrees to defend, indemnify and hold CONTRACTOR harmless against any and all claims from whatever source arising from or related to the quantity or quality of water produced from this well project. CONTRACTOR shall not be responsible for damages suffered by any party and not due to bodily injury or physical destruction of tangible property arising from acts or omissions of CONTRACTOR in performance of this agreement. Such damages would include but not be limited to loss of crops or livestock, diminution of real or other property values, or loss of business or investment opportunity.

10. Should an attorney be employed, or should suit be commenced by CONTRACTOR, or his assignee, to enforce the payment of any sum due under the terms of this agreement, OWNER agrees to pay all costs of collection and reasonable attorney's fees to be fixed by the court in any such action.

11. The CONTRACTOR and OWNER agree that this agreement shall inure to the benefit of and be binding upon the heirs, legal representatives, and successors of the parties respectively.

12. It is agreed that this instrument contains the entire agreement between the parties hereto and that no warranty, expressed or implied, representation, promise, statement or inducement made by either party hereto or by any agent or employee of either party which is not contained in this agreement shall be binding or valid.

13. Additional terms: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate the day and year first written above.

CONTRACTOR:

DATE: 10/13/17

J. T. Robinson

OWNER:

DATE: \_\_\_\_\_

\_\_\_\_\_





J. T. Robinett & Sons  
508 Echo Valley Road  
Salinas, CA 93907  
(831) 663-2493  
office@jtrobinettandsons.com

## ESTIMATE

### ADDRESS

Raul Fernandez  
760 Rebecca Circle  
Aromas, CA 95004

ESTIMATE # 1077

DATE 06/09/2017

### PH# NUMBER

831-254-7604

| ACTIVITY  | QTY   | RATE            | AMOUNT  |
|---|-------|-----------------|---|
| <b>Well Drilling</b>  | 450   | 50.00           | 22,500.00   |
| Well Drilling 450 feet 5in. PVC casing                            |       |                 |   |
| <b>Development</b>  | 1     | 1,500.00        | 1,500.00  |
| Air Development   |       |                 |   |
| <b>Casing</b>   | 100   | 10.00           | 1,000.00  |
| Water Well casing 100 feet of perforation                         |       |                 |   |
| <b>Services</b>   | 1     | 0.00            | 0.00  |
| Title 22 : water quality test, no extra charge/ included in price |       |                 |   |
| <b>Elog</b>   | 1     | 2,000.00        | 2,000.00  |
| Electrical Log  |       |                 |   |
| <b>Pump</b> <i>H.P. 5 HP, 60 G.P.M. +</i>                         | 1     | 2,769.00        | 2,769.00  |
| 3 Hp Pump 30 GPM  |       |                 |   |
| <b>tank booster</b>   | 1     | 1,500.00        | 1,500.00  |
| 85 gallon booster tank <i>2 tanks +</i>                           |       |                 |   |
| <b>Seal</b>   | 250   | 20.00           | 5,000.00  |
| Cement 10 sac slurry seal   |       |                 |   |
| <b>Pipe 1 1/4 inch</b> <i>2 in PVC</i>                            | 380   | <del>3.00</del> | 1,140.00  |
| Schedule 80   |       |                 |   |
| <b>Wire</b>   | 400   | <i>3.20</i>     | <del>800.00</del>   |
| #10 Gauge submersible pump wire <i>8i</i>                         |       |                 |   |
| <b>Electrical Work</b>  | 1     | 300.00          | 300.00  |
| Power / water , electrical supply and trench                      |       |                 |   |
| <b>Payment</b>  | 1     | 0.00            | 0.00  |
| Payment for permits - CHK# 832 \$3,025.00 7/13/17                 |       |                 |   |
| <i>Monterey County R.M.A. ch. 836 10/25/17 \$5,730.00</i>         |       |                 |   |
| ATTENTION: THIS IS AN ANTICIPATED LIST OF MATERIALS,              | TOTAL |                 | <b>\$38,509.00</b>  |
| SUBJECT TO CHANGE UPON DIAGNOSIS OF ISSUE(S).                     |       |                 | <i>40,000.00</i><br><i>Grand total</i><br><i>10-25-17</i> |

*John Robinett*  
*Raul Fernandez*



**Subject: The Future of our Water System**

March 2, 2018

Dear Murphy Hill Mutual Water Association Members,

Over the past decades our former neighbors Carol Bristow and Steve Millang were mainstays in making sure our water system remained viable and financially above "water" (pun intended). Sadly, Carol Bristow passed away and Steve Millang, the association's former President, decided to move off the hill in 2013. At that time, Steve asked me to take over the helm of the water system when he left. I agreed, naively, having no idea what I was getting into!

Ever since Steve asked me to take over the Association, I have devoted countless unpaid hours to keep the water system operational and to look to the future for what is necessary to keep the system up and running. There are so many moving pieces, from county regulations, to taxes, legal issues, titles, board meetings, annual meetings, elections, reports, employees, payroll, accounting, banking, paying vendors, water sampling, getting bids, fixing leaks, repairing infrastructure, answering members phone calls, and so much more! It is practically a full time job at times.

My personal goal has been to see the Association through our current difficult times in which the county is mandating that we get a second water source and that we must work towards Manganese-free water. Manganese has been a core issue with our system from the very beginning. It causes build up of gunk in our pipes, in which bacteria can hide. This requires chlorination to disinfect the system. Over time the chlorination can introduce chemical byproducts, so we have to stop chlorinating. This, in turn, may allow more bacteria to build up and so we have to resume chlorination at some point. The cycle continues as it has for many many years!

**We need to stop this cycle – as mandated by the county – to insure reliable and safe water now and into the future. Our immediate goals as put forth by the current Board are the following:**

- 1) We are NOW gathering bids from contractors over the next 2 MONTHS and will be preparing a report of costs for upgrade options that may include a new well, new pipeline sections, and new blow offs (to clear pipes of debris and have better disinfection).**
- 2) We are NOW investigating options, such as grants and loans, to help pay for this work. Individual low income families may be eligible for state grants to pay for assessments. We have the asked the former director of the Aromas Water District to talk to us about possible options.**
- 3) We will be planning a neighborhood meeting in May of this year to present bids, upgrade costs, and financial options to ALL members. At this time we will need to decide TOGETHER on the financial path forward for the Association.**

**ONE YEAR AGO, WE WERE IN VERY DIRE FINANCIAL STRAITS. We had ZERO money in the bank. ONE YEAR LATER, after instituting a monthly \$146 assessment and a fee structure to pay for our operating costs, we NOW have almost \$25,000 in the bank. We are in a good financial position. In case of emergencies, we can pay for repairs such as if our 15-year old well pump suddenly gives out. We have enough to install blow-offs and start flushing the system and getting less sediment and better disinfection. We NOW have funds to cover permit costs, insurance, and legal fees for establishing easements and water agreements. We are now ready to proceed on important upgrades.**

I ask for your continued patience and faith. Just a little further. We are almost there!

To achieve these goals, we need for the community to work together as a team. We ALL are dependent on the water system to maintain our ability to live here, be secure and resilient. It is in the vital interest of ALL neighbors to support the water system and its continued operation. Even if we have our own wells, it provides an essential backup system in case other wells fail or become contaminated. We cannot live in our homes without dependable water!

Lately, many members have elected to pursue their own wells and, presumably, to remove themselves from the system. The cost of "going it alone" and drilling a well is very large, in excess of \$40,000 or \$50,000 just to get started. Maintenance, fees, infrastructure go up from there. There is no guarantee that individual wells will continue to be viable and operating costs can be high. Being part of a system provides great security, financial and health-wise. If members leave, costs will go up for EVERYONE. The Association is well positioned to satisfy all the county and state health requirements and can install very expensive infrastructure to insure water availability and safety for everyone on the hill. In emergencies, we have gravity-fed water pressure due to our tank high on the ridge. Our large tank can provide ongoing water. We are also planning to install SOLAR BACKUPS to maintain water pressure to the ridge homes and keep our pump going during power outages. Most individuals don't have the resources or desire to achieve all of this by themselves and keep it maintained and in good working order.

**Please note:** All wells drilled on the hill are in danger of hitting Manganese-rich depositions. We are working closely with different drillers and hydrologists to identify the best place and approach to drilling in order to obtain Manganese-free water. As several other associations have experienced, it is likely that wells drilled on the hill will ALSO have Manganese-rich mineral deposits and will suffer from the same issues that we currently have on our system. Careful plans are needed to avoid this. Since the association covers many properties, we have options to drill anywhere from the top of the ridge down to the VALLEY FLOOR, which may help us avoid some mineral deposits.

To maintain a healthy water association that continues to provide water in compliance with county and state regulations, we need the support of ALL of our members. With everyone's support and contribution to our Association, our individual costs will be much LOWER and we will achieve our goals much more QUICKLY.

It is very important for those pursuing wells to consider a VITAL point: Members who have their own wells are STILL required to pay assessments into the mutual water systems UNLESS they formally cancel their membership and GIVE UP their water rights. Canceling one's membership for a given property has far-reaching implications. In this case, the Association is NO LONGER required to provide water to these properties and may CONSIDER doing so ONLY once all assessments and dues have been paid. The Association may also decide to sell the water rights to other properties. In general, I would say it is a bad idea to give up water rights to an existing Association that possesses very substantial existing infrastructure.

*I am very optimistic. I have learned so much in the past few years and I see a clear path forward to success. We are nearly there, and it will be smooth running once we get over a few bumps. Let's stick together and forge this path together!*

It has been a pleasure serving the community these past years and meeting and working with so many wonderful folks in the neighborhood. This is a great place to live and we want to keep it that way! Please don't hesitate to call me with any and all questions or concerns. 831-406-1088

Sincerely your neighbor, Neil Klepeis





AN IMPORTANT NOTICE REQUIRED BY  
THE MONTEREY COUNTY HEALTH DEPARTMENT

Murphy Hill Water System # 2 , I.D. 270-0663

**SUBJECT: Failure of the Maximum Contaminant Level (MCL) for Total Trihalomethanes and Haloacetic Acids**

**DATE: March 27, 2018**

This notification of all water consumers is being performed in compliance with California laws and regulations to keep you fully informed about your drinking water.

The quality of all water served by the Murphy Hill Water System # 2 during the 1st quarter of 2018 did not meet the drinking water standards specified in the California Domestic Water Quality and Monitoring Regulations.

REGULATION(S) BEING VIOLATED: Title 22 of the California Code of Regulations  
The Murphy Hill Water System # 2 has failed the Maximum Contaminant Level (MCL) for Total Trihalomethanes (TTHM) and Haloacetic Acids (HAA5) (Disinfection Byproducts). Compliance is based on the average of four quarterly samples and the current average of 63 ug/L for TTHM and 132.5 ug/L for HAA5 after the 3/5/18 sample exceeds the allowed annual average. The MCLs are 80ug/L for TTHM and 60ug/L for HAA5.

SIGNIFICANCE OF PRESENT VIOLATION: The California Department of Public Health (CDPH) sets drinking water standards and requires the disinfection of drinking water. However, when used in the treatment of drinking water, disinfectants react with naturally-occurring organic and inorganic matter present in water to form chemicals called disinfection byproducts (DBPs). CDPH has determined that a number of DBPs are a health concern at certain levels of exposure. Certain DBPs, including some trihalomethanes (THMs) and some haloacetic acids (HAAs), have been shown to cause cancer in laboratory animals. Specifically, some people who drink water containing TTHMs in excess of the MCL over many years may experience liver, kidney, or central nervous system problems, and may have an increased risk of getting cancer. Other DBPs have been shown to affect the liver and the nervous system, and cause reproductive or developmental effects in laboratory animals. Exposure to certain DBPs may produce similar effects in people. CDPH has set standards to limit exposure to TTHMs, HAA5s, and other DBPs.

PRECAUTIONS TO BE TAKEN: Until the running annual average (RAA) for Total Trihalomethanes (TTHM) and Haloacetic Acids (HAA5) (Disinfection Byproducts) are determined to be under the maximum contamination level, it is recommended that residents drink bottle water. The notice is required because the current Running Annual Average (RAA) is above the MCL.

ACTION BEING TAKEN TO CORRECT VIOLATION: The water system is taking the following actions in response to this violation: The chlorinator was offline on 8/11/17.

SCHOOLS, OWNER OR OPERATOR OF RESIDENTIAL RENTAL PROPERTY, OR OWNER OR OPERATOR OF BUSINESS PROPERTY: Section 116450 of the California Health and Safety Code requires the following notification: schools or school systems shall notify school employees, students, and parents if students are minors; owner or operator of residential rental property shall notify tenants; and owner or operator of business property shall notify employees. This notice shall be given within 10 days upon receipt of this notification.

FOR FURTHER INFORMATION, CONTACT:

Neil Klepeis

CONTACT PERSON NAME

Murphy Hill WS #2, 831.406.1088/831.726.9282  
WATER SYSTEM NAME PHONE #

**PUBLIC POSTING IS TO REMAIN IN EFFECT FOR UNTIL ALL MCLS ARE MET**

Arnold Ortega  
780 Rebecca Circle  
Aromas, California 95004

|                          |               |
|--------------------------|---------------|
| <b>HEARING SUBMITTAL</b> |               |
| PROJECT NO./AGENDA NO.   | 0170088/49/90 |
| DATE RECEIVED:           | 4/24/18       |
| SUBMITTED BY/VIA:        | email         |
| DISTRIBUTION TO/DATE:    | 4/25/18       |
| DATE OF HEARING:         | 4/26/18       |

April 24, 2018

**VIA EMAIL ONLY**

Mike Novo, Zoning Administrator  
Monterey County Zoning Administrator  
168 W. Alisal Street  
Salinas, California 93901

Re: **Permit Approval for the installation of a new residential well at 780 Rebecca Circle, Aromas CA.**

Dear Mr. Novo:

My name is Arnold Ortega and I reside at 780 Rebecca Circle, Aromas, California, APN 267-141-012-000 (the "Property"). My family and I first moved to the Property in 1986. My family and I briefly lived in Salinas for a few years and moved back to the Property in 2013. Currently, I live at the Property with my wife, adult son, and eight (8) year old granddaughter. In addition, I have seven (7) grandchildren who frequently visit our home.

The quality of water has been poor since I moved in, but has increasingly gotten substantially worse over the past several years. The water that we are expected to use to drink, cook with, and bathe with is dark brown in color, full of sediment and smells of rotten eggs. I have submitted pictures which have been included in the staff report. Those pictures are illustrative of our water on a regular basis.

Despite Murphy Hill Mutual Water Association No. 2's ("MHMWA2" or "Association") failure to provide clean water that complies with County and State regulations, I have always paid my water bill despite its excessively high cost and unreasonably short billing cycle. I currently average \$350-\$450 a month on water, this does not include the recently imposed fee in the amount of \$146.00 that the Association started charging its members. The water bills are dated on the tenth (10<sup>th</sup>) of each month and are considered late after the twenty-fifth (25<sup>th</sup>) of the same month. If we are late, a 10% late charge automatically applies.

Several years ago, I had to stop watering our lawn because we could not afford the excessive water bill. Last summer, our water bill was over \$700 a month. I am paying for water that I cannot drink, cannot cook with, and cannot use to give my three small dogs. I have no livestock and only have a small garden for our personal use. The cost of this noncompliant water is excessive.

Mike Novo, Zoning Administrator

Re: **Permit Approval for the installation of a new residential well at 780 Rebecca Circle, Aromas CA.**

April 24, 2018

Page 2

I currently serve on the MHWMA2 board. I am continuously surprised by the lack of transparency with the Association as well as the disparity of the water bills. MHWMA2 fails to take into consideration the bylaws and there is very little discussion when decisions need to be made. Instead, Mr. Klepeis and Ms. Priddy just expect the board members to rubber stamp everything they suggest.

I recall one discussion where Mr. Klepeis, president of the Association commented that he only pays \$19.00 a month for water. He currently has five (5) horses and one (1) mule on his property and yet I am paying nearly 24x the amount he is for significantly less water usage. Likewise, Ms. Claire Priddy, the secretary and vice president of the Association mentioned that she only pays \$13.00 a month for water. Like Mr. Klepeis, she has livestock on her property.

On multiple occasions, I have requested that the Association provide the books so that I could get a better understanding of the billing process. The Association has yet to provide me with a detailed accounting and instead gave me a worksheet that had numbers rounded to the nearest thousand.

Over the past several years, myself and other members of the Association have offered to read the meters to try to determine why there appears to be such disparity. Members have also offered to research different ways to receive grants. Each time, Mr. Kelpis has turned down our offers to assist. Just recently, we were informed that the Association hired an employee to read the meters and research grants. How can the Association afford to hire an employee and why would it hire an employee when its members have offered to do the work for free?

The Association is a suspended corporation with the California Secretary of State and cannot legally operate. And yet, the Association continues to charge its members, hire an employee, has retained an attorney, and is trying to obtain bids for a new well.

I know that there are at least three other homes on Rebecca Circle that have their own residential wells: Mr. Wilson Quick at 810 Rebecca Circle, Mr. and Mrs. McCollum at 765 Rebecca Circle and Mr. and Mrs. Alaga at 861 Rebecca Circle. Mr. Quick just obtained his residential well within the past year. To the best of my knowledge, the Association never took issue with the above mentioned homes obtaining their own wells. It is only now that the Association is objecting to our permits.

In January 2018, I learned that the owner of 761 Rebecca Circle has applied for a permit for a new well. The owner of 761 Rebecca Circle is a former board member of the Association who left after being increasingly frustrated with the manner in which it was run and the failure to provide clean and safe drinking water.

Mike Novo, Zoning Administrator

Re: **Permit Approval for the installation of a new residential well at 780 Rebecca Circle, Aromas CA.**

April 24, 2018

Page 3

I have spoken with Mr. Klepeis directly about my permit for a residential well. He informed me that it was a conflict of interest for me to serve on the Association's board while trying to obtain my own well. He also informed me that the County would never approve my permit.

Along with Mr. Rocha and Mr. Panattoni, I spoke with John Robinett of JT Robinett & Sons, located in Salinas, California. Mr. Robinette is familiar with the area and recently drilled a well for Mr. Wilson Quick in 2017.

Mr. Robinette submitted permit applications on each of our behalf. To date I have paid Mr. Robinett over Eight Thousand Dollars (\$8,000.00) for permit fees and for his services. Mr. Robinett estimates that the well itself will cost approximately Forty Thousand Dollars (\$40,000.00) to complete.

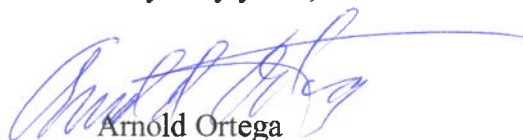
I have reviewed each of the letters in objection to our permits. I disagree with the sentiments in each one. In particular, Mr. McCollum's letter fails to state that he has had his own well since as long as I have lived at 780 Rebecca Circle.

For as long as we have lived on Rebecca Circle, I have had to purchase bottled water for my family to drink and cook with. We have had to replace our water heater twice due to the corrosion caused by the water and we had to get rid of our hot tub because the water is so polluted that chemicals have no effect on it. Due to the excessive and unregulated water bills, my wife and I had to stop watering our yard, causing our lawn to die. I joined the Association's board because I thought I could make a difference and help my community's water situation improve. My suggestions and offers have gone unnoticed and unappreciated.

I am a Vietnam veteran and a retired Peace Officer. I served in both the Navy and the National Guard. In addition, I spent nearly thirty (30) years working for the California Corrections Department and served on the Monterey County Community Restorative Justice Commission for three (3) years. I am deeply involved with my community and I simply want to be able to have access to clean water that complies with local standards.

Mr. Novo, I am respectfully requesting that you grant my permit and allow my family and I to drill our own well so that I can ensure my family has access to clean and safe water. I have exhausted all other avenues.

Very truly yours,



Arnold Ortega



|                          |                                 |
|--------------------------|---------------------------------|
| <b>HEARING SUBMITTAL</b> |                                 |
| PROJECT NO./AGENDA NO.   | PLN 170108/89/90 Agenda Item #1 |
| DATE RECEIVED:           | 4/24/2018                       |
| SUBMITTED BY/VIA:        | email                           |
| DISTRIBUTION TO/DATE:    | 4/24/2018                       |
| DATE OF HEARING:         | 4/26/2018                       |

March 2, 2018

Neil E. Klepeis, President  
 Murphy Hill Mutual Water Association 2  
 878 Rebecca Circle, Aromas, CA 95004  
[mhmwa2@gmail.com](mailto:mhmwa2@gmail.com)  
 831-406-1088

Carl P. Holm, AICP RMA Director  
 (831) 755-5103, [holmcp@co.monterey.ca.us](mailto:holmcp@co.monterey.ca.us)  
 John M. Dugan, AICP RMA Deputy Director  
 (831) 759-6654, [duganj@co.monterey.ca.us](mailto:duganj@co.monterey.ca.us)  
 Nadia Amador, Associate Planner  
 (831) 755-5114, [amadorn@co.monterey.ca.us](mailto:amadorn@co.monterey.ca.us)  
 Son Pham-Gallardo, Assistant Planner  
 (831) 755-5226, [pham-gallardos@co.monterey.ca.us](mailto:pham-gallardos@co.monterey.ca.us)  
 1441 Schilling Place  
 Salinas, CA 93901

Roger VanHorn, Supervisor, Drinking Water Protection Program/Well Program  
 (831) 755-4763, [vanhornrw@co.monterey.ca.us](mailto:vanhornrw@co.monterey.ca.us)  
 1270 Natividad Road  
 Salinas, CA 93906

Dear Ms. Amador, Ms. Pham-Gallardo, Mr. Dugan, Mr. Holm, and Mr. VanHorn,

I am writing to you as President of a Mutual Water Association on Murphy Hill in Aromas (Rebecca Circle). I represent the interest of our community with regard to the continued security and safety of our drinking water. I am writing to communicate concerns arising in our community, and among water association members, regarding so many new water well permits being issued in our neighborhood. THREE domestic permits are slated for homes this month, and ONE commercial permit was issued in the last year or so.

In the last few days, many neighbors have expressed comments to me along the lines of: ***"Why is the county allowing these wells when we already have an association? What will happen to our water source and how will our association survive if we lose so many members? How will we afford to provide safe and reliable water to residents? Why are they breaking up our water system? Is everyone expected to drill their own well? I can't afford that!"***

It is my understanding that the county is mandated under the General Plan, if not required by law, to promote **consolidation** of water wells to limit the **quantity** of wells and facilitate the management and maintenance of drinking water **quality**. The permitting of a large number of unregulated and seemingly unnecessary wells in our neighborhood would seem to run counter to this mandate. **With so many individual wells, it will be harder to regulate quality of drinking water and quantity of water pumped. Our neighborhood association is at risk of being broken by loss of membership, and our water source, and water quality for all of our neighbors, may be at risk.**

Our membership, originally numbering 21 in 1972, was reduced to 19 in the 1980's and to 18 just last year. If THREE more wells are permitted this year, our membership may be reduced to 15. What's next? What if THREE more wells are permitted next year? Our association will be left with very diminished means to improve and maintain our existing large infrastructure, which is capable of

providing safe and reliable water to everyone. With so few members, we will also fall off the radar for regulatory compliance and all of our neighbors may, perhaps unknowingly, suffer from degraded drinking water quality. This may also lead to the demise of the water association. **How is this in the interest of the county and water management in general? We are positioned to satisfy the county's mandate and serve safe and reliable water to everyone in our community. The permitting of so many unnecessary and unregulated wells, and reversing years of consolidation, may ultimately put our water in jeopardy.** Our low and medium income residents especially rely on us to continue providing affordable water. Not everyone can afford a new well or build infrastructure and truck in water every month. Our neighbors have domestic gardens, orchards, and livestock. We depend on affordable water to continue our way of life as we have for decades. Is this coming to an end?

We have a plan to upgrade our existing system to insure for many years to come the delivery of safe and reliable water to our neighbors, and regulatory compliance. We are preparing to finance big improvements, including new sections of pipeline and a new well to obtain a second source with what we hope will be Manganese-free water. We are also considering Manganese filtration. **It doesn't make sense to me or many of my neighbors to break up our water system into a number of smaller pieces, whether from a regulatory, water safety, conservation, economic, or environmental point of view.**

We are a long-established association that is permitted by the county's Health Department and has been operating since the 1970's. We have the means to serve the community's water needs. We have the **flexibility** to find the **best location for a new water source** in a relatively large geographical area, and we currently have the **financial leverage** to replace pipelines, install multiple large backup and treatment storage tanks, install solar backup systems, install filtration and disinfection equipment, and perform all necessary compliance sampling, testing and reporting – as we have been doing for years. We also provide fire abatement hydrants.

Managing a water association to meet high standards and insure resilience is expensive and time-consuming. We are desperately trying to keep the association, and our water source, healthy and alive. We have a perfectly good system in place for everyone, and we want to improve it and keep it operating. Although we have had recent challenges and suffered setbacks from mismanagement in past years, during 2017 we achieved a large reserve of funds in the bank. There is much enthusiasm on the board for getting things done ASAP. We are pursuing several avenues of funding.

Some of our neighbors are, understandably, impatient with the pace of upgrades over the past years. Some neighbors want to “go it alone” and have even talked about starting their own sub-association. While I can understand that some individuals are of a mind to take matters into their own hands, the county's responsibility is to the larger view and to work towards solutions that benefit the greater community. If more and more neighbors devote resources to a short-sighted interest instead of the community good, they will sacrifice the greater water security of both themselves and their neighbors. There will be no backup water source, and no driving force for insuring quality drinking water. The association serves everyone and is a necessary and vital part of our community. We have lots of expensive infrastructure and it is working and will only get better. My hope is that this long-term view that preserves our water can be reinforced by the county.

Our Board is actively engaging with neighbors to open lines of communication and make sure everyone understands the state of the system and immediate plans for the future. It will take time for our association to complete financial and environmental assessments and accrue funds. We are meeting with an array of contractors and finance specialists and intend to acquire permits and issue assessments

for a new source and distribution lines in the coming months, which has been mandated and accepted by the county itself. I am worried that, **although our existing consolidated system is working with the county ALREADY to achieve our plans for safe and reliable water for EVERYONE, that the county is also putting into motion events that may jeopardize our ability to fulfill these goals. The county's action may be compromising our ability to pay for new infrastructure that is needed to satisfy the county's own demands.**

What kinds of environmental and economic impact assessments has the county performed to determine whether drilling so many wells is in the best interest of providing safe, high quality, and reliable water now and into the future? What is the justification for permitting so many new wells when there is an existing domestic water provider? **Obviously, there must be a tipping point at which it is clear that more wells will threaten our community water plan.** I believe we are dangerously close to that point at the present time. If 30% or more of our existing membership is lost, it will make upgrades, conservation efforts, water safety, and water reliability increasingly more difficult. If, by green-lighting a large number of what seem to be unneeded domestic-water wells in our residential neighborhood, the county contributes to the dissolution of a permitted, operating and successful association – and one that has a clear plan to provide safe and reliable water for neighbors, and promote water conservation, far into the future -- then the county will also be contributing to a climate of uncertainty and insecurity surrounding our water for a large number of our residents.

I urge the county to please consider these arguments during the permit process and to perform, and communicate to us, an environmental and economic impact assessment prior to permitting a relatively large number of new wells in our subdivision. The ability of many low- and medium-income residents to have affordable and high quality drinking water depends very strongly on the viability of our water association, and the ongoing decisions made by the county.

Thank you.

Sincerely,



Neil E. Klepeis  
President, Murphy Hill Water Association

cc: John M. Phillips, Monterey County District 2 Supervisor



|                                    |               |
|------------------------------------|---------------|
| <b>HEARING SUBMITTAL</b> Agenda #1 |               |
| PROJECT NO./AGENDA NO.             | WVH0008/84/40 |
| DATE RECEIVED                      | 4/20/2018     |
| SUBMITTED BY                       | email         |
| DESCRIPTION OF CASE                | 4/20/18       |
| DATE OF HEARING                    | 4/26/18       |

DONALD L. GRUNSKY  
(1915-2000)

MATTHEW J. AULENTA  
RYAN S. BAILEY  
TESSA F. M. BRIGGS  
LILIANA S. DIAZ  
FREDERICK H. EBEL  
JAMES S. FARRAR  
CHERYL L. FERGUSON

**THE GRUNSKY LAW FIRM PC**

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THOMAS N. GRIFFIN  
DENNIS P. HOWELL  
MARK E. MYERS  
DINAH V. SAPIA  
MELISSA C. SHAW  
ALAN J. SMITH  
KATY P. WALKER  
ROBERT E. WALL

April 18, 2018

**VIA EMAIL ONLY**

Son Pham-Gallardo  
[Pham-gallardos@co.monterey.ca.us](mailto:Pham-gallardos@co.monterey.ca.us)  
Nadia Garcia  
[Garcian4@co.monterey.ca.us](mailto:Garcian4@co.monterey.ca.us)

Re: **Permit Approval for the installation of a new residential well at three residences on Rebecca Circle, Aromas California**

Dear Ms. Pham-Gallardo and Ms. Garcia:

This office represents Mr. Ortega at 780 Rebecca Circle, Aromas CA, APN 267-141-012-000, Mr. Panattoni at 797 Rebecca Circle, Aromas, CA 267-141-013-000, and Mr. Fernandez at 760 Rebecca Circle, Aromas, CA 267-141-011-000 with respect to their permits for the installation of a new residential well on each of their respective properties.

Each of these three individuals has applied for a permit for a residential well. These permits are necessitated by the poor water quality and old infrastructure of a community well managed by the Murphy Hill Mutual Water Association, Number 2 ("MHMWA2" of the "Association").

MHMWA objects to the issuance of the permits. This letter outlines why the permits should be approved and why MHMWA2's objections should be disregarded.

Murphy Hill Mutual Water Association, Number 2 is FTB Suspended. Please see **Exhibit A** attached to this letter. Thus, as a matter of law, MHMWA2 has lost all rights and privileges as a corporation and cannot legally operate. Technically, MHMWA2 is required to stop all business related activity.

Despite its suspended status MHMWA2 has continued to bill its members while simultaneously failing to provide water that meets County health standards. The aging infrastructure of the well has been known by MHMWA2 for several years, and yet, no proactive steps have been taken to address this issue. In May 2016, Neil Klepeis, president of MHMWA2 noted that some of the issues "seemed to stem from leaks in irrigation lines where dogs were defecating." In that same email, Mr. Klepeis noted that the county health

Son Pham-Gallardo

Nadia Garcia

Re: **Permit Approval for the installation of a new residential well at three residences on Rebecca Circle, Aromas California**

April 18, 2018

Page 2

department office stated that the association is in “a dire state (in violation of state law) and [] will be issuing a strong ‘compliance order’ very soon that mandates [MHMWA2] to ‘do something’ to fix the bacteria and manganese problems.” Mr. Klepeis further notes that he doesn’t “have time to look into [a low-interest loan from the government] at the moment.” Please see May 18, 2016 email attached as **Exhibit B**.

A few weeks later, Mr. Klepeis concluded that it would be better to “go it along” and have the members pay for the improvements versus applying for a federal loan. Mr. Klepeis floated the idea of the homeowners obtaining equity loans against their properties to pay for the work to fix the well. See May 31, 2016 email attached as **Exhibit C**.

Recently, one of the homeowners offered to loan the funds which would cover 100% of the financing cost of trenching the water line loop and putting in a new well for the entire community. The estimated costs are \$100,000 with a ten (10) year repayment at 5% interest. This would cost \$46.00 per property per month. Mr. Fernandez also offered to provide funds to install certified meters that comply with the county requirements. A copy of the Proposal is attached as **Exhibit D**. The MHMWA2 board rejected this proposal.

It was not until after our clients applied for permits that Mr. Klepeis appeared to feign interest in addressing the issues with the well. On December 7, 2017, Mr. Klepeis wrote a letter to Ms. Pham-Gallardo in opposition to the permits. One of the concerns noted was that “[r]educing our membership by 20% or more will limit our ability to provide affordable water and to raise funds to drill a new well source, and install expensive mineral filtration, or replace coated pipe – as recommended by the Monterey County Environmental Health Bureau.” He also noted that approval of the permits would create a “slippery slope whereby [MHMWA2] is ultimately dissolved and each of the 21 homes will be left to pursue their own water source.”

These concerns addressed in this letter fail to take into account the long history of the water association’s failure to fix the issues. Mr. Klepeis’ letter fails to mention that for nearly two years, the residents have been forced to use water that the County has deemed unsafe, and the Association has not taken any steps to remedy this action. Mr. Klepeis letter fails to acknowledge that the Association was offered a loan with favorable terms to remedy this action and rejected it. Most importantly, this letter misrepresents MHMWA2’s legal capacity to act.

The simple fact is that MHMWA2 has been on notice of the contamination of the water by the County since at least May 2016 and has failed to take any actions to permanently fix the problem. Mr. Ortega, Mr. Rocha, and Mr. Panattoni have been forced to use discolored water that has been deemed unsafe by the County. Please see pictures attached as **Exhibit E** and Notice from the Monterey County Health Department dated January 1, 2018 as **Exhibit F**.

Son Pham-Gallardo

Nadia Garcia

Re: **Permit Approval for the installation of a new residential well at three residences on Rebecca Circle, Aromas California**

April 18, 2018

Page 3

Our clients have spent thousands of dollars on the permitting process and have retained John Robinett & Sons to construct the wells. Our clients have been acting in good faith. As noted in Ms. Pham-Gallardo's March 7, 2018 letter to Mr. Ortega, "the Project, as conditioned, is consistent with the applicable plans and policies which designate this area as appropriate for development." Ms. Pham-Gallardo's recommendation also noted that the community well "is failing."

MHMWA2 has failed for the past two (2) years to take any steps to permanently address the issues and provide clean water to its customers. Please see an email from another homeowner at Rebecca Circle which outlines the long history of corrupt conduct from the Association attached as **Exhibit G**. For each of these reasons, my clients request that their permits for individual residential wells be approved.

Please feel free to contact me if you have any questions or wish to discuss in further detail.

Very truly yours,

THE GRUNSKY LAW FIRM PC



Melissa C. Shaw

MCS

Enclosure: As stated



**EXHIBIT A**

Alex Padilla  
California Secretary of State

## Business Search - Entity Detail

The California Business Search is updated daily and reflects work processed through Tuesday, April 17, 2018. Please refer to document [Processing Times](#) for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity. Not all images are available online.

### C0653627 MURPHY HILL MUTUAL WATER ASSOCIATION

|                               |   |
|-------------------------------|---|
| Registration Date:            | 06/13/1972  |
| Jurisdiction:                 | CALIFORNIA  |
| Entity Type:                  | DOMESTIC NONPROFIT                                      |
| Status:                       | FTB SUSPENDED   |
| Agent for Service of Process: | NEIL E KLEPEIS<br>878 REBECCA CIRCLE<br>AROMAS CA 95004 |
| Entity Address:               | *   |
| Entity Mailing Address:       | PO BOX 194<br>AROMAS CA 95004                           |

| Document Type | ↕ File Date | ↕ PDF   |
|---------------|-------------|---|
| SI-COMPLETE   | 12/06/2017  |   |
| SI-COMPLETE   | 05/08/1989  | Image unavailable. Please request paper copy. |
| REGISTRATION  | 06/13/1972  | Image unavailable. Please request paper copy. |

\* Indicates the information is not contained in the California Secretary of State's database.

- If the status of the corporation is "Surrender," the agent for service of process is automatically revoked. Please refer to California Corporations Code [section 2114](#) for information relating to service upon corporations that have surrendered.
- For information on checking or reserving a name, refer to [Name Availability](#).
- If the image is not available online, for information on ordering a copy refer to [Information Requests](#).
- For information on ordering certificates, status reports, certified copies of documents and copies of documents not currently available in the Business Search or to request a more extensive search for records, refer to [Information Requests](#).
- For help with searching an entity name, refer to [Search Tips](#).
- For descriptions of the various fields and status types, refer to [Frequently Asked Questions](#).

[Modify Search](#)[New Search](#)[Back to Search Results](#)

**EXHIBIT B**

**Shaw, Melissa**

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**From:** Hector Rocha <hector.rocha831@yahoo.com>  
**Sent:** Thursday, March 08, 2018 3:15 PM  
**To:** Shaw, Melissa  
**Subject:** Fwd: Status of Rebecca Circle water system cleanup [forwarded for Hector Rocha]

Sent from my iPhone

Begin forwarded message:

**From:** <>  
**Date:** March 5, 2018 at 8:44:28 PM PST  
**To:** "info@grunskylaw.com" <info@grunskylaw.com>  
**Cc:** Hector Rocha <hector.rocha831@yahoo.com>  
**Subject:** Fw: Re: Status of Rebecca Circle water system cleanup [forwarded for Hector Rocha]

----- Forwarded Message -----

**From:** Neil Klepeis <nklepeis@gmail.com>  
**To:** "info@grunskylaw.com"  
**Sent:** Friday, May 20, 2016, 9:34:05 AM PDT  
**Subject:** Re: Status of Rebecca Circle water system cleanup

Hi Tim, I'm very sorry to hear about your injuries. I hope you recover quickly. Do you have a phone number (and best time) I can call you at?

--Neil

On 05/20/2016 07:46 AM, Neil Klepeis wrote:

Neil -

This is all very alarming.

What is the status of setting up the nonprofit paperwork with the attorney? It would be good to get that done so an application can be submitted to the USDA for the water system and well. It has a rolling application deadline and the sooner we apply the better.

Since you have all the paperwork and information necessary for the USDA application, once you get the nonprofit paperwork done with the attorney, it would be good for you to get that taken care of. An emergency board meeting can be then called, if necessary, although Wilson would not be able to attend.

Any further delay could result in significant problems.

Thank you.

---

**From:** Neil Klepeis <nklepeis@gmail.com>

**To:**

**Cc:**

**Sent:** Wednesday, May 18, 2016 11:33 AM

**Subject:** Re: Status of Rebecca Circle water system cleanup

Hi

We don't have any more test results back yet. Dougherty are stepping up extra chlorination to get rid of the problem. The issue seemed to stem from leaks in irrigation lines where dogs were defecating. -- so hopefully it is localized at those homes.

I will be sending out a new mailing to members when I get some time to give more details on the state of the system and things to consider as we discuss how to move forward -- in advance of an all-hands meeting. I apologize I have been totally swamped with work and child care.

We had a county health dept. inspection last week. The officer said we are in a dire state (in violation of state law) and she will be issuing a strong "compliance order" very soon that mandates us to "do something" to fix the bacteria and manganese problems. I talked at length with Dougherty and the county officer and they thought that the best option right now is a manganese filter for the system and to continue flushing to see if our pipes can get clean. This is probably not cheap (\$10K or \$20K). We will be getting quotes on the work. If we can't get money together to do a new well and new main line, then this may be the best/only option to satisfy the county.

For longer-term upgrades, a low-interest loan from the government may be a good option. But I don't have time to look into it at the moment. Perhaps one of you can start digging around to see what is required. The county seemed to think it would require a whole new round of environmental and financial assessment that may not be worth it. What we probably need is for everyone to just kick in \$10K or \$20K to upgrade the whole infrastructure. I'm not sure if residential equity loans go that low though. Most folks don't seem to have that kind of cash lying around.

--Neil

On 05/18/2016 09:16 AM, [REDACTED] wrote:

Neil -

Can you provide an update as to the current status of our water? Has Doherty provided any test results showing the eColi problem has been eradicated? Thanks.





## Shaw, Melissa

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**From:** Hector Rocha <hector.rocha831@yahoo.com>  
**Sent:** Thursday, March 08, 2018 3:14 PM  
**To:** Shaw, Melissa  
**Subject:** Fwd: Status of Rebecca Circle water system cleanup [forwarded for Hector Rocha]

Sent from my iPhone

Begin forwarded message:

**From:** " " < ">  
**Date:** March 5, 2018 at 8:47:35 PM PST  
**To:** "info@grunskylaw.com" <info@grunskylaw.com>  
**Cc:** Hector Rocha <hector.rocha831@yahoo.com>  
**Subject:** Fw: Fwd: Status of Rebecca Circle water system cleanup [forwarded for Hector Rocha]  
**Reply-To:**

Begin forwarded message:

**From:** Neil Klepeis <nklepeis@gmail.com>  
**Date:** May 31, 2016 at 1:25:31 PM PDT  
**To:**  
**Subject:** re: status of Rebecca Circle water system cleanup  
**Reply-To:** nklepeis@gmail.com

Hi "

Sorry I haven't had time to call yet -- Mem weekend was very busy with family and I had appointments all last week.

I did receive word from the testing of E coli from Dougherty.

"We collected 5-repeat samples on 5/26 and the results were all absent for both Coliform and E. coli. Our server is down right now but you should be receiving the written results within the week."

So good news, the contamination seems to be fixed.

So we seem to be in good shape regarding the bacterial contamination. We have to replace the chlorinator because it broke down -- should be done next week.

I am getting quotes on the manganese filtering system.

I also talked to our accountant and the county office about getting non-profit status and going for federal or state loans. This avenue will require a financial audit (could cost \$10K) and complete environmental assessments (more \$1000's). The process is a long and time-consuming one. It also opens us up to a lot more regulation and oversight from the government, e.g., they can regulate how much water we pump.

Both folks I talked to recommended we find a way to "go it alone" if at all possible -- i.e., get funds from the neighbors, who may have to take out equity loans on their property.

Looking at Zillow, the home prices in our neighborhood seem to be in the \$600K to \$900K range. -- far above the last selling prices. I know lots of folks have paid off their homes, so getting a small loan is not impossible, but many may not want to. However, in the interest of installing needed modern infrastructure, it is ultimately worth it (at least for the younger folks ~50 - 55 or younger and older folks whose children may be taking over their property).

--Neil



wendy money legal advised  
current loop system? Boof values  
Animal are equal for claim to have.

## Raul Fernandez's PROPOSAL for Murphy Hill Mutual Water Association 2:

(1) Cover 100% of the financing cost of trenching of the entire water line loop and the cost of putting in a new well for the entire community, which is an estimated amount of \$100,000, which would then be repaid over 10 years with 5% interest rate for repayment. This would be a repayment of \$1,065/month (\$46.00 per property/month).

AND

(2) Provide funds sufficient install "certified" meters that comply with the county requirements.

To the board of directors : murphy hill water association # 2

On or about -----during a board meeting of the murphy hill 2 water association . Hector Rocha my son in- law, presented a remedy on the water crisis. I proposed financing for the much needed re-drilling of the water well.

I also proposed , that if we needed a new location for the well , I was willing to offer my property for the new location of the well with an easement .The easement to the new well would be under the same provisions and regulations as the current location of the existing well.

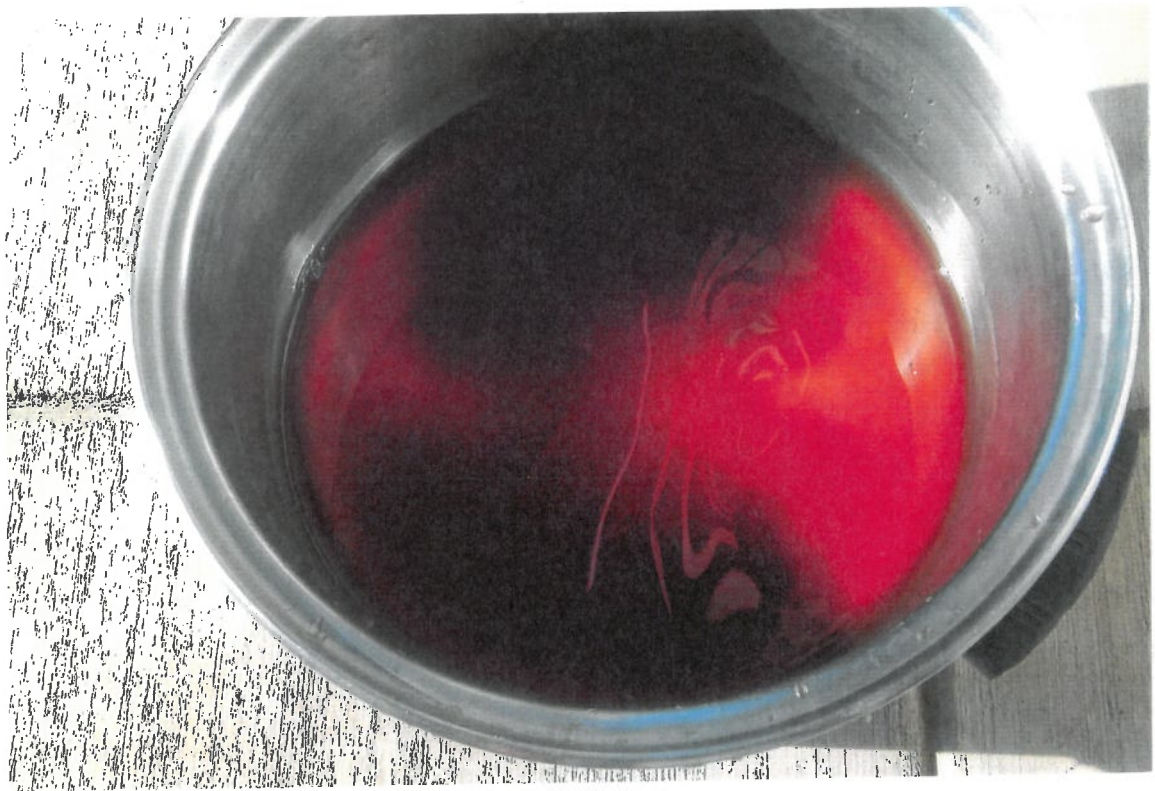
I am financially set and willing to lend murphy hill#2 water association with legal and financial obligation \$100,000 at 5% interest rate to be paid back with in the period of ten years .this would obligate the association to a monthly re- payment of \$ 1,065 per month.

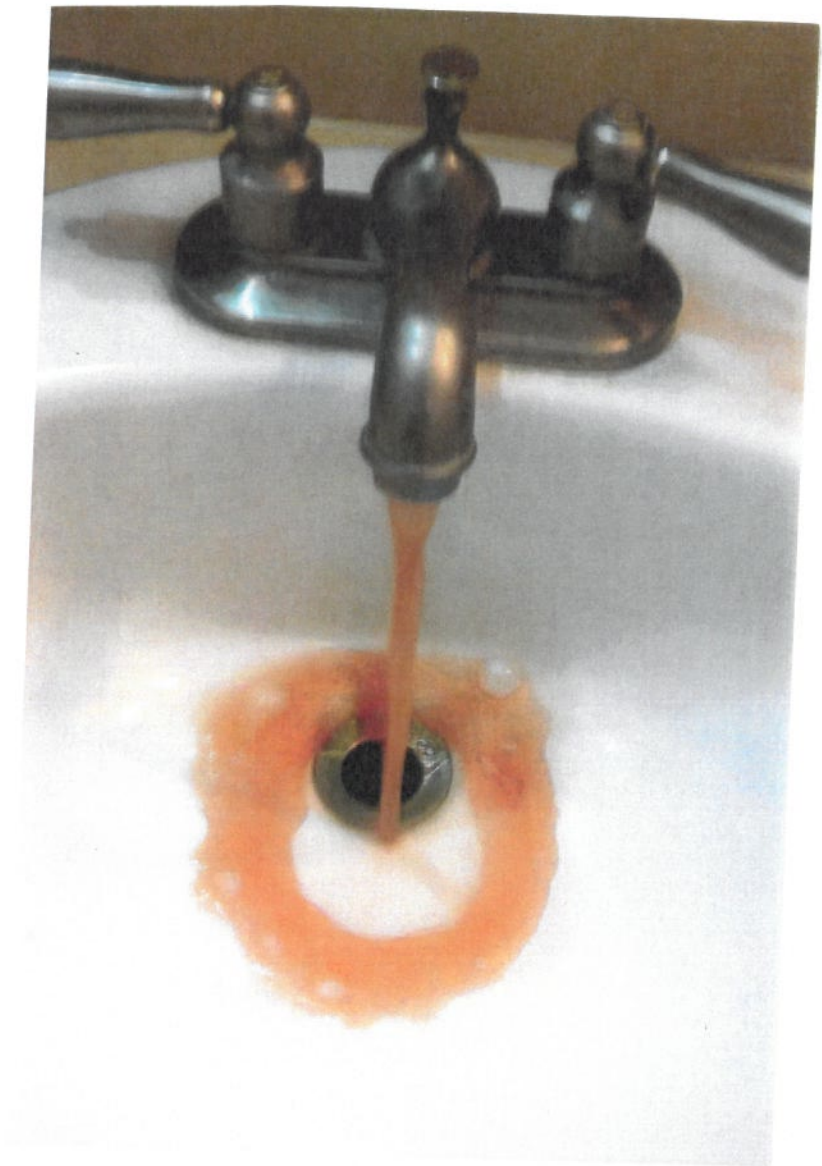
This would break down to \$46.00 per month per member. These are sufficient amount of funds to complete the new well with the new location and not financially burden the membership any further. My so-in-law has my consent to present this proposal to the board or any other issues concerning the Property at 760 rebecca cir aromas ca,95004

Respectfully: Raul Fernandez



## **EXHIBIT E**









**AN IMPORTANT NOTICE REQUIRED BY  
THE MONTEREY COUNTY HEALTH DEPARTMENT**

**Murphy Hill Water System # 2, I.D. 270-0663**

**SUBJECT: Failure of the Maximum Contaminant Level (MCL) for Total Trihalomethanes and Haloacetic Acids**

**DATE: January 1, 2018**

This notification of all water consumers is being performed in compliance with California laws and regulations to keep you fully informed about your drinking water.

The quality of all water served by the Murphy Hill Water System # 2 during the 4th quarter of 2017 did not meet the drinking water standards specified in the California Domestic Water Quality and Monitoring Regulations.

**REGULATION(S) BEING VIOLATED:** Title 22 of the California Code of Regulations

The Murphy Hill Water System # 2 has failed the Maximum Contaminant Level (MCL) for Total Trihalomethanes (TTHM) and Haloacetic Acids (HAA5) (Disinfection Byproducts). Compliance is based on the average of four quarterly samples and the current average of 90 ug/L for TTHM and 205 ug/L for HAA5 after the 12/4/17 sample exceeds the allowed annual average. The MCLs are 80ug/L for TTHM and 60ug/L for HAA5.

**SIGNIFICANCE OF PRESENT VIOLATION:** The California Department of Public Health (CDPH) sets drinking water standards and requires the disinfection of drinking water. However, when used in the treatment of drinking water, disinfectants react with naturally-occurring organic and inorganic matter present in water to form chemicals called disinfection byproducts (DBPs). CDPH has determined that a number of DBPs are a health concern at certain levels of exposure. Certain DBPs, including some trihalomethanes (THMs) and some haloacetic acids (HAAs), have been shown to cause cancer in laboratory animals. Specifically, some people who drink water containing TTHMs in excess of the MCL over many years may experience liver, kidney, or central nervous system problems, and may have an increased risk of getting cancer. Other DBPs have been shown to affect the liver and the nervous system, and cause reproductive or developmental effects in laboratory animals. Exposure to certain DBPs may produce similar effects in people. CDPH has set standards to limit exposure to TTHMs, HAA5s, and other DBPs.

**PRECAUTIONS TO BE TAKEN:** Until the running annual average (RAA) for Total Trihalomethanes (TTHM) and Haloacetic Acids (HAA5) (Disinfection Byproducts) are determined to be under the maximum contamination level, it is recommended that residents drink bottle water. The notice is required because the current Running Annual Average (RAA) is above the MCL.

**ACTION BEING TAKEN TO CORRECT VIOLATION:** The water system is taking the following actions in response to this violation: The chlorinator was offline on 8/11/17.

**SCHOOLS, OWNER OR OPERATOR OF RESIDENTIAL RENTAL PROPERTY, OR OWNER OR OPERATOR OF BUSINESS PROPERTY:** Section 116450 of the California Health and Safety Code requires the following notification: schools or school systems shall notify school employees, students, and parents if students are minors; owner or operator of residential rental property shall notify tenants; and owner or operator of business property shall notify employees. This notice shall be given within 10 days upon receipt of this notification.

**FOR FURTHER INFORMATION, CONTACT:**

Neil Klepeis

*CONTACT PERSON NAME*

Murphy Hill WS #2, 331.406.1088/331.726.9282  
*WATER SYSTEM NAME PHONE #*

**PUBLIC POSTING IS TO REMAIN IN EFFECT FOR UNTIL ALL MCLS ARE MET**





**Shaw, Melissa**

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**From:** Hector Rocha <hector.rocha831@yahoo.com>  
**Sent:** Thursday, March 08, 2018 2:02 PM  
**To:** Shaw, Melissa  
**Subject:** Fwd: Additional information regarding the Rebecca Circle home owner water association aka: Murphy Hill Mutual Water Association 2 (to assist Hector Rocha)

Sent from my iPhone

Begin forwarded message:

**From:**  
**Date:** March 8, 2018 at 1:46:56 PM PST  
**To:** Hector Rocha <hector.rocha831@yahoo.com>  
**Subject:** **Fw: Additional information regarding the Rebecca Circle home owner water association aka: Murphy Hill Mutual Water Association 2 (to assist Hector Rocha)**

----- Forwarded Message -----

**F**  
**To:** GrunskyLaw Info <info@grunskyLaw.com>  
**Sent:** Thursday, March 8, 2018, 1:16:04 PM PST  
**Subject:** Additional information regarding the Rebecca Circle home owner water association aka: Murphy Hill Mutual Water Association 2 (to assist Hector Rocha)

Mr. Grunsky -

I understand that there is an upcoming hearing on March 29th concerning a motion filed by Neil Klepeis to block the issuance of the well permits for Hector Rocha, Arnold Ortega, and a few other home owners on Rebecca Circle on the grounds that it would be a hardship on the community.

At the request of your client Hector Rocha, a few days ago I provided you copies of some of the pertinent email correspondence that my boyfriend [redacted] and I had with Neil Klepeis between November 2015 and December 2017. That correspondence was intended to show that as a former members of the Murphy Hill Mutual Water Association 2 (MHMWA2) and Board Members (Wilson was the Vice President for 2 years 2015 and 2016 and I was the Secretary for 1 year in 2016) that we had attempted to get Neil focused on two things:

- (1) locating the source of water leaks in our system, which was causing the loss of nearly 50% of our system's water each month; and
- (2) to find a way to afford the necessary repairs to the water system — potential replacement of pipes — and perhaps the installation of an entirely new well for the Murphy Hill Mutual Water Association 2.

We diligently tried to get Neil to focus on these two things.

Instead, Neil was focused on determining the exact amount of water consumed by each property in the MHMWA2 water association and to establish a way to charge members for that usage. He was more interested in how to charge money, and less interested in focusing on providing clean, drinkable water and a way to ensure that the water was fit for consumption. Neil's obsession with monetizing the water was the only thing he was interested in.

Neil claimed that he wanted to provide economic incentive for each household to conserve water. But he was actually obsessed with how to create a financial system — for which he would have exclusive control over funds collected and spent as he saw fit.

When the MHMWA2 members agreed to install water meters, it was with the intent that those water meters would be used as a way of ascertaining the source of leaks in our system and getting the responsible property owner to check their water line and make the necessary repairs. Thus, when the meters were purchased on behalf of Murphy Hill Mutual Water Association 2, it was not necessary that the meters be "certified" as the meters had to be only good for determining excess water was traveling to a property and to see if there might be a problem of leaks on that property's water line. In spite that intent, Neil was determined to use those meters to create a system to charge each property for its consumption of water.

Neil tried to justify using the meters as a way to accrue funds for MHMWA2, as the funds would be good for:

- (1) encouraging property owners to conserve water: and
- (2) to accrue funds to maintain the MHMWA2 water system — making necessary repairs and improvements, and to save any excess towards the cost of installing a new well for the MHMWA2 community.

However, the state of the MHMWA2 water system was already in dire condition. In fact, Monterey County had already begun issuing notices that the water contained contaminants, such as eColi and manganese. Thus, it was imperative to focus on providing clean and usable water. But Neil was unwilling — and failed — to focus on ensuring water quality. He did not want to do the daily, weekly, monthly water-line flushings that were necessary in both the main water-line, as well as the flushings that needed to be through each property owner's own lines as each attached to the main line and would back-flush contaminants into the main line, if their pipes were a source of contamination.

Neil spent minimal time focused on cleanliness of the water. Instead, he spent the majority of his time focused on establishing a way to charge by use of the water using the "uncertified" meters.

Wilson and I sent regular emails and made numerous phone calls to Neil to request additional flushings of the main line and that each property owner be alerted to do the same to improve the water quality. Neil ignored many of these requests and delayed doing anything about the need to improve the water quality. (In fact, it had gotten to the point that the water at my and Wilson's home was dark brown every day in early 2016 and it continued to be brown all way though the remainder of that year.)

Halfway through 2016, Neil stopped returning our calls and failed to respond to emails

about the water cleanliness issues — and in spite of our repeated attempts to hold a scheduled meeting of the Water Board, which comprised of Neil (President), Wilson (Vice President), Natalie (Neil's wife, Treasure), myself (Secretary), and Jose (5th Board Member) — none was held at all in 2016. Between the November 2015 and the November 2016 annual mandatory home owner meeting for MHMWA2, not a single Board meeting was held — even though Wilson and I have responded to a number of Neil's emails about availability for a Board Meeting stating that we were available. But Neil actually never held a Board Meeting for any of us to attend during that entire year of our participation as Board Members during 2016.

In several emails, I had asked Neil about the availability of a California State grant to get a new system or a new well installed, as there are government grants available for that specific purpose for communities where their wells have gone dry or have become contaminated. Neil stated that, while such grants were available, those required too much government oversight — meaning we would be under the state government's watchful eye. None of the MHMWA2 property owners, other than Neil, had any problem with that. I did not know at that time why Neil did not want the government keeping an eye on our water association or how each property used its water. But it made Wilson and I uneasy that Neil was so resistant to the idea of applying for a government grant.

In addition, it had become apparent as of September 2016 that Neil was only focused on creating a way of charging money for the water by gallon opposed to the annual flat rate fee that MHMWA2 owners paid (which was only \$1,200 per year), and was not at all concerned about ensuring the quality of the water. So Wilson and I decided to apply for a well permit for our property, a process that took the remainder of 2016 and we did not receive it until early 2017.

Accordingly, in November 2016 at the annual mandatory home owner MHMWA2 meeting, Wilson and I resigned our positions as Vice President and Secretary of the Water Board since we realized that it was impossible trying to work with Neil on ensuring water cleanliness and a way to fix the existing water system for MHMWA2.

At the November 2016 annual mandatory home owner MHMWA2 meeting, we did, however, propose that MHMWA2 adopt a more reasonable water rate than the one that Neil was proposing as a way to fund both the annual maintenance/repairs for the water system and as a way to save money towards a new well to replace the existing well for the community. Neil's initial proposal was based on a "per gallon" rate that was exorbitant and would be an undue burden on each member of the community — several who could not even afford to pay the annual flat rate of \$1,200. Our alternate proposal was to base the fee on the "cubic foot" which was the way both the Aromas Water District and Pajaro Valley Water District charged its members. It would be significantly lower a month fee — 7 times less than what Neil was proposing, as a "cubic foot" equals 7 gallons. For example, instead of paying \$700 per month, each property owner would only pay \$100.

Fortunately, after rigorous discussion at the November 2016 annual mandatory home owner MHMWA2 meeting with a majority of the 19 property owners in attendance (although a few properties had submitted proxies so they would not have to attend in person), a reasonable monthly rate was agreed upon for: a monthly base-rate of \$147 to be used to maintain and repair the existing water system AND to adopt the Aromas Water District water rates per "cubic foot" — this would hopefully keep the monthly

water bills within the \$200-\$300 range (which was, unfortunately, still 2 to 3 time higher annually than had been paid previously) and that money would be used to save towards a new well for the community.

The first water bill for MHMWA2 members under this new financial system would be effective starting December 12, 2016 and due for payment within a few days. As feared, the billings under the new agreed-upon financial system for MHMWA2 were a lot higher than anyone expected.

Fortunately, for Wilson and I, our permit to put in our own well was approved in early 2017 and our well was completed in early April 2017. We then submitted written and oral notice of our disconnection from the MHMWA2 as of April 12, 2017 since we did not want to be a part of the MHMWA2 from that date forward.

Our decision to get our own well inspired other homeowner owners and we heard that a few had applied for their own well permits. We also heard complaints about the exorbitant monthly fees and how the water meters were not accurately monitoring the water usage on other properties. It was later in 2017 that we then heard rumors of how the funds being collected for MHMWA2 were being used for unauthorized expenditures (such as to pay for medical coverage of an independent contractor who was hired to read the water meters) and it was suspected that the water fee funds were being spent in an inappropriate manner. These reports of misappropriation of funds have been alarming and we encouraged other homeowners to request to audit the MHMWA2 books to verify expenditures.

Not only has Neil been resistant to focusing on the need to ensure clean water, as President, Neil has also refused to apply for government grants or to accept private loans put in a new well. Neil could have used his time as President over the past 4 years to get a government loan — but he has failed to do so, which is likely in breach of his fiduciary duties as President of MHMWA2.

Neil also recently rejected a formal proposal by Hector Roacha's father-in-law to provide up to \$100,000 towards installing a new well for the MHMWA2 community — a proposal which had a reasonable repayment plan and which would be provided an immediate resolution to the water cleanliness issue.

Neil has not acted in the best interests of the MHMWA2 community. The fact that he is now trying to interfere with or impede any of the MHMWA2 members from receiving their own permits to install wells on their own properties is done out of purely selfish motivations:

- (1) Neil cannot afford to get his own well; AND
- (2) he would lose access to the excessive monthly fees — which is suspected he using to supplement his own income and he uses to pay for his one personal expenses.

It is also suspected that Neil does not even pay for his own water use and may not have paid into the MHMWA2 for several years, especially since his wife Natalie was Treasurer for a number of years. (Natalie only gave up that position as Treasurer in November 2016 once a member pointed out that it was probably illegal for a married couple to be President and Treasurer of the MHMWA2.)

It is also suspected that the two subsequent individuals that have been Treasurer in



2017 and in 2018 could be working in coordination with Neil to use the MHMWA2 monthly water bill income for non-community purposes or have misused those funds in some manner. Neil may have incentivized this "turning a blind eye" to any misappropriation by allowing the those who are acting as Treasurers to skip paying their own water bill fees due to the MHMWA2 community.

Regardless of how the water funds have been collected and spent, Neil has not acted in the MHMWA2 community's best interest in 2 significant ways:

- (1) he never applied for a government grant to replace or repair the MHMWA2 water system or to install a new well; and
- (2) he rejected the loan offered by Hector Rocha's father-in-law, which would have been used to install a new well.

In fact, the majority of Neil's efforts have hurt or hindered the sustainability of the MHMWA2 water system. His direct action or inaction has also contributed to an extreme health hazard that has jeopardized the well being of the members of the MHMWA2 community. So Neil's latest efforts to interfere with any of the home owners from getting their own wells and protecting their own health and well being is just another example of how he has prevented and interfered with each home owner's use and enjoyment of their own property — to each home owner's financial detriment and at risk to their health and well being.

I hope this information can be helpful and assists you in acquiring the well permits for any of the MHMWA2 members who wish to get their own wells for their properties.

If you need copies of the remainder of the email communications and other documents that I have from the year that I was Secretary of the MHMWA2, please let me know and I will get those to you either by email or by delivery of printed copies. I am happy to assist in any way that I can.

With regards,

Rebecca Circle, Aromas, CA. 95004