

# STONE REPORT

December 15, 2009



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Dear MCAR GAD,

Welcome to the "Stone Report", a publication brought to you by the Government & Community Affairs Department of the Monterey County Association of REALTORS®

## Water Update

**Here's the latest on the Monterey Peninsula water situation:**

**January 4, 2010** - a determination will be made on the request by the California Attorney General for change of venue out of Monterey County for the stay on implementation of the State Water Resources Control Board (SWRCB) Cease & Desist Order proceedings. It appears the State of California is concerned there may be a certain level of bias should the proceedings take place here locally. As it stands today, on **January 27<sup>th</sup> 2010**, the Monterey County Superior Court will decide whether or not the stay (the stay acts as a temporary restraining order on the Cease & Desist Order which was adopted on October 20, 2009) is lifted or continues until a specific date assigned. The January 27<sup>th</sup> stay proceedings could change per the outcome of the decision on the change of venue. This is a VERY important decision obviously.

**The very next day, (1-28-10)** the Monterey Peninsula Water Management District (MPWMD) will be meeting to possibly enact stage 3 or stage 5 rationing as a result of the courts decision the previous day. If the stay is lifted, we can almost guarantee we would go into stage 5 rationing. However, the MPWMD general manager has the authority to delay adoption of the rationing for up to 90 days upon the courts stay decision which could come on January 27<sup>th</sup>.

The MPWMD is considering whether or not the district will enact stage 3 rationing should the stay be extended on the 27<sup>th</sup>. Stage 3 would essentially penalize through fees the highest water users which could in some instances result in a **doubling of rates**. As a reminder, the California Public Utilities Commission (CPUC) has granted authority for Cal-Am to enact their new rate structure. The new rates will become effective upon Cal-Am's billing software upgrade, most likely before **February 2010**. Again, this new rate structure would essentially double rates in the top 2 tiers, (highest users) primarily commercial and roughly 2500 residential users with heavy landscape water usage. Combine the new rate structure with the associated fees of stage 3 or 5 rationing violations and you're looking at some **SERIOUS** dollars.

To summarize, we're probably looking at either Stage 3 rationing if the stay continues to be in place after the Jan. 27<sup>th</sup> decision and Stage 5 should the stay be lifted. Stage 5 would mean a moratorium on new connections or intensification of use and would require 50gpd rationing (today we're around 70gpd).

Again, the state of California considers anything below 55gpd below health and human safety standards.

More to come following the court determinations.

## Updated Water Disclosure

MCAR has made available a revised Monterey County Supplemental Water Disclosure for your use. The updated form accounts for the recent Cease and Desist Order decision by the State Water Resources Control Board and provides an increased level of awareness and coverage for all parties involved in a transaction where water availability may be an issue.

To access the updated Water Disclosure, please click [here](#).

## MANDATORY USE TAX REGISTRATION FOR PERSONS WITH AT LEAST \$100,000 IN ANNUAL GROSS RECEIPTS

REALTORS® with at least \$100,000 in annual gross receipts may be required to file a Use Tax Registration form with the California State Board of Equalization (BOE). Under a new law enacted on July 28, 2009, a person who receives at least \$100,000 in annual gross receipts must generally register as a "qualified purchaser" with the BOE.

Although the use tax registration requirement is new, the use tax itself is not new. California generally imposes a use tax when a person or business in California purchases tangible merchandise to be used, consumed, given away, or stored in California from an out-of-state retailer who does not collect California tax on the sale. The use tax rate is the same as the sales tax rate. A qualified purchaser as defined must register with the BOE regardless of whether he or she purchases any items from out-of-state retailers. The BOE recommends that the mandatory registration for qualified purchasers be filed with the BOE as soon as possible. For more information including the registration form, go to the BOE website at <http://www.boe.ca.gov/news/pdf/l232.pdf>.

## Message from the City of Seaside

### HOLIDAY SCHEDULE REMINDER

**CITY HALL WILL BE CLOSED FOR TWO WEEKS BETWEEN DECEMBER 18<sup>th</sup> - January 3<sup>rd</sup> DUE TO THE CITY'S FURLOUGH SCHEDULE.**

**PLEASE REMEMBER THE CITY'S HOLIDAY FURLOUGH DATES WHEN SCHEDULING PERMIT INSPECTIONS AND SUBMITTING APPLICATIONS.**

**WE APPRECIATE YOUR PATIENCE AND LOOK FORWARD TO SERVING YOU AGAIN BEGINNING JANUARY 4<sup>TH</sup>, 2010 DURING OUR NORMAL BUSINESS HOURS 7:30 A.M. -5:30 P.M. MONDAY - THURSDAY.**

*Until next time,*

Kevin Stone  
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Monterey County Association of REALTORS®