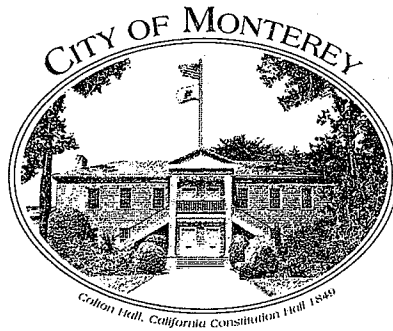


EXHIBIT 17-C



RECEIVED
SEP 30 2004
APW/ML

September 28, 2004

Stephanie Pintar, Water Demand Manager
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93942

RE: Water Credit Transfer from 784 Foam Street to the City of Monterey

Dear Ms. Pintar:

Thank you for the correspondence dated September 15, 2004 regarding the above-referenced matter. Upon review we determined that the proposed water credit transfer could not have a significant effect on the environment and is, therefore, exempt from the provisions of the California Environmental Quality Act (CEQA). Accordingly, we have prepared a Notice of Exemption (NOE) as required by CEQA Section 15062 and filed the document with the Monterey County Clerk. We have also posted the NOE outside our City Clerk's office. The NOE will remain posted for 30 days. I have enclosed a copy of the document for your records.

In addition, this correspondence serves to confirm that the City of Monterey formally approves of the commercial water credit transfer to the City's allocation. Please proceed with scheduling Monterey Peninsula Water Management Board review for the water credit transfer at your earliest possible convenience.

Thank you for your attention to this matter. Please contact me at 646.3437 if you have any questions or require additional information.

Sincerely yours,


Chip Rerig, AICP
Senior Planner

CR:ka

c: Fred Meurer, City Manager
Bill Wojtkowski, Community Development Director
Deborah Mall, City Attorney
Bonnie Gawf, City Clerk
Bill Fell, Chief of Planning
Frank Donangelo, Foursome Development Company, 765 Wave Street, Monterey, CA
93940
Todd Bennett, Senior-Associate Planner

Notice of Exemption

Form D

To: Office of Planning and Research
PO Box 3044, 1400 Tenth Street, Room 212
Sacramento, CA 95812-3044

From: (Public Agency) City of Monterey
Community Development Department
City Hall, Monterey, CA 93940
(Address)

County Clerk
County of Monterey

Project Title: Water credit transfer from 784 Foam Street to City of Monterey

Project Location - Specific:

784 Foam Street

Project Location - City: Monterey Project Location - County: Monterey

Description of Project:

Transfer of commercial water credit from 784 Foam Street to the City of Monterey

Name of Public Agency Approving Project: City of Monterey

Name of Person or Agency Carrying Out Project: City of Monterey Community Development Department

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: Class 2 - Section 15302
- Statutory Exemptions. State code number: _____

Reasons why project is exempt:

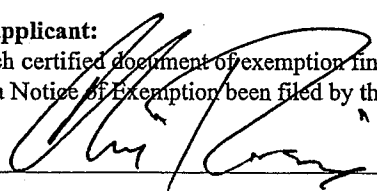
The project will transfer a documented water credit from a previously-existing building at 784 Foam Street to the City's water allocation. The City will then commit the water credit back to the same site with the understanding that the property owner will construct a similar-sized building to that which previously existed on the site.

Lead Agency

Contact Person: Chip Rerig Area Code/Telephone/Extension: 831-646-3437

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature:  Date: 9/27/04 Title: Senior Planner

- Signed by Lead Agency Date received for filing at OPR: _____
- Signed by Applicant

January 2004