

EXHIBIT 12-C



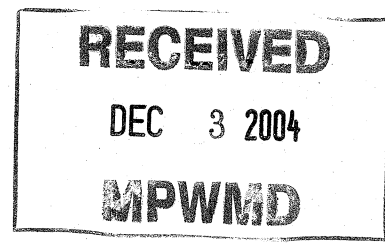
PUBLIC WORKS DEPARTMENT

610 Olympia Avenue
Seaside, CA 93955

Telephone (831) 899-6825
FAX (831) 899-6311
TDD (831) 899-6207

December 3, 2004

David Berger, General Manager
Monterey Peninsula Water Management District (MPWMD)
5 Harris Court, Building G
PO Box 85
Monterey, CA 93940



Re: Water Credit Transfer Application for 866-890 Broadway (APN 011-293-002)

Dear Mr. Berger:

This letter is in response to your staff 's inquiry regarding the City of Seaside's environmental review process on the above referenced water credit transfer application. The City of Seaside filed a Notice of Exemption based on a Class 2 Exemption outlined in Section 15302 of the California Environmental Quality Act. The Class 2 exemption applies since the reuse of the water would occur on the same property and would have substantially the same purpose as the structures being replaced. It is the city's full intention to reassign the water usage to the same site with substantially the same purpose and capacity of development as what originally existed (i.e. retail and restaurant-type businesses).

When staff originally filled out the application and required checklist for this application, staff chose the most appropriate box to check that was available on the checklist. There were no choices for a Notice of Exemption on the form. Please disregard this portion of our application.

Please be advised that staff will be recommending that the city proceed with an application for a conditional water permit for the project site. This will have to go to the City Council and Redevelopment Agency for their consideration. We hope to get their decision at a special meeting that is tentatively proposed for Thursday, December 9. Should they approve staff's recommendation, we will have the completed Conditional Water Permit application submitted the following day to your office. It is vital that the water credits and necessary water allocation for this project site be secured since the city is in the process of negotiating a development in this area.

If you have any questions regarding this matter, please do not hesitate in contacting me at 899-6825.

Sincerely,

Diana Ingersoll
Director of Public Works/City Engineer

C: Les White, Interim City Manager



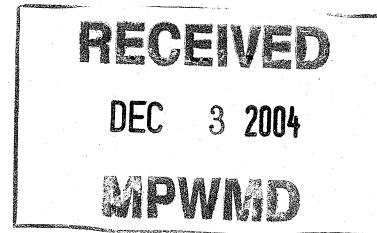
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