EXHIBIT 16-C

RESOURCE MANAGEMENT SERVICES
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September 1, 2015

David J. Stoldt, General Manager
Local Projects Application
Monterey Peninsula Water Management District
PO Box 85
Monterey, CA 93942-0085
Via email dstoldt@mpwmd.net

Subject: Grant Application for Local Water Project

Please find enclosed an application for grant monies to design and construct a system to provide non-potable water for public works activities such as sewer line cleaning, street sweeping, storm drain cleaning, and other irrigation and construction needs. The City of Seaside proposes to design and construct modifications to an existing irrigation well located in Laguna Grande Park to provide water to public works vehicles and others needing water for maintenance and construction activities. Since the Laguna Grande well does not draw water from the Carmel River Basin or the Seaside groundwater basin, the proposed project would benefit both the Cal Am and Seaside Municipal Water System. The City believes that other municipalities and construction firms would also benefit as the water would be made available to those wishing to draw water from the proposed hydrant.

Please contact Rick Riedl, Senior Civil Engineer to discuss any questions or comments.

Sincerely,

Tim O'Halloran, PE
City Engineer / Public Works Services Manager

Copy: John Dunn, City Manager
Diana Ingersoll, Deputy City Manager – Resource Management Services
Rick Riedl, Senior Civil Engineer

Grant Application by City of Seaside Local Water Project

September 1, 2015

Eligibility Summary

Project Name:	Public Works Non-Potable Water from the Laguna Grande Well
Project Geographic Location:	Project is located in the City of Seaside along Canyon Del Rey Boulevard near Harcourt Ave (36°36'14.79"N, 121°51'16.93"W)
Project Sponsor:	City of Seaside, a public entity.
Project Purpose:	The proposed project will offset existing potable water used for public works and construction activities. The project would produce non-potable water for public works activities such as sewer line cleaning, street sweeping, storm drain cleaning, and other irrigation and construction needs. The water would be made available to other public entities external to the City of Seaside. The water could also be used for private project construction water needs. Since the Laguna Grande well does not draw water from the Carmel River Basin or the Seaside groundwater basin, project benefits would accrue to Cal Am and Seaside Municipal Water System. Activities that currently use potable water for sewer line flushing, street sweeping, storm drain cleaning, irrigation and construction grading could use the proposed project to offset the use of potable water from these entities.
Project Description:	The proposed project would modify an existing irrigation well located in Laguna Grande Park. The project would add motor controls, flow controls, below grade piping and a hydrant for filling vehicles. Vehicles needing water would park on Canyon Del Rey Boulevard or in the Laguna Grande parking lot to fill up by attaching a hydrant meter and hose to the proposed hydrant. The project could deliver water from the proposed hydrant at the maximum safe filling rate of about 200 gpm. The actual maximum filling rate would be determined during the design phase. The water would be available year round. The City proposes to hire an engineering firm to design the system and then solicit bids for construction. Design and construction is estimated to take about nine months.
Requested Funds:	The city is requesting $132,000 to design and construct the project. Additional funding would be required to operate and maintain the project.

The City proposes that users of the facilities would be billed for usage to compensate for operation and maintenance costs. Additional charges to reimburse for capital may be warranted.

Matching Funds: The City of Seaside does not have matching funds available.

However, reimbursement of funds expended could be derived from user fees. The City is interested in discussing with the District possible methods of reimbursement of grant funds.

Technical Feasibility: The existing well produces about 20 acre-feet per year (AFY) for irrigation. Since the well is used for irrigation, it produces water at about 600 gpm The proposed project would install controls on the well to reduce the flow to a safe and manageable flow for the filling trucks. The proposed project would control the flow for filling vehicles by adding a variable frequency drive (VFD) and accumulator tank with automatic shut off. In this way, the well pump would run at a much lower rate that would be safe for filling vehicles.

Project Schedule: The proposed project is shown below in days after notification of grant award.

- Award Design 60 days
- Complete CEQA 90 days
- Complete Design 120 days
- Bidding 180 days
- Award Construction 240 days
- Complete Construction 270 days

No additional permits would be required as the well is not located within the Coastal Zone (see Figure 1-2a, "Coastal Zone Subareas" from Seaside's LCP) or the Seaside Groundwater Basin.

Project Financing: Estimated project costs are as follows

- Construction $72,000
- Planning, Design and Permitting $30,000
- Contingency 30% $30,000
- Total Estimated Cost $132,000

If the District does not provide a grant for the entire project amount, the City is unable to fund the project and would not proceed.

Annual Cost of Water:	Estimated annual operating costs for producing 5 AF of water for public works vehicles are as follows:

- Electricity $2,500
- Maintenance $3,700
- Capital Cost Recovery (Construction Costs) (20 years at 2.5% IRR) $6,000
- Capital Cost Recovery (Soft Costs) (50 years at 2.5% IRR) $1,400
- Total Annual Cost $13,600

Assuming the system produces 5 AFY, the annual cost of water would be $2,720 per AF.

Land	The land is owned by the City of Seaside and the Monterey Peninsula Regional Parks (APN 011-371-006).
Permits	No permits are envisioned for the proposed project because the site is owned by the City and a similar non-potable water filling station was previously operated by the City at this site. The previous system (now defunct) did not have a motor or flow control but instead wasted excess water to the lake to provide the remainder as safe and manageable flows for filling vehicles.
Consultants, Plans, and Bids	The City would retain consultants to prepare construction documents that would be used to solicit competitive bids to construct the project. The City received a proposal from Salinas Pump several years ago to install a system similar to the one proposed and was used as a basis for this cost estimate.

Attachments

Figure 1-2a, "Coastal Zone Subareas" from Seaside's LCP showing proposed project location

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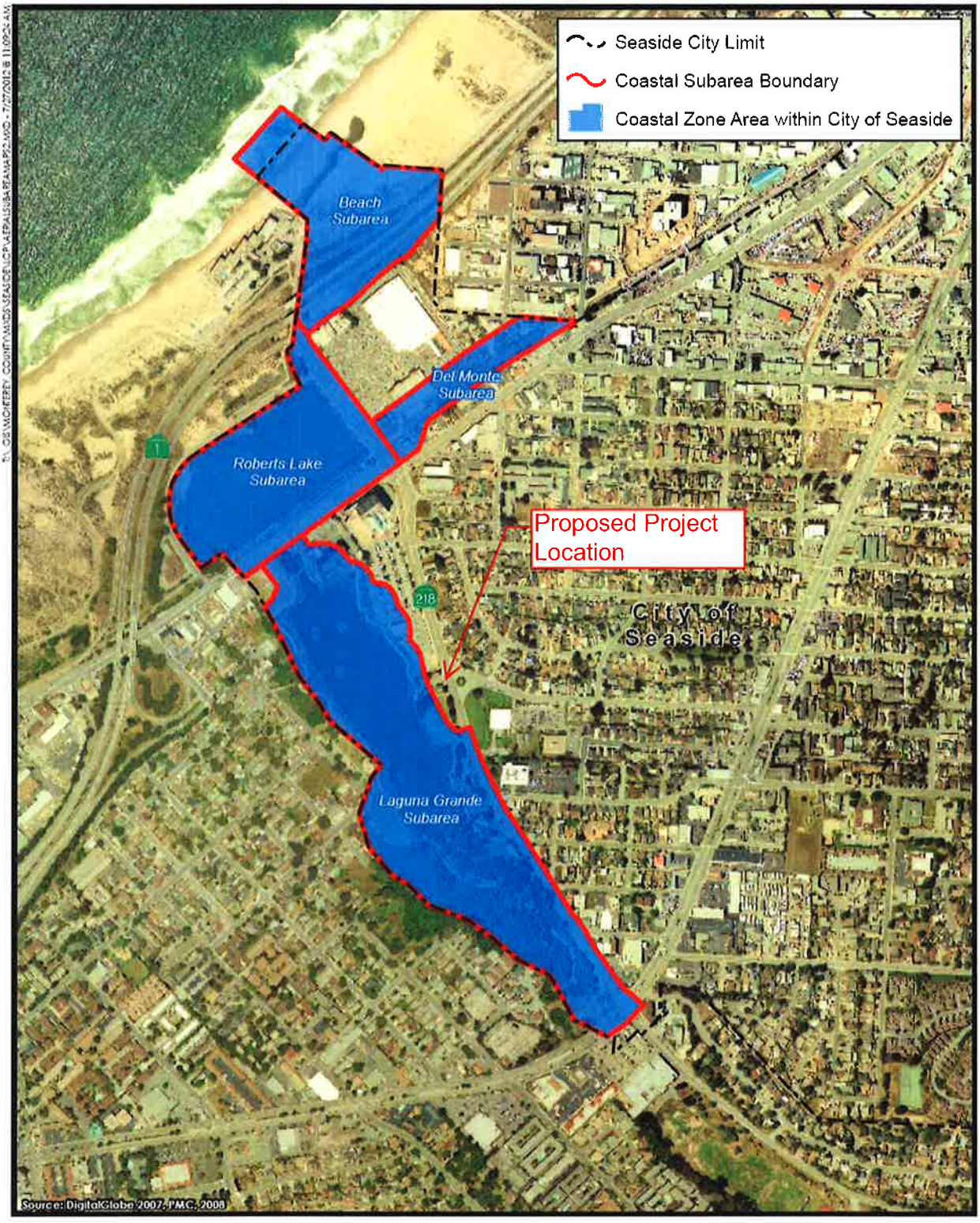

Figure 1-2a
Coastal Zone Subareas

PMC