



**EXHIBIT 18-F**

**DRAFT**

**AMENDED CONDITIONS OF APPROVAL FOR  
RYAN RANCH UNIT**

**Application to Amend California American  
Water Distribution System – Interconnection of Ryan Ranch and  
Bishop Units in Seaside Basin for Emergency Use  
MPWMD Application #20150206CYP, Permit #M15-03-L3**

**Permittee: California-American Water Company, a California Corporation  
Permitted System: California American Water, Ryan Ranch Unit  
Service area: Ryan Ranch Unit (all Parcels)**

**Adopted by MPWMD Board on June \_\_\_\_, 2015 Pursuant to Rule 22-D  
Preparation Date: June \_\_\_\_, 2015**

**Permitted System (Required by MPWMD Rules)**

1. The California American Water (Cal-Am) Water Distribution System, Ryan Ranch Unit (Permitted System) is authorized by the Monterey Peninsula Water Management District (MPWMD or District) under Permit #M15-03-L3 to provide water service to the Ryan Ranch commercial area (previously referred to as the Monterey Research Park), which comprises approximately 312 acres in the City of Monterey. The Ryan Ranch Unit service area is shown in **Attachment 1**, which also provides a current list of Assessor Parcel Numbers, which may be updated in the future, as needed. This action is referred to herein as the “CAW/Ryan Ranch-Bishop Interconnection.” [Rule 22-D-1-a]
2. The Permit authorizes the Permitted System to provide potable drinking water supply to the Parcels referenced in Condition #1, in compliance with the current moratorium on new Connections imposed by the District Board on June 15, 2009, as described in Special Condition #27. [Rule 22-D-1-b]
3. The System Capacity (water production limit) for the Permitted System is hereby set at 72 Acre-Feet per Year (AFY), as ordered by the MPWMD Board of Directors on June 15, 2009. The Expansion Capacity Limit is 190 Connections, with the restrictions described in Special Condition #27. [Rule 22-D-1]

4. The source of water for the Permitted System is percolating Groundwater extracted by Ryan Ranch Unit Wells located within the Laguna Seca Subarea of the Seaside Groundwater Basin, as follows: RR #7 (MCEHB Permit #W-2089, DWR #082916 completed 1/17/1981); RR #8 (MCEHB Permit #W-2117, DWR #082948 completed 6/16/1981); RR #11 (MCEHB Permit #03-01475, DWR #804084 completed 8/11/2003). [Rule 22-C-3]

**Additional Mandatory Conditions of Approval (Required by MPWMD Rules)**

5. No other agency approvals are specifically identified as being required before this Permit is valid. [Rule 22-D-1-c] However, precedent to use of this Permit, Permittee shall first obtain and comply with any required approval from the local Jurisdiction in which the Ryan Ranch Unit Parcels are located, as well as the Seaside Basin Watermaster, if necessary. Approval of the emergency interconnection pipeline referenced in Condition #13 is the authority of the City and/or County of Monterey. [Rule 22-D-3]
6. Permittee shall execute an Indemnification Agreement, provided separately, which holds the District harmless and promises to defend the District from any claims, demands, or expenses of any nature or kind arising from or in any way related to the District approval of the Permitted System or the adequacy of the system water supply. This Permit is not valid until the Indemnification Agreement is signed by both the Permittee and MPWMD. The Indemnification Agreement must be signed within 60 days of the preparation date shown (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-d]
7. Permittee shall comply with District rules relating to water Well registration, metering and annual reporting of production (MPWMD Rules 52 and 54). [Rule 22-D-1-e; Rule 22-D-2]
8. Permittee shall report production by the Water Meter Method (MPWMD Rule 56) for the Wells designated in Condition #4. Refer to Special Conditions #29 and #30 for additional Well reporting requirements. [Rule 22-D-1-e; Rule 22-D-2]
9. Permittee shall comply with all MPWMD water conservation rules that pertain to CAW customers, as applicable, (e.g., commercial, residential, landscape). Current ordinances specify maximum water use rates for fixtures and require new development to install drought-resistant landscapes, and drip irrigation, where appropriate. Contact with the District Permit and Conservation Office at 831/658-5601 is recommended during project planning. [Rule 22-D-1-f]
10. No new Connections to the Permitted System may be set until a Water Permit has been secured from MPWMD for each Connection in accordance with MPWMD regulations governing issuance of Water Permits. Connection Capacity Fees shall be calculated based on water demand estimates using the District's water demand methodology at the

time of the application. [Rule 22-D-1-g]

11. Any intensification or expansion of use within the Permitted System shall require a new application and Permit pursuant to MPWMD Rules 23 and 24. [Rule 22-D-1-k]
12. Any new facilities, expansion of service area boundaries, changed conditions regarding water service by other entities, increase in the System Limits set in Condition #3, or other changes described in MPWMD Rule 22-E shall require a Permit to amend the Permitted System. [Rule 22-E]
13. No intertie between the Permitted System and any other water system intended to provide regular (non-emergency) service to the Ryan Ranch Unit Parcels shall be allowed without amending this WDS Permit pursuant to Rule 22-E. An intertie between the CAW Bishop Unit and the Ryan Ranch Unit shall only be allowed during emergency events via a one-way pipeline crossing York Road as approved by the City and/or County of Monterey. The term “emergency event” means that water system facilities are not capable of providing sufficient supply to customers, typically due to failure of a facility component. Transfers of water between the Bishop Unit and the Ryan Ranch Unit must be metered and reported to the District within one week of occurrence. Use of the emergency intertie between the Bishop and Ryan Ranch Units shall be subject to MPWMD Board review if such use occurs for more than 60 days. Use of an intertie between the “main” CAW water system (i.e., draws water from the Monterey Peninsula Water Resource System) and the Ryan Ranch Unit is prohibited unless written permission is given by the District General Manager in an emergency event, including documentation that both Ryan Ranch and Bishop Unit supply cannot meet the required demand. The Ryan Ranch Parcels may receive CAW water from any source for emergency fire service, so long as this service is documented and reported in accordance with these conditions. [Rule 22-D-1-h]
14. A back-flow protection device to prevent contamination of the CAW system is not required as the Ryan Ranch Parcels will be served by CAW. [Rule 22-D-1-h]
15. Because the Permittee and Permitted System is a regulated Public Utility, compliance with California Title 22 drinking water standards is already required by the State Water Resources Control Board, Division of Drinking Water. [Rule 22-C-2]
16. Permittee is not required to carry out specific mitigation measures by MPWMD to offset adverse environmental impacts above and beyond those actions already required by the “Physical Solution” specified by the Superior Court in the Seaside Basin Adjudication Decision or by the Seaside Basin Watermaster. [Rule 22-D-1-i]
17. Because the Permittee and Permitted System is a regulated Public Utility, Permittee is not required to provide an agreement to serve water to Parcels in the Ryan Ranch Unit. [Rule 22-D-1-j]

18. Upon District approval of this Permit, Permittee shall pay to the District the invoiced cost for MPWMD staff, attorney and consultant time spent to process the Permit subsequent to the application date, if required. Actual costs will be compared to the initial Application Fee. The Permittee will be separately provided documentation to support the invoiced amount. This Permit is not valid until payment for the invoiced amount is received by MPWMD. The payment must be received within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-l]
19. Upon finalization of these conditions, the Permittee shall sign and notarize an Acceptance of Permit Conditions Form associated with the approval of the Permitted System. By signing the form, Permittee acknowledges that Permittee understands and accepts these conditions as a binding part of the Permit approval, and agrees to carry them out faithfully. The Acceptance Form must be received by MPWMD within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-m]
20. Permittee shall disclose to any future owner, successors and assigns of the CAW Ryan Ranch Unit WDS described in Condition #1 the requirements for the Permitted System associated with this Permit. MPWMD shall be advised in a timely manner of any changes in system ownership, system name, or other substantive changes to the system to facilitate accurate record-keeping. [Rule 22-D-2]
21. Given the unique nature of the CAW/Ryan Ranch-Bishop Interconnection, and the fact that CAW system infrastructure is already in place to serve the Ryan Ranch Unit, this Permit does not include deadlines associated with the construction of the proposed interconnection pipeline, which will be approved by other agencies. [Rule 22-D-4]
22. Permittee shall execute a Notice of Agreement by MPWMD regarding the limitation on water use as set forth in these conditions. Permittee shall pay all fees associated with preparation, review and recording of the Notice of Agreement. The Notice of Agreement must be signed and notarized by the Permittee and accepted by the Monterey County Recorder for processing within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-n]
23. Upon notice to the Permittee in writing, e-mail or by telephone, reasonable access shall be given to MPWMD staff or its designated representative to inspect and document Water-Gathering Facilities and Water-Measuring Devices, obtain hydrogeologic data, and take readings from Water Measuring Devices within the Permitted System. [Rule 22-D-1-o]
24. The Permit granted herein is subject to revocation in the event the Permittee does not fully comply with each condition set forth in this Permit. [Rule 22-D-1-p]

### **Other Standard Conditions of Approval**

25. Nothing in this Permit shall be construed to grant or confirm any water right.
26. This Permit does not authorize any act that results in the taking of a threatened or endangered species or any act which is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code Sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. Sections 1531 to 1544). If a “take” will result from any act authorized under this Permit, the Permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this Permit.

### **Special Conditions of Approval**

27. Pursuant to the Findings, Conclusions and Decisions Regarding Insufficient Supply in the Ryan Ranch Unit adopted by the MPWMD Board of Directors on June 15, 2009, the District shall not accept an application for a Water Permit to expand water use in the Ryan Ranch Unit service area until its System Capacity is further modified from the current value of 72 AFY. Permittee may apply for, and the District may further amend, the Ryan Ranch Unit System Capacity based upon credible expert analysis in accordance with Rule 40-B-4.
28. Precedent to use of this Permit, Permittee shall provide copies to MPWMD of documents from the Seaside Basin Watermaster associated with approval of the CAW/Ryan Ranch-Bishop Interconnection, if applicable.
29. For each Well specified in Condition #4, Permittee shall continue to provide monthly reports of water production that identify production on a daily basis.
30. For each Well specified in Condition #4, Permittee shall continue to obtain monthly measure water levels in each Well, and measure water levels in monitoring Wells within the Ryan Ranch Unit, and report these data to the District along with the monthly production report described in Condition #29.
31. By November 30 of each year, Permittee shall continue to provide an annual report to the District of metered sales (customer consumption) that identifies consumption during the previous Water Year.

ATTACHMENT 1—Service area map and list of parcels

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