



EXHIBIT 18-G

DRAFT

**AMENDED CONDITIONS OF APPROVAL FOR
BISHOP 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, Bishop Unit
Service area: Bishop Unit (all Parcels except Golf Course)**

**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, Bishop 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 residential subdivisions and commercial customers within the Bishop Unit area, which comprises approximately 1,036 acres in the unincorporated County of Monterey. Areas served by the Bishop Unit include the Laguna Seca Estates No. 1 and No. 2 Subdivisions, Pasadera Subdivision, York School, and the Laguna Seca Office Park. The Nicklaus Club Monterey Golf Course is not served by the Bishop Unit and derives its supply from on-site Wells. The Bishop 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. This Permit authorizes the Permitted System to provide potable drinking water supply to the Parcels referenced in Condition #1, and does not include water service for golf course turf and golf course landscape irrigation. [Rule 22-D-1-b]
3. The System Capacity (water production limit) for the Permitted System continues to be set at 295 Acre-Feet per Year (AFY), and the Expansion Capacity Limit set at 454

Connections, as approved by the MPWMD Board of Directors on October 21, 1996. [Rule 22-D-1]

4. The source of water for the Permitted System is percolating Groundwater extracted by two Bishop Unit Wells located within the Laguna Seca Subarea of the Seaside Groundwater Basin, as follows: Bishop #1 (MCEHB Permit #99-120, DWR #701026 completed 8/4/1999); and Bishop #3 (MCEHB Permit #10-11766, DWR #e0116033 completed 12/28/2010). For reference, Bishop #2 (MCEHB Permit #99-119, DWR #701027 completed 8/15/1999) was destroyed and replaced by Bishop #3. [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 Bishop Unit Parcels are located, as well as the Seaside Basin Watermaster, if necessary. Approval of the interconnection pipeline (“intertie”) 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 #28 and #29 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 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 Bishop Unit is prohibited unless written permission is given by the District General Manager in an emergency event, including documentation that Bishop Unit supply cannot meet the required demand. The Bishop Unit 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 Bishop Unit 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 within the Bishop 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 Bishop 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 Bishop 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 prepared 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. 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.
28. For each Well specified in Condition #4, Permittee shall continue to provide monthly reports of water production that identify production on a daily basis.
29. For each Well specified in Condition #4, Permittee shall continue to obtain monthly measurements of water levels in each Well, and measure water levels in monitoring Wells within the Bishop Unit, and report these data to the District along with the monthly production report described in Condition #28.
30. 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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