



**EXHIBIT 15-F**

**AMENDED CONDITIONS OF APPROVAL FOR  
CALIFORNIA-AMERICAN WATER DISTRIBUTION SYSTEM, RYAN  
RANCH UNIT, TRANSFER OF CYPRESS PACIFIC WATER RIGHTS TO  
SERVE COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA  
PARCELS**

**MPWMD Application #WDS-20150715RYA, Permit #M15-06-L3**

**Permittee: California-American Water Company, a California Corporation**

**Permitted System: California American Water, Ryan Ranch Unit**

**Donor Service Area: APN 011-011-020 (per MPWMD Permit #M14-05-L4)**

**Recipient Service Area: APN 259-221-004 and -005 in Ryan Ranch**

**Owner: Community Hospital Properties, a California Nonprofit Benefit Corporation**

**Adopted by MPWMD Board on August 17, 2015 Pursuant to Rule 22-D**

**Preparation Date: August \_\_\_\_, 2015**

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

1. The California-American Water Company (CAW) Water Distribution System, Ryan Ranch Unit (Permitted System), is authorized by the Monterey Peninsula Water Management District (MPWMD or District) to provide water service to the 312-acre Ryan Ranch business park located in the City of Monterey. In September 2014, the District approved Permit #M14-05-L4 for the “CAW/Cypress Amendment,” which authorized a transfer of up to 3.17 Acre-Feet per Year (AFY) metered sales to recipient Parcels designated by Cypress Pacific Investors, LLC, (Cypress). Cypress has identified Assessor’s Parcel Numbers 259-221-004 and 259-221-005, owned by Community Hospital Properties, a California nonprofit benefit corporation (Owner), as the designated recipient Parcels for the full 3.17 AFY amount. These “CHOMP Parcels” are shown in **Attachment 1**. This action is referred to herein as the “CAW/Ryan Ranch-CHOMP Amendment.” [Rule 22-D-1-a]
2. The Permit authorizes the Permitted System to provide potable drinking water supply to the two CHOMP Parcels referenced in Condition #1, which is the sole exception to 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 75.17 AFY, comprised of the 72.0 AFY limit as ordered by the MPWMD Board of

Directors on June 15, 2009, plus the 3.17 AFY metered sales designated solely for the two CHOMP Parcels described in Condition #1. The Expansion Capacity Limit remains at 190 Connections, with restrictions described in Special Condition #27. [Rule 22-D-1]

4. The source of water for the CAW/Ryan Ranch-CHOMP Amendment water rights transfer is Groundwater extracted by CAW Wells in the Coastal Subareas of Seaside Groundwater Basin. Water for the CHOMP Parcels shall be delivered through CAW's Ryan Ranch Unit WDS. Because CAW is "wheeling" Cypress water, it is possible that the actual water delivered to the future CHOMP facilities could be derived from CAW 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); and 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 Ryan Ranch Unit Parcels, including the CHOMP Parcels, are located, as well as the Seaside Basin Watermaster, if necessary. Approval of construction 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 and Owner 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. Owner 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. Except for service solely to the two CHOMP Parcels specified in Conditions #1 through #4 and Special Condition #27, no intertie between the Permitted System and any other water system intended to provide 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. Except for service solely to the two CHOMP Parcels specified in Conditions #1 through #4 and Special Condition #27, 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 all 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 and Owner shall sign and notarize an Acceptance of Permit Conditions Form associated with the approval of the Permitted System. By signing the form, Permittee and Owner acknowledge that they understand and accept these conditions as a binding part of the Permit approval, and agree 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-CHOMP Amendment, 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 facilities on the CHOMP Parcels, which will be approved by the City of Monterey. [Rule 22-D-4]
22. Permittee shall execute a Notice of Agreement prepared separately by MPWMD regarding the limitation on water use as set forth in these conditions. Permittee shall also ensure that the Owner of the CHOMP Parcels executes a Notice and Deed Restriction prepared separately 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 and the Notice and Deed Restriction. The Notice of Agreement and Notice and Deed Restriction must be signed and notarized by the Permittee or Owner, respectively, 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 and Owner do 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. Except for service of up to 3.17 AFY metered sales designated solely for the two CHOMP Parcels specified in Conditions #1 through #4, 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 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. 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, and the CAW/Ryan Ranch-CHOMP Amendment, 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. Permittee shall meter the pipelines that deliver water to the two CHOMP Parcels and report cumulative water use on a quarterly basis to MPWMD to

ascertain that water deliveries to the two CHOMP Parcels remain within the 3.17 AFY limit. If metered sales on the two CHOMP Parcels exceed 3.17 AFY, then CHOMP will be subject to the procedures specified in District Rule 20.4, Permit Rule Non-Compliance.

32. Final construction plans for the future CHOMP facilities must demonstrate that water use will not exceed 3.17 AFY metered sales, using District methodology at that time, in order to receive a Water Permit for the project.
33. A standard Condition of Approval for any Water Permit issued to the Owners of the Recipient Parcels is a voluntary binding agreement (“Notice and Deed Restriction”) to provide public access to water use data, upon request by MPWMD. Permittee shall provide to MPWMD any information authorized to be released in accordance with a Notice and Deed Restriction executed and recorded by a Recipient Parcel Owner.

#### ATTACHMENT 1—Service area map of CHOMP Parcels

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