



EXHIBIT 16-A

DRAFT FOR 2ND READING

ORDINANCE NO. 192

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF
THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TO DEFINE MONTAGE HEALTH'S MAIN CAMPUS, CARMEL HILLS
PROFESSIONAL CENTER, AND RYAN RANCH CAMPUS AS
THE "COMMUNITY HOSPITAL SITE"
AND AMEND DEFINITIONS OF "SITE" AND "PARCEL"**

FINDINGS

1. The Monterey Peninsula Water Management District ("MPWMD" or "District") was created to address ground and surface water resources in the Monterey Peninsula area which the Legislature found required integrated management and was endowed with the powers set forth in the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977, found at West's Water Code, Appendix, Section 118-1, et seq.).
2. The MPWMD has found and determined that it is in the best interests of the MPWMD and its inhabitants to define, implement, and enforce water efficient plumbing standards and requirements for the conservation and management of Potable water supplies. As part of these efforts, all Non-Residential water Users in the MPWMD have been required to implement Best Management Practices to achieve maximum water savings.
3. MPWMD Regulations require a Water Permit before any Person connects to or modifies a Connection to a Water Distribution System regulated by the MPWMD. This process is described in MPWMD Rules 21, 23, and 24. The addition of any Connection and/or modification of an existing water Connection to any Water Distribution System regulated by the MPWMD requires a Water Permit.
4. This ordinance amends Rule 11, Definitions, to add a definition for "Community Hospital Site" and to amend the definitions for "Site" and "Parcel."

5. Montage Health (dba Community Hospital of the Monterey Peninsula, Community Hospital Properties, Montage Health Foundation, and Community Hospital Ryan Ranch) owns Assessor's Parcel Numbers ("APN") 008-132-011, 008-132-006, and 008-131-015 (the "Main Campus" and the adjacent "Carmel Hills Medical Center" located at 23625 and 23845 Holman Highway in Monterey). Montage Health also owns APNs 259-221-003 (medical condominiums and common area), 259-221-001, 259-221-002, 259-221-004, 259-221-005, 259-031-055, and 259-031-056 at its "Ryan Ranch Campus" and provides hospital services at both locations. These APNs are located within the MPWMD, are served by California-American Water Company, and are located within the City of Monterey.
6. Ordinance No. 87 which was adopted in 1997 established an allocation of water specifically for Montage Health build-out at the Main Campus location. The Ordinance created a special community reserve allocation of 18.28 acre-feet ("AF") of water that was created exclusively for the benefit of Montage Health. This allocation was debited from the amount of water conserved to date at that time under the District's 1989 Conservation Plan.
7. Two later actions were taken by the District: (i) at the May 29, 2003 District Board meeting Ordinance No. 87 was unanimously affirmed to remain in place, and (ii) at the July 21, 2003 meeting the District Board approved Special Circumstances pursuant to MPWMD Rule 24-G and established an overall "water consumption cap" of 119.28 AF at the Main Campus.
8. Montage Health is required to annually provide water records to the District to ensure that usage remains below the "water consumption cap." If usage exceeds the cap, Montage Health will be required to take immediate measures to reduce water use to comply. This requirement is permanent.
9. District staff has examined the most recent eight years and five months of actual consumption records for the Main Campus, and average use has been 82.606 AF per year. This means that Montage Health has "unused" Capacity under its "water consumption cap" equal to 36.674 AF. Bringing both campuses under the existing cap would add the Ryan Ranch usage to the historical Montage Health usage, minus water permitted at the Ryan Ranch Site from the Cypress Investors, LLC and DBO Development No. 30 Water Entitlements. The Ryan Ranch Campus usage is estimated to be approximately 13.5 AF based on permits or 14.5 AF based on limited recent billing data. At least 22.2 AF would be available to Montage Health across their whole newly defined "Community Hospital Site."

10. Montage Health has a present need to access some of the remaining Capacity from the Main Campus to construct a building at the Ryan Ranch Campus that will be used to relocate some of the services from the Main Campus.
11. By combining the Montage Health campuses to create a “Site,” the remaining Capacity will be available to meet the community’s health care needs at both the Main Campus, the Ryan Ranch campus, and the Carmel Hills Medical Center.
12. The addition of a definition for “Community Hospital Site” and the amendment of the definition of “Parcel” and “Site” supports critical local hospital/health services and does not result in an increase in Water Use Capacity.
13. An Initial Study was prepared in compliance with the California Environmental Quality Act (“CEQA”) and a Negative Declaration will be considered prior to adoption following second reading.

NOW THEREFORE be it ordained as follows:

ORDINANCE

Section One: Short Title

This ordinance shall be known as the 2022 Community Hospital Ordinance of the Monterey Peninsula Water Management District.

Section Two: Purpose

The Monterey Peninsula Water Management District enacts this ordinance to amend the definition of “Parcel” and “Site” to include the added definition for “Community Hospital Site” to facilitate use of the Montage Health water consumption cap at the Holman Highway and the Ryan Ranch properties.

Section Three: Amendment of Rule 11, Definitions

The following definitions in Rule 11 shall be amended as shown in bold italics (*new language*) and strikeout (~~deletions~~). Numbering is provided for reference only.

1. ***COMMUNITY HOSPITAL SITE*** - “*Community Hospital Site*” shall mean all facilities and properties owned by Montage Health (related subsidiaries or entities) that are used for hospital and health care and the associated landscaping located on the following Parcels: Assessor’s Parcel Numbers 008-132-011, 008-132-006 (23625 Holman Highway, Monterey; APN 008-131-015 (23845 Holman Highway, Monterey); and APNs 259-221-003 (a Parcel with a building consisting of medical condominiums and common area), 259-221-001, 259-221-002, 259-221-004, 259-221-005, 259-031-055, and 259-031-056 located in the Ryan Ranch Business Park in Monterey.

2. **SITE** -- “Site” shall mean any unit of land which qualifies as a Parcel under the Subdivision Map Act, and shall include all units of land: (1) which are contiguous to any other Parcel (or are separated only by a road or easement), and (2) which have identical owners, or (3) are an Accredited Institution of Higher Education Site, a Department of Defense Site, a Jurisdiction Site, ~~or~~ a Public School District Site, **or the Community Hospital Site**. The term “Site” shall be given the same meaning as the term “Parcel.”

3. **PARCEL** -- “Parcel” shall mean any unit of land which qualifies as a Parcel under the Subdivision Map Act, and shall include all units of land: (1) which are contiguous to any other Parcel (or are separated only by a road or easement), and (2) which have identical owners, or (3) are an Accredited Institution of Higher Education Site, a Department of Defense Site, a Jurisdiction Site, ~~or~~ a Public School District Site, **or the Community Hospital Site**. The term “Parcel” shall be given the same meaning as the term “Site.”

Section Four: Publication and Application

The provisions of this ordinance shall cause the amendment and republication of Rule 11 of the permanent Rules and Regulations of the Monterey Peninsula Water Management District.

Section Five: Effective Date and Sunset

This ordinance shall take effect at 12:01 a.m. 30 days after second reading.

This Ordinance shall not have a sunset date.

Section Six: Severability

If any subdivision, sentence, clause, or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District’s express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion of Director _____, and second by Director _____, the foregoing ordinance is adopted upon this ___ day of _____ 2022, by the following vote:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing ordinance was duly adopted on the _____ day of _____ 2022.

David J. Stoldt, Secretary to the Board

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