

**EXHIBIT 15-B**

**MPWMD  
CONDITIONS OF APPROVAL  
Rule 24-G, Special Circumstances  
Community Hospital of the Monterey Peninsula  
July 21, 2003**

1. A deed restriction listing the conditions of this approval (Form 1.0, Limitation on Use of Water on a Property) shall be recorded on the property prior to issuance of any water permit for Assessor's Parcel Number 008-132-011.
2. The CHOMP (Community Hospital of the Monterey Peninsula) Board of Trustees shall approve a resolution allowing recordation of the deed restriction and specifying the person(s) authorized to sign for CHOMP on the deed restriction.
3. The District hereby establishes a "hospital water use limit" of 119.28 acre-feet on Assessor's Parcel Number 008-132-011. CHOMP shall maintain water use on the site within this limit from January 1, 2004 until December 31, 2033 or until new water supplies are available to provide for new and expanded uses on the site. The hospital water use limit established in this condition may be used for hospital-related water uses on Assessor's Parcel Number 008-132-011.
4. Prior to issuance of a water permit, CHOMP shall submit processing fees in the amount of \$4,200 to the District for up to sixty (60) hours of time and resources to review the water consumption and other conditions of the project for a period of five years. Staff time in excess of two (2) hours annually to review this project shall be compensated by CHOMP at the rate of \$70 per hour or as allowed by District Rule 60.
5. CHOMP shall annually complete and submit a Special Circumstances Review Form and applicable attachments to the District. The Special Circumstances Review Form shall be submitted on March 1 of each year and shall include water use information for the previous January through December. Submittal of the Special Circumstances Review Form shall be required annually beginning on March 1, 2004 and ending on March 1, 2034.
6. CHOMP shall annually submit copies of the Cal-Am water bills attached to the Special Circumstances Review Form.
7. The District will review water use annually beginning in March 2004 following receipt of the Special Circumstances Review Form and attachments from CHOMP. If actual water use exceeds 119.28 acre-feet during any annual review, the following steps will be taken:
  - a. District staff shall send notice to CHOMP to implement water saving measures to reduce consumption to within the hospital water use limit.

- b. Within 21 days of the District's notice, CHOMP shall submit to the District a plan to maintain water use within the hospital water use limit. The plan shall include monthly water consumption targets that will maintain annual water use within the hospital water use limit. CHOMP shall implement this plan immediately and shall use its best efforts to carry out the plan for the duration of the annual reporting period.
  - c. CHOMP shall monthly provide the District with copies of its water bills.
  - d. CHOMP shall have the remainder of the annual reporting to reduce water use to not exceed 119.28 acre-feet per year.
  - e. In the event that water use continues to exceed the hospital water use limit of 119.28 acre-feet annually, the matter shall be set for public hearing before the Board of Directors.
  - f. The Board of Directors shall determine during the public hearing scheduled in (e) above, one or more of the following measures that CHOMP shall be required to carry out to permanently reduce Cal-Am system-wide water use to compensate for exceeding the hospital water use limit on Assessor's Parcel Number 008-132-011:
    - i. CHOMP shall finance specific retrofits of facilities within the Monterey Peninsula Water Resources System to achieve off-site water savings within the Cal-Am system;
    - ii. CHOMP shall obtain a water allocation for the additional water use from the local jurisdiction (the City of Monterey) and shall pay the appropriate connection charge and other fees as specified in District Rule 60;
    - iii. CHOMP shall obtain a water allocation for the additional water use from the Water Management District;
    - iv. The Board of Directors shall determine an appropriate measure at the public hearing.
8. CHOMP shall internally track its water use monthly in an effort to avoid exceeding the annual limit.
9. CHOMP shall only initiate water saving retrofits that do not have cross-media environmental impacts (e.g. going from silver to plastic-ware for food service).