

**GOVERNANCE COMMITTEE
FOR THE
MONTEREY PENINSULA WATER SUPPLY PROJECT**

California American Water • Monterey County Board of Supervisors
Monterey Peninsula Regional Water Authority • Monterey Peninsula Water Management District

This meeting has been noticed according to the Brown Act rules. This agenda was posted on April 24, 2015.

**Governance
Committee Members:**

*California American
Water*

Robert MacLean

*Monterey Peninsula
Regional Water Authority*

Jason Burnett, Chair

Alt.- Bill Kampe

County of Monterey

David Potter

Alt. - Simon Salinas

*Monterey Peninsula
Water Management
District*

Robert S. Brower, Sr.

Vice Chair

Alt. – Jeanne Byrne

Staff Contact:

David J. Stoldt, MPWMD

Arlene Tavani, MPWMD

AGENDA

REGULAR MEETING

**Monterey Peninsula Water Supply Project
Governance Committee**

Monday, April 27, 2015, 2 PM

Monterey Peninsula Water Management District, Conference Room,
5 Harris Court, Building G., Monterey, CA

Call to Order/Roll Call

Pledge of Allegiance

Public Comments

Anyone wishing to address the Committee on matters not listed on the agenda that are within the subject jurisdiction of the Committee, may do so during Public Comments. The public may comment on any other items listed on the agenda at the time they are considered by the Committee. Please limit your comment to 3 (three) minutes.

Presentations – Public Comment will be Received

1. Progress Report from California-American Water on the Monterey Peninsula Water Supply Project Including Update to Test Slant Well

Action Items – Public Comment will be Received

2. Adopt Minutes of March 27, 2015 Governance Committee Meeting
3. Receive Update from California-American Water on Pipeline Procurement Contract Schedule and Request for Qualifications – Provide Direction to California-American Water

Discussion Items – Public Comment will be Received

4. Suggest Items to be Placed on Future Agendas

Adjournment

After staff reports have been distributed, if additional documents are produced by the Governance Committee and provided to a majority of the committee members regarding any item on the agenda, they will be available at the Monterey Peninsula Water Management District (MPWMD) office during normal business hours, and posted on the Governance Committee website at <http://www.mpwmd.net/GovernanceCommittee/GovernanceCmte.htm>.

Documents distributed at the meeting will be made available in the same manner.

Upon request, a reasonable effort will be made to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. A reasonable effort will also be made to provide translation services upon request. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service by 5:00 PM on Friday, April 24, 2015. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.

Monterey Peninsula Water Supply Project Governance Committee

Meeting Date: April 27, 2015

Agenda Item: 2. Approve Draft Minutes of March 25, 2015 Governance Committee Meetings

Summary: Attached as **Exhibit 2-A** are draft minutes of the March 25, 2015, Governance Committee meeting.

Action: Review and approve the committee minutes.

Exhibits:

2-A Draft Minutes of the March 25, 2015, Committee Meeting

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**EXHIBIT 2-A
DRAFT MINUTES
Regular Meeting
Governance Committee
for the
Monterey Peninsula Water Supply Project
March 25, 2015**

Call to Order: The meeting was called to order at 1:35 pm in the conference room of the Monterey Peninsula Water Management District offices.

Members Present: Jason Burnett, Chair, representative for Monterey Peninsula Regional Water Authority (JPA)
Robert S. Brower, Sr., Vice Chair, representative for Monterey Peninsula Water Management District
David Potter, representative for Monterey County Board of Supervisors
Robert MacLean, representative for California American Water

Members Absent: None

Pledge of Allegiance: The assembly recited the Pledge of Allegiance.

Public Comments: Tom Rowley, representing Monterey Peninsula Taxpayers Association, requested that clear information be provided to the public regarding results of the test slant well. He noted that he had contacted the Monterey County Herald to request that test well data be published on a daily basis.

Action Items

1. Approve Draft Revised Minutes of the May 23, 2014 Meeting, and Draft Minutes of the October 13, 2014 and June 19, 2013 Governance Committee

No public comment was directed to the committee on this item. James Cullem requested that the spelling of his name be corrected in the minutes of May 23 and October 13, 2014.

On a motion by Brower and second of Potter, the minutes were approved on a unanimous vote of 4 – 0 by Potter, Brower, Burnett and MacLean.

2. Adopt Meeting Schedule for 2015

No public comment was directed to the committee on this item. MacLean stated that California American Water (Cal-Am) intends to schedule decisions that require Governance committee review in coordination with the committee's meeting schedule.

On a motion by Potter and second by Brower, the meeting schedule was approved on a vote of 3 – 0 by Brower, Potter and Burnett. MacLean expressed agreement with the schedule.

3. Receive Update from California-American Water on Slant Test Well Construction and Operation Including a Review of Criteria and Timeline for Determining Feasibility of Subsurface Intake Based on Test Well Results – Provide Direction to California American Water on Subsurface Intake

Ian Crooks, Engineering Manager for Cal-Am’s Coastal Division, presented a slide show that chronicled activities related to drilling the test slant well, beginning with clearing the test well site and ending with operation of the well and pumps. The slides can be viewed on the Governance Committee website and at the Water Management District office.

During the question and answer period, the following comments were made by Crooks and Cal-Am representatives Robert MacLean, and Rich Svindland, Vice President of Engineering. The rate of pumping from the well is increased each day until the optimal, long-term pumping rate is determined. At the conclusion of the test well pumping period, results will be submitted to the hydrogeologic working group for analysis. In order to meet the needs of a desalination plant, well output should be 1,700 gallons per day (gpd). Data collected from associated monitoring wells will be published on the Monterey Peninsula Water Supply Project website on Monday’s. By mid-April, the hydrologic working group could submit a preliminary analysis of the test well pumping data for review at the April 27, 2015 Governance Committee meeting. The frequency of subsequent analyses has not yet been determined. Each update will analyze many factors including production, salinity and environmental impacts and compare them to feasibility standards. Engineers will review the information and recommend the number of wells that will be needed and other economic impacts. A decision must be made as to the acceptable range for each key variable that is being monitored, and results at specific points in time. A tour of the monitoring well site can only be conducted if CEMEX authorizes access to the well site.

The committee members suggested that State Water Resources Control Board (SWRCB) members should be given a tour of the well site. They should be provided with the preliminary hydrologic working group analysis of the test results, and advised that the final analysis will be available on a specific date. The committee expressed concerns about security at the well site, and recommended that Cal-Am erect a security fence or take other measures to guard against vandalism at the site. It was also suggested that drawdown, volume, salinity, power, effectiveness of screens and other factors be analyzed relative to modeling and specifications in the original application. It was suggested that the SWRCB definition of feasibility be utilized; “Feasibility means capable of being accomplished in a successful manner in a reasonable period of time taking into consideration economic, environmental, social and technological factors.”

Public Comment: **(A) Dave Stoldt**, General Manager, Monterey Peninsula Water Management District, suggested that the monitoring analysis should include constituents such as boron and iron. He asked how long it takes to reach equilibrium at the test well. *Svindland responded that in approximately a month’s time, a trend should be apparent and a report will be made to the Committee.* **(B) Tom Rowley** representing the Monterey Peninsula Taxpayers Association, agreed that security at the well site is important and that Cal-Am should develop a security plan. **(C) Jim Cullem**, Executive Director of the Monterey Peninsula Regional Water Authority

(Water Authority), recommended that after the well site is secured, the news media should be invited for a tour to educate the public about the progress. In addition, the Water Authority and Water Management District board members would like to participate in a tour of the site along with the State Water Resources Control Board members.

On a motion by Potter and second of Brower, the committee received Cal-Am's report and directed that regular updates should be provided on equilibrium, salinity, drawdown, power, effectiveness of screens, and constituents such as boron and iron. The updates should include a preliminary analysis of feasibility, based on the SWRCB draft final definition of feasibility. The motion was approved on a vote of 3 – 0 by Potter, Brower and Burnett.

4. Provide Direction to California American Water on Upcoming Decisions to Be Made Related to the Pipeline Procurement

Crooks presented the anticipated schedule for the Monterey Peninsula Water Supply Project (MPWSP). He stated that an updated schedule would be provided after the meeting. Crooks also presented the draft MPWSP Pipeline Contracting Process for review and comment. Cal-Am proposed a one-step process in which the RFP and RFQ are one package, and open to all bidders that are interested in the project. Respondents must provide a cost estimate and submit their qualifications and experience. The committee expressed a preference for utilizing a two-step process as for the desal project design/construction contract, in which an RFQ was developed and submitted to five pre-selected firms, and they were invited to respond to the RFP. MacLean and Crooks stated that the schedule could be revised to allow for a two-step process, as an RFQ could be released the last week in March. MacLean advised the committee that although the contract will be awarded before the project has been proved feasible, the tasks that can be completed by the contractor are limited in scope until the CPUC approves the project. There was a suggestion that for the value engineering (VE) pipeline study, the Monterey Peninsula Regional Water Authority might be tasked to contract for completion of that study, as was done for the desal plant VE study. This could be discussed at a future Governance committee meeting. There was a suggestion from the committee that it may be advantageous for Cal-Am to locate pipelines within the railroad right-of-way because of exemptions that exist due to an existing utility right-of-way. Svindland responded that the EIR will study the TAMC right of way, and the route that is environmentally superior. Also, the advantage of locating outside of the TAMC right-of-way is that the areas are outside of the Coastal Zone.

Public Comment: **(A) Dave Stoldt** asked if Cal-Am had procured the rights-of-way for pipeline installation so that a pipeline route change would be precluded from the VE process. *MacLean responded that he did not anticipate any VE issues with the pipeline routes. Environmental issues may need to be addressed.* **(B) Jim Cullem** expressed doubts that the EIR will be released as per the schedule. He asked for clarification of the pipeline VE process. *Svindland responded that the pipeline routes have been designed; therefore, the VE engineer and construction contractor can be selected. Before the construction contract is issued, the contractor can be involved in the VE process.* Cullem requested that Cal-Am update its project schedule to show permits/approvals that are needed and the responsible agency. He also advised the Governance Committee that if it should consider contracting for an independent evaluation of the VE study, there is no guarantee that the Monterey Peninsula Regional Water Authority could participate in the financing process as was done for the desal plant design/build VE study.

Brower made a motion that the committee receive the report. The motion was seconded by Potter and approved on a vote of 3 – 0, by Brower, Potter and Burnett.

Discussion Items

5. Suggest Items to be Placed on Future Agendas

(1) Discuss the possibility of contracting for an independent analysis of project feasibility based on the hydrogeologic working group's reports. (2) Review results of Cal-Am's test well pumping.

Adjournment

The meeting was adjourned at 2:35 pm.