

**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 September 15, 2016.

**Governance  
Committee Members:**

*California American  
Water*

*Robert MacLean  
Alt. – Rich Svindland*

*Monterey Peninsula  
Regional Water Authority*

*Bill Kampe, Chair  
Alt.- Ralph Rubio*

*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**

\*\*\*\*\*

**Wednesday, September 21, 2016, 2:00 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. Presentation from California American Water on Monterey Peninsula Water Supply Project, Test Slant Well and Monterey Pipeline Project Update

**Action Items – Public Comment will be Received**

2. Approve Committee Meeting Minutes of July 20, 2016  
*Action: The committee will consider approval of the meeting minutes.*
3. Consider for Approval a Change of Material Specification for the Monterey Pipeline  
*Action: The committee will consider approval of a recommendation to California-American Water for installation of a ductile iron pipeline instead of steel.*

**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 Monday, September 19, 2016. 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:** September 21, 2016

**Action Item:** 2. **Approve Committee Meeting Minutes of July 20, 2016**

---

**Summary:** Attached as **Exhibit 2-A** are draft minutes of the July 20, 2016 Governance committee meeting.

**Recommendation:** Review the minutes and consider approval.

**Exhibits:**

**2-A** Draft Minutes of July 20, 2016 Committee Meeting

U:\staff\MPWSPGovernanceCmte\2016\20160921\Item-2.docx



**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

**Exhibit 2-A  
DRAFT MINUTES  
Regular Meeting  
Governance Committee  
for the  
Monterey Peninsula Water Supply Project  
July 20, 2016**

- Call to Order:** The meeting was called to order at 2:00 pm in the conference room of the Monterey Peninsula Water Management District offices.
- Members Present:** Bill Kamp, representative for Monterey Peninsula Regional Water Authority  
Jeanne Byrne, representative for Monterey Peninsula Water Management District (alternate to Robert S. Brower Sr.)  
David Potter, representative for Monterey County Board of Supervisors  
Robert MacLean, representative for California-American Water
- Members Absent:** Robert S. Brower, Sr. representative for Monterey Peninsula Water Management District
- Pledge of Allegiance:** The assembly recited the Pledge of Allegiance.
- Public Comments:** No comments were directed to the committee during the public comment period.

**Elect Governance Committee Chair and Vice Chair**

Potter offered a motion that was seconded by Byrne, to elect Bill Kamp as committee Chair and Jeanne Byrne as Vice Chair. The motion was approved on a vote of 3 – 0 by Potter, Byrne and Kamp. No comments were directed to the committee during the public comment period on this item.

**Presentations**

- 1. Progress Report from California-American Water on the Monterey Peninsula Water Supply Project Including Updates on Production from Test Slant Well; Desalination Project Design; and Design and Procurement of Conveyance Facilities**  
Chris Cook, Assistant Engineering Manager, California-American Water (Cal-Am), presented the progress report. A summary of his presentation is on file at the Water Management District office and can be viewed on the Governance Committee webpage.

Public Comment: **(a) Tom Rowley**, Monterey Peninsula Taxpayers Association, stated that the plan is to utilize eight or ten slant wells for the project. He asked if pumping from multiple slant wells will affect salinity levels of the source water. *Rich Svindland, Vice President of*

*Operations, California American Water, stated that the goal of 98% salinity has not yet been reached. Results of computer modeling indicate It could take one year for salinity to reach 98%. If additional wells were in operation, the preferred salinity level would be reached more quickly. Even if the percentage of potable water is higher than expected, agreements are in place for the return of that water back to the Salinas Valley groundwater basin. The salinity level is high due to long-term pumping from the Salinas Valley groundwater basin for agricultural use.*

#### **Action Items**

**2. Approve Committee Meeting Minutes of December 14, 2015 and February 29, 2016**

On a motion by Potter and second of Byrne, minutes of the December 14, 2015 and February 29, 2016 committee meetings were approved on a vote of 3 – 0 by Potter, Byrne and Kamp.  
No comments were directed to the committee during the public comment period on this item.

**3. Develop Recommendation to Monterey Peninsula Water Management District on Selection of Consultant to Conduct Value Engineering Analysis of MPWSP Pipelines and Conveyance Facilities**

Stoldt presented a summary of the issue. The committee discussed the item and made the following comments. (a) Savings that could be achieved from conducting a value engineering (VE) study on the pipelines would likely be minimal because pipeline systems have few complex components that could be modified in order to cut costs. (b) The proposed pipeline design will change due to the addition of the Hilby pump station. (c) Completion of a VE study would delay Monterey pipeline construction. The goal is to have the pipeline operational for the Aquifer Storage and Recovery Project injection season.

Public Comment: **(a) Michael Warburton**, Public Trust Alliance, stated that this has been a very costly project for everyone involved, and is the most expensive public water supply project for this area. The five cities involved will be dependent on a privately owned and operated entity for their public water supply. The community will pay extra not to look at reasonable alternatives. The biggest value on the desalination plant could have been achieved by looking at desalination alternatives versus other alternatives. The head waters of rivers involved are all in the same county as the mouth of the river. There are projects at the head waters which could add up to 53,000 acre feet of water for the whole system. That water that has not been used before in the systems. You have a “Rube Goldberg” technological project and a “Rube Goldberg” administrative system with the way benefits have been handled in the Salinas Valley Basin. This committee is responsible to investigate some of the alternatives. **(b) George Riley** distributed a statement from Charles Cech titled Monterey Pipeline Alternative C, dated July 17, 2016. Mr. Riley recommended that a VE study be conducted on both the Monterey Pipeline and the Alternative C outlined in the letter. He expressed a concern that decisions will be made regarding the Monterey Pipeline before the EIR on California American Water’s desalination project is complete. He estimated that the Alternative C pipeline would result in “enormous” savings as compared to the Monterey Pipeline. **(c) Tom Rowley** stated that the Monterey Peninsula Taxpayers Association’s governing board supported the Monterey Pipeline, and that analyzing another pipeline route would increase costs and delay construction of the project. *Stoldt stated that to delay construction of the Monterey pipeline would result in serious consequences. CEQA review would be required for any new pipeline alternative, which would delay the anticipated early approval of the Pure Water Monterey*

*project. The Alternative C pipeline is analyzed in the EIR on Cal-Am’s desalination project, but it is scheduled for certification in November 2017, and construction would begin in 2018. A two-year delay in pipeline construction would result in a minimum of two years loss of additional production from the ASR project that is needed by the community in order to meet production requirements and milestones established in the modified Cease and Desist Order. Svindland explained that several months ago he presented information on the Alternative C pipeline to the committee. The route was studied in the Coastal Water Project EIR, but was rejected because: (a) it crosses through environmentally sensitive areas; (b) pipelines in Carmel Valley would have to be replaced and that would require additional study, time and cost; and (c) the pumping costs would be much higher than for the Monterey Pipeline.*

Potter made a motion to contract with Hazen and Sawyer for preparation of a value engineering study, and to drop the Monterey pipeline from the study. The motion died for lack of a second.

Following are comments from the committee members. (a) The Pure Water Monterey Project is likely to be the most environmentally beneficial project that has been proposed, and has involved collaboration between many agencies. Project opponents intend to delay the project. There may be savings realized by conducting a VE study, but to change the pipeline route would raise many environmental, topographical and geographical issues. (b) The Monterey Pipeline project should move forward unless there are absolutely compelling, clear benefits for another alternative.

Byrne offered a motion that value engineering would not be conducted on all elements of the project as there does not appear to be savings that could be achieved, and pipeline construction would be delayed. Potter seconded the motion and it was approved on a vote of 3 – 0 by Byrne, Potter and Kamp. MacLean stated that he was in agreement with the motion.

- 4. Develop Recommendation to Consider Approval of Amendment No. 2 to Amended and Restated Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee**  
No action taken.

#### **Discussion Items**

- 5. Suggest Items to be Placed on Future Agendas**  
Michael Warburton stated that changed circumstances should be a future agenda topic because of the physical and institutional changes in circumstances that have occurred while the project was underway. He referenced Hurricane Sandy as an event that changed the economics of construction of public infrastructure in coastal zones. He noted that in 2014, California groundwater law changed. Warburton stated that the request for a five-year extension of the Cease and Desist Order was carefully engineered so that it was very unlikely that reasonable alternatives would be considered. He said that the committee should look seriously at the mechanism for formulation of a particular project, and its “ramrodding” and “railroading” through the public process.

**Adjournment:** The meeting was adjourned at approximately 2:55 pm.

---

Arlene M. Tavani,  
Clerk to the MPWSP Governance Committee

U:\staff\MPWSPGovernanceCmte\2016\20160921\Item-2-Exh-A.docx