

**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 January 12, 2018.

**Governance
Committee Members:**

*California American
Water*

*Rich Svindland
Alt. – Ian Crooks*

*Monterey Peninsula
Regional Water Authority*

*Bill Kampe, Chair
Alt.- Ralph Rubio*

County of Monterey

*Mary Adams
Alt. – Vacant*

*Monterey Peninsula
Water Management
District*

*Jeanne Byrne,
Vice Chair
Alt. – Andrew Clarke*

Staff Contact:

*David J. Stoldt, MPWMD
Arlene Tavani, MPWMD*

**AGENDA
REGULAR MEETING**

**Monterey Peninsula Water Supply Project
Governance Committee**

Wednesday, January 17, 2018, 1:30 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.

Action Items – Public Comment will be Received

1. Approve Committee Meeting Minutes of November 15, 2017 Page 3
Action: The committee will consider approval of the meeting minutes.

2. Adopt 2018 Committee Meeting Schedule Page 9
Action: The committee will consider adoption of a meeting schedule for 2018.

Discussion Items – Public Comment will be Received

3. Status Report by California-American Water as to Monterey Peninsula Water Supply Project Generally
4. Status Report by California-American Water as to Monterey Pipeline
5. 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. 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 Tuesday, January 16, 2018. 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: **January 17, 2018**

Action Item: **1. Approve Committee Meeting Minutes of November 15, 2017**

Summary: Attached as **Exhibit 1-A** are draft minutes of the November 15, 2017 Governance committee meeting.

Recommendation: Review the minutes and consider approval.

Exhibits:

1-A Draft Minutes of November 15, 2017 Committee Meeting

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**Exhibit 1-A
DRAFT MINUTES
Regular Meeting
Governance Committee
for the
Monterey Peninsula Water Supply Project
November 15, 2017**

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 Kampe, representative for Monterey Peninsula Regional Water Authority
Jeanne Byrne, representative for Monterey Peninsula Water Management District
Ian Crooks, alternate for Rich Svindland, representative for California-American Water (non-voting member)
Kate Daniels, alternate (non-voting) for Mary Adams, Monterey County Board of Supervisors

Members Absent: Rich Svindland, California American Water
Mary Adams, Monterey County Board of Supervisors

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

Public Comments: No comments were directed to the committee.

Action Items

- 1. Approve Committee Meeting Minutes of November 16, 2016**
On a motion by Byrne and second of Kampe, the minutes of November 16, 2016 were approved unanimously on a vote of 2 – 0 by Byrne and Kampe. No comments were directed to the committee during the public comment period on this item.

Discussion Items

- 2. Status Report by California-American Water as to Monterey Peninsula Water Supply Project Generally**
Chris Cook, Assistant Engineering Manager for California American Water (Cal-Am), reviewed the MPWSP Anticipated Schedule that was presented at the meeting and can be viewed on the Governance Committee website. He noted that construction of the desalination project should begin in early 2019, following receipt of the Certificate of Public Convenience and Necessity in late 2018.

3. Status Report by California-American Water As to Monterey Pipeline

Cook reviewed slides 3 through 11 of the information he presented at the meeting. The presentation can be viewed on the Governance Committee website. He updated the committee on progress made on pipeline installation and street paving, work on the pipeline bridge across Highway 68, and construction of a new pump station. Cook also explained that change orders to the Garney Pacific, Inc. contract resulted in an increase of \$598,335 to the contract value. Other unanticipated changes required Cal-Am to accept bids for additional work related to the Monterey Pipeline. The work was awarded to the lowest bidder, Monterey Peninsula Engineering, which increased the contract amount by \$1,777,585. However, Cal-Am estimates that the final General Design & Other category of costs should be approximately \$3 million less than originally projected. Therefore, the overall Monterey Pipeline and Pump Station budget should be within the \$50.3 million budget. The committee discussed the new information and Cook responded to questions.

Public Comment: **(a) Jim Cullem** asked if when Cal-Am estimated the June 2018 completion date for issuance of the CPCN and the December 2018 date for a decision on the CDP had they taken into consideration probable objections and delays by Marina as was the case when the test well was proposed. *Cook responded that the completion date of December 2018 does anticipate issuance of the CPCN and the Coastal Development Permit.* **(b) Michael Warburton**, representing the Public Trust Alliance, stated he had proposed that the topic of changed circumstances be added to the meeting agenda, because circumstances have changed and it would be wise to focus on a system based on purchases rather than an engineering type water system. Warburton reasoned that litigation costs are very high when moving forward on a project, rather than problem solving. He stated that desalination is not a proven technology and there are billions of dollars worth of desal infrastructure that has been mothballed. He advised that it is time to look at a water supply strategy based on purchases because the water supply situation has changed totally with the Sustainable Groundwater Management Act, and that sustainability is the law. **(c) David Stoldt** noted that the September 30, 2017 project progress report stated the total pipeline cost was \$128 million, and that 37% had been spent. He said that Cal-Am reported that \$30 million was for the Monterey pipeline, and asked if \$17.4 million was spent on design and preconstruction? *Ian Crooks responded that the funds were spent on design, preconstruction and CPUC costs.*

During the committee discussion, it was noted that Cal-Am had awarded a new contract that probably should have been brought before the committee for a recommendation, as is outlined in the Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee under section V.D, Category B, Paragraphs 1 and 8. Cal-Am was acknowledged for providing an update on the cost increases to the committee, and for maintaining the total cost within the original budget.

Byrne made a motion to accept Cal-Am's presentation. The motion was seconded by Kampe and approved on a unanimous vote of 2 – 0 by Byrne and Kampe.

4. Suggest Items to be Placed on Future Agendas

Comments from the public. **(a) David Stoldt** referred to the September monthly test slant well long-term pumping monitoring report No. 23. He expressed concern about monitoring well #4, at the 180 foot level. In Figure 3.3 a late trend of increasing TDS is shown, which is a 17% increase since pumping began. He stated that when the well is off, the slope is lower than the

continued pumping period. Stoldt said that he was not confident that this was a long-term trend, and that recent intrusion maps for the 180 foot aquifer show no change in front. He noted further that, to say normal seawater intrusion is causing an increase in TDS would mean that there is still a hard differential that is causing intrusion in coastal areas. The graphic shows that conductivity increases more when the test well is on, than when it is off. *Chair Kampe responded that the Monterey Peninsula Regional Water Authority TAC would need to look into the issue.* **(b) Michael Warburton** suggested the topic of getting water through purchase agreements rather than engineering supplies should be discussed. He stated that the entire capacity of the proposed desalination plant is less than one percent of the yearly use in the Salinas basin and there is less difference between surface water and ground water now with the Sustainable Groundwater Management Act. He stated that surface water could cover that increment very shortly, and that programmatic development of a county wide solution is needed.

Adjournment: The meeting was adjourned at approximately 2:40 pm.

Arlene M. Tavani,
Clerk to the MPWSP Governance Committee

Monterey Peninsula Water Supply Project Governance Committee

Meeting Date: January 17, 2018

Action Item: 2. Adopt 2018 Committee Meeting Schedule

Summary: Shown below is a proposed 2018 meeting schedule for the MPWSP Governance Committee. The meetings are set for the third Wednesday of each month at 2:00 pm, except for the November 14 meeting which is set for the second Wednesday, to avoid any conflict with the Thanksgiving Day holiday.

Recommendation: Adopt the meeting schedule.

Proposed 2018 MPWSP Governance Committee Meeting Schedule		
Day	Date	Time
Wednesday	February 21, 2018	2:00 pm
Wednesday	March 21, 2018	2:00 pm
Wednesday	April 18, 2018	2:00 pm
Wednesday	May 16, 2018	2:00 pm
Wednesday	June 20, 2018	2:00 pm
Wednesday	July 18, 2018	2:00 pm
Wednesday	August 15, 2018	2:00 pm
Wednesday	September 19, 2018	2:00 pm
Wednesday	October 17, 2018	2:00 pm
Wednesday	November 14, 2018	2:00 pm
Wednesday	December 19, 2018	2:00 pm