

**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 May 10, 2019.

**Governance  
Committee Members:**

*California American  
Water  
Rich Svindland  
Alt. – Ian Crooks*

*Monterey Peninsula  
Regional Water Authority  
Bill Peake  
Alt.- Vacant*

*County of Monterey  
Mary Adams - Vice Chair  
Alt. – Vacant*

*Monterey Peninsula  
Water Management  
District  
Molly Evans - Chair  
Alt. – Jeanne Byrne*

**Staff Contact:**  
*David J. Stoldt, MPWMD  
Arlene Tavani, MPWMD*

**REGULAR MEETING**

**Monterey Peninsula Water Supply Project  
Governance Committee**

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**Wednesday, May 15, 2019, 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** - *Any person 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**

- P. 3 1. Consider Adoption of April 17, 2019 Committee Meeting Minutes
  
- P. 9 2. California-American Water Notification #14 – Provide any Recommendations on Selection of Contractor and Terms of Final Contract for the Following Two Contracts:
  - A. Construction of Fitch Park ASR Wells 5 and 6
  - B. Fitch Park ASR Wells 5 and 6 Above Ground Facilities
  
- P. 15 3. California-American Water Notification #15 – Provide any Recommendations on Qualifications and Selection Criteria for the Following Draft Requests for Proposals:
  - A. Slant Well Intake System – Civil Work
  - B. Castroville Pipeline
  
- P. 21 4. Consider Requesting that California American Water Pursue a Waiver of Discharge Fees from NOAA for the Desalination Project

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

- 5. California-American Water Project Status Report
  
- 6. 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 Monday, 13, 2019. 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:** May 15, 2019

**Action Item:** 1. Consider Adoption of April 17, 2019 Committee Meeting Minutes

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**Summary:** Attached as **Exhibit 1-A** for committee review and approval are draft minutes of the April 17, 2019 committee meeting.

**Recommendation:** Review and adopt the draft minutes.

**Exhibits:**

**1-A** Draft minutes of April 17, 2019 committee meeting

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

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**EXHIBIT 1-A**

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

**DRAFT MINUTES  
Regular Meeting  
Governance Committee  
for the  
Monterey Peninsula Water Supply Project  
April 17, 2019**

**Call to Order:** The meeting was called to order by Mary Adams at 2:00 pm in the conference room of the Monterey Peninsula Water Management District offices.

**Members Present:** Molly Evans, representative for Monterey Peninsula Water Management District  
Bill Peake, representative for Monterey Peninsula Regional Water Authority  
Mary Adams, representative for Monterey County Board of Supervisors  
Rich Svindland, representative for California-American Water (non-voting member)

**Members Absent:** All present

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

**Public Comments:** **Tom Rowley**, Monterey Peninsula Taxpayers Association (MPTA), asked if California American Water (Cal-Am) had requested a waiver of discharge fees from the Monterey Bay National Marine Sanctuary. He asked the committee to request that Cal-Am take action to request a waiver, if the company had not already done so.

**Action Items**

**1. Elect Committee Chair and Vice Chair**

On a motion by Adams and second by Peake, Evans was elected to the position of committee Chair on a vote of 3 – 0 by Adams, Peake and Evans.

On a motion by Peake and second by Evans, Adams was elected to the position of Vice Chair on a vote of 3 – 0 by Peake, Evans and Adams.

No public comment was directed to the committee on this item.

**2. Approve Committee Meeting Minutes of July 18, 2018**

Adams offered a motion to approve the minutes. Peake seconded the motion with a request that the spelling of Bill Kampe’s name be corrected in the minutes. The motion was approved with Adams and Peake voting in support of the motion, while Evans abstained. No public comment was directed to the committee on this item.

**3. Adopt 2019 Committee Meeting Schedule**

On a motion by Adams and second by Peake, the meeting schedule was approved on a unanimous vote of 3 – 0 by Adams, Peake and Evans. No public comment was directed to the committee on this item.

**4. California-American Water Notification #14 – Provide any Recommendations on Selection of Contractor and Terms of Final Contract for the Following Two Contracts:**

**A. Construction of Fitch Park ASR Wells 5 and 6**

**B. Fitch Park ASR Wells 5 and 6 Above Ground Facilities**

Evans offered a motion to defer items 4 and 5 to a special meeting on April 26, 2019. The motion was seconded by Adams and approved on a vote of 3 – 0 by Evans, Adams and Peake.

**Public Comment:** Michael Warburton, Public Trust Alliance, stated that it could not be assumed that the desalination project would move forward. The project could progress less expensively if Cal-Am were not moving forward with the slant well system. The CPUC issued its decision so that process was closed. There was a need to acknowledge the reality of changed circumstances.

**5. California-American Water Notification #15 – Provide any Recommendations on Qualifications and Selection Criteria for the Following Draft Requests for Proposals:**

**A. Slant Well Intake System – Civil Work**

**B. Castroville Pipeline**

Item deferred to a special meeting on April 26, 2019. See action taken on agenda item 4. Public comment received on items 4 and 5 is listed under item 4.

**Discussion Items**

**6. Status Report by California American Water as to Monterey Peninsula Water Supply Project and Monterey Pipeline/Pump Station Project Final Close Out**

Tim O'Halloran, Engineering Manager of the Coastal Division for Cal-Am, reported that the pipeline was completed in late 2018 and had delivered 900 acre-feet of water for injection into the Aquifer Storage and Recovery (ASR) Project wells. Rich Svindland noted that the California Public Utilities Commission (CPUC) authorized an expenditure of \$50.33 million for the project. Cal-Am issued an advice letter to the CPUC requesting funds to cover the final cost of \$50.31 million.

Public Comment: **(a) David Stoldt**, Monterey Peninsula Water Management District, stated that to-date the new pipeline had delivered 1,126 acre-feet of water to the ASR Project. The pipeline had not performed as well as expected. The District and Cal-Am will confer to determine how water deliveries through the pipeline could be increased. Mr. Stoldt noted that the cost to the ratepayers would be \$56.6 million. **(b) Michael Warburton**, Public Trust Alliance, stated that the Coastal Commission issued a permit for the desalination project test well. Cal-Am should provide evidence as to why the test well should continue operation. Mr. Warburton noted that the risk to the Marina water supply had been recognized and the harm would continue as long as the test well was in operation. *Svindland responded to the comments. Regarding Mr. Stoldt's remarks he stated that if there had been more capacity on the river, an increase in delivery through the Monterey Pipeline might have been achieved. However, he noted that results of a high volume pump test had proven that the pipeline could*

*operate as expected. Regarding Mr. Warburton's comments, he stated that Cal-Am had prevailed in all three lawsuits that challenged the test well. The City of Marina would consider approval of the current wells before they are submitted to the Coastal Commission for consideration.*

- 7. Informational Report by California American Water regarding Satellite System Interconnect**  
**Rich Svindland** reported that Cal-Am provided this report because the CEQA analysis for these projects was included in the MPWSP EIR. The desalination project was sized to provide water to the three satellite systems. The committee does not have a responsibility to review expenditures for the satellite system interconnect. **Donald Monette**, Assistant Engineering Manager for Cal-Am, stated that a bid package for the Ryan Ranch project would be distributed soon. Also, Phase 1 of the Hidden Hills intertie was 90% complete.

Public Comment: **David Stoldt**, MPWMD, noted that Cal-Am must obtain an amendment to its water distribution system permit for all the new appurtenant features. Also, the intertie could not be opened until the Cease and Desist Order has been lifted.

- 8. Suggest Items to be Placed on Future Agendas**
- (a) Tom Rowley requested that the committee urge Cal-Am to request a waiver from discharge fees, in order to reduce costs for ratepayers.
  - (b) Michael Warburton stated that it made no sense to request a waiver. He noted that if no brine was discharged into the bay there would be no need for a waiver. The Governance Committee should work with Cal-Am to reduce the extent of profit to be made.
  - (c) Mary Adams requested that a review of desalination project costs should be provided at a future committee meeting.

**Adjournment:** The meeting was adjourned at approximately 3:15 pm.

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Arlene M. Tavani,  
Clerk to the MPWSP Governance Committee





## Monterey Peninsula Water Supply Project Governance Committee

**Meeting Date:** May 15, 2019

**Action Item:** 2. **California-American Water Notification #14 – Provide any Recommendations on Selection of Contractor and Terms of Final Contract for the Following Two Contracts:**  
A. **Construction of Fitch Park ASR Wells 5 and 6**  
B. **Fitch Park ASR Wells 5 and 6 Above Ground Facilities**

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**Summary:** This issue was originally brought to the committee on April 16, 2019, and deferred to a special meeting on April 26 that was subsequently cancelled.

Attached as **Exhibit 2-A** is Cal-Am Notification #14 regarding the proposed execution of two contracts each in excess of \$1 million relating to the ASR Infrastructure. Cal-Am recommends that it contract with Zim Industries Inc, and Hal Hayes Construction Inc. Pursuant to Section V.D, Category B.2., of the agreement that formed the MPWSP Governance Committee, the committee may recommend which contractors should be retained, and issue any recommendations concerning the terms of the final contracts. Also attached is **Exhibit 2-B**, is a memo from Cal-Am confirming that committee consideration of this item was deferred, therefore, a written recommendation from the committee is due on May 17, 2019.

As noted in CAN#14, documents submitted by Cal-Am for committee review can be accessed at [www.watersupplyproject.org](http://www.watersupplyproject.org) in the **Documents/Procurement** section.

**Recommendation:** Review Cal-Am Notification #14 and determine if the committee should submit recommendations regarding which contractors should be retained and/or on the terms of the final contracts.

### **Exhibits:**

**2-A** Cal-Am Notification #14

**2-B** May 9, 2019 Memo from Tim O’Halloran, California American Water





**MONTEREY PENINSULA WATER SUPPLY PROJECT  
GOVERNANCE COMMITTEE**

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**CAL-AM NOTIFICATION # 14**

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**TO: Chair, MPWSP Governance Committee**  
**FROM: Tim O'Halloran, Engineering Manager, California American Water**  
**DATE: April 10, 2019**  
**RE: Cal-Am Notification # 14 – Execution of Contracts for the Fitch Park  
ASR Wells 5 and 6**

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This Cal-Am Notification is submitted to you pursuant to, and in compliance with, Section V.B. of the Amended and Restated Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee (the “Agreement”), dated November 5, 2013, entered into by and among the Monterey Peninsula Regional Water Authority (“MPRWA”), the Monterey Peninsula Water Management District (“MPWMD”), the County of Monterey (“County”), and the California-American Water Company (“Cal-Am”). Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

Cal-Am intends to execute two contracts, each valued in excess of \$1 million, relating to the ASR Infrastructure (the “Contracts”). Pursuant to Section V.D., Category B.2., of the Agreement, the Governance Committee may recommend which contractors should be retained for the Contracts, and issue any recommendations concerning the terms of the final Contracts.

Cal-Am has determined these matters are ripe for presentation to, and recommendation by, the Governance Committee. Cal-Am's recommendation is that Cal-Am enter into the Contracts with Zim Industries Inc, and Hal Hayes Construction Inc. The Governance Committee may, under Category B.2: (1) recommend which contractors should be retained under the Contracts; and, (2) issue any recommendations concerning the terms of the final Contracts.

Cal-Am will provide the following information to the Governance Committee pursuant to Section V.D., Category B.2, by posting various documents, including Cal-Am’s Proposal

Evaluation Report, on the Monterey Peninsula Water Supply Project website: (1) a copy of all responsive proposals received for the work, except for any proprietary information provided by proposers; (2) a written description of the process Cal-Am undertook to select the recommended contractor; (3) a summary of the considerations that Cal-Am deems pertinent to support its recommendation; and (4) any other information that Cal-Am believes will assist the Governance Committee in its review of the recommended Contract and contractor. This information can be accessed at [www.watersupplyproject.org](http://www.watersupplyproject.org) in the Documents/Procurement section.

Pursuant to Section V.B. of the Agreement, the Governance Committee shall issue its recommendations, if any, no later than April 20, 2019. The recommendations should be in writing and sent to Tim O'Halloran of Cal-Am at [tim.ohalloran@amwater.com](mailto:tim.ohalloran@amwater.com).



**MONTEREY PENINSULA WATER SUPPLY PROJECT  
GOVERNANCE COMMITTEE**

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**TO: Molly Evans, Chair, MPWSP Governance Committee**  
**FROM: Tim O'Halloran, Engineering Manager, California American Water**  
**DATE: May 9, 2019**  
**RE: Cal-Am Notification #14 – Execution of Contracts for the Fitch Park ASR  
Wells 5 and 6 and Cal-Am Notification #15 - Draft Requests for Proposals  
– Slant Well Intake System – Civil Work and Castroville Pipeline**

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This Memorandum will confirm that Cal-Am Notifications #14 and #15 (“CANs”) were considered at the Governance Committee meeting held on April 17, 2019. During that meeting, the Parties agreed to continue consideration of the CANs to a Special Meeting to be scheduled for April 26, 2019. Subsequently, California American Water requested that the CANs instead be considered at the regular meeting of the Governance Committee scheduled for May 15, 2019.

As such, it is California American Water’s understanding that any recommendations with respect to the matters covered by the CANs will be provided at the May 15, 2019 Governance Committee meeting, with written confirmation of any such recommendations to be provided no later than May 17, 2019. The written confirmation should be sent to Tim O’Halloran of Cal-Am at [tim.ohalloran@amwater.com](mailto:tim.ohalloran@amwater.com).



## Monterey Peninsula Water Supply Project Governance Committee

**Meeting Date:** May 15, 2019

**Action Item:** 3. California-American Water Notification #15 – Provide any Recommendations on Qualifications and Selection Criteria for the Following Draft Requests for Proposals:  
A. Slant Well Intake System – Civil Work  
B. Castroville Pipeline

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**Summary:** This issue was originally brought to the committee on April 16, 2019, and deferred to a special meeting on April 26 that was subsequently cancelled.

Attached as **Exhibit 3-A** is Cal-Am Notification #15 regarding the proposed issuance of two requests for proposals (RFP) for the procurement of two contracts, each valued in excess of \$1 million relating to the Source Water Infrastructure and Product Water Pipeline. According to Section V.D., Category B.1., of the agreement that formed the MPWSP Governance Committee, the committee may review and make recommendations relating to the qualifications and selection criteria to be included in the RFPs. Also attached is **Exhibit 3-B**, is a memo from Cal-Am confirming that committee consideration of this item was deferred, therefore, a written recommendation from the committee is due on May 17, 2019.

The draft RFPs can be accessed at [www.watersupplyproject.org](http://www.watersupplyproject.org) in the **Documents/Procurement** section.

**Recommendation:** Review Cal-Am Notification #15, and determine if the committee should submit recommendations regarding the requests for proposals.

### Exhibits:

**3-A** Cal-Am Notification #15

**3-B** May 9, 2019 Memo from Tim O’Halloran, California American Water







**MONTEREY PENINSULA WATER SUPPLY PROJECT  
GOVERNANCE COMMITTEE**

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**CAL-AM NOTIFICATION # 15**

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**TO: Chair, MPWSP Governance Committee**  
**FROM: Tim O'Halloran, Engineering Manager, California American Water**  
**DATE: April 10, 2018**  
**RE: Cal-Am Notification # 15 – Draft Requests for Proposals – Slant Well Intake System – Civil Work and Castroville Pipeline**

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This Cal-Am Notification is submitted to you pursuant to, and in compliance with, Section V.B. of the Amended and Restated Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee (the “Agreement”), as revised November 5, 2013, entered into by and among the Monterey Peninsula Regional Water Authority (“MPRWA”), the Monterey Peninsula Water Management District (“MPWMD”), the County of Monterey (“County”), and the California-American Water Company (“Cal-Am”). Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

Cal-Am intends to issue two requests for proposals (“RFPs”) for the procurement of two Contracts, each valued in excess of \$1 million, relating to the Source Water Infrastructure and Product Water Pipeline. Pursuant to Section V.D., Category B.1., of the Agreement, the Governance Committee may recommend qualifications and selection criteria for such Contracts.

Cal-Am has determined this matter is ripe for presentation to, and recommendation by, the Governance Committee. It is Cal-Am’s current intent to issue the RFPs described above on or about April 29, 2019. The Governance Committee may review and make recommendations relating to the qualifications and selection criteria to be included in the RFPs. The draft RFPs can be accessed at [www.watersupplyproject.org](http://www.watersupplyproject.org) in the Documents/Procurement section.

Pursuant to Section V.B. of the Agreement, the Governance Committee shall issue its recommendations, if any, to Cal-Am no later than April 20, 2019. The recommendations

should be in writing and sent to Tim O'Halloran of Cal-Am at [tim.ohalloran@amwater.com](mailto:tim.ohalloran@amwater.com).



**MONTEREY PENINSULA WATER SUPPLY PROJECT  
GOVERNANCE COMMITTEE**

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**TO:** Molly Evans, Chair, MPWSP Governance Committee  
**FROM:** Tim O'Halloran, Engineering Manager, California American Water  
**DATE:** May 9, 2019  
**RE:** Cal-Am Notification #14 – Execution of Contracts for the Fitch Park ASR Wells 5 and 6 and Cal-Am Notification #15 - Draft Requests for Proposals – Slant Well Intake System – Civil Work and Castroville Pipeline

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As such, it is California American Water’s understanding that any recommendations with respect to the matters covered by the CANs will be provided at the May 15, 2019 Governance Committee meeting, with written confirmation of any such recommendations to be provided no later than May 17, 2019. The written confirmation should be sent to Tim O’Halloran of Cal-Am at [tim.ohalloran@amwater.com](mailto:tim.ohalloran@amwater.com).



## Monterey Peninsula Water Supply Project Governance Committee

**Meeting Date:** May 15, 2019

**Action Item:** 4. Consider Requesting that California American Water Pursue a Waiver of Discharge Fees from NOAA for the Desalination Project

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**Summary:** This item is brought to the committee in response to requests received at the July 18, 2018 and April 17, 2019 committee meetings.

**Recommendation:** The committee should discuss the issue and determine if it will submit a request to California American Water recommending that it pursue a waiver of discharge fees from NOAA.

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