



## **MONTEREY PENINSULA WATER SUPPLY PROJECT GOVERNANCE COMMITTEE**

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### **CAL-AM NOTIFICATION # 12**

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**TO:** Bill Kampe, Chair, MPWSP Governance Committee  
**FROM:** Ian Crooks, California American Water  
**DATE:** November 15, 2016  
**RE:** Cal-Am Notification # 12 – Changes to the Desalination Project

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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.

First, Cal-Am intends to deduct the Terminal Reservoir from the Contract with Monterey Peninsula Engineering, which work is valued in excess of \$1 million. Second, Cal-Am intends to increase the capacity of the clear wells at the desalination plant site, which work would be added to the Contract with CDM Constructors and is valued in excess of \$1 million. Pursuant to Section V.D., Category B.3., of the Agreement, the Governance Committee may review and issue recommendations concerning major design changes to the Desalination Project, which include changes causing an increase or decrease in costs that exceed \$1 million.

Cal-Am has determined this matter is ripe for presentation to, and recommendation by, the Governance Committee. Cal-Am's recommendation is that the Terminal Reservoir work be deducted from the Contract with Monterey Peninsula Engineering and the capacity of the clear wells at the desalination plant site be increased, which work would be added to the Contract with CDM Constructors. The Governance Committee may, under Category B.3, review and issue recommendations concerning major design changes to the

Desalination Project. A proposed motion on this CAN # 12 is attached for your consideration.

Pursuant to Section V.B. of the Agreement, the Governance Committee shall issue its recommendations, if any, to Cal-Am within ten (10) calendar days following receipt of this Cal-Am Notification. The recommendations should be in writing and sent to Ian Crooks of Cal-Am at [ian.crooks@amwater.com](mailto:ian.crooks@amwater.com) with a copy to Lori Girard of Cal-Am at [lori.girard@amwater.com](mailto:lori.girard@amwater.com).

**Proposed Motion of Governance Committee on CAN #12:**

The Governance Committee recommends that:

1. The Terminal Reservoir work, valued at \$11,811,250.00, be deducted from the Contract with Monterey Peninsula Engineering; and
2. The capacity of the clear wells at the desalination plant site be increased to 3.5 million gallons, which work is valued at a net cost of \$3,018,277.00 and will be added to the Contract with CDM Constructors.