

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

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

**FINAL MINUTES  
Regular Meeting  
Governance Committee  
for the  
Monterey Peninsula Water Supply Project  
June 24, 2015**

**Call to Order:** The meeting was called to order at 2:35 pm in the conference room of the Monterey Peninsula Water Management District offices.

**Members Present:** Robert S. Brower, Sr., representative for Monterey Peninsula Water Management District  
Jason Burnett, representative for Monterey Peninsula Regional Water Authority  
Richard Svindland, representative for California-American Water (alternate to Rob MacLean)

**Members Absent:** David Potter, representative for Monterey County Board of Supervisors  
Robert MacLean, representative for California American Water

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

**Public Comments:** George Riley asked if California American Water (Cal-Am) had adopted the value engineering recommendations developed by the Monterey Peninsula Regional Water Authority (MPRWA) on the Monterey Peninsula Water Supply Project. *Svindland responded that Cal-Am and the project design team were in discussions regarding the value engineering recommendations. Svindland would report back on the outcome of their discussions.*

**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**

Ian Crooks, Engineering Manager, 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 web site. Crooks stated that he would prepare a separate slide that lists deadlines for obtaining permits from local agencies. He reviewed the status of the test slant well that was turned off on June 5, 2015 due to a groundwater elevation level decline at monitoring well #4. The Hydrologic Working Group analyzed the test well data and developed

a memo documenting their findings which was referred to the California Coastal Commission, who will determine when the test slant well can begin production. Svindland stated that this delay should not affect the project timeline.

Public Comment: **(1) George Riley** requested that the 400 foot aquifer continue to be monitored, so that the concerns of agricultural interests could be addressed. **(2) Michael Warburton**, Public Trust Alliance (PTA), stated that much happens within the Hydrologic Working Group that should have been in open, public discussion for decades. Who gets a free pass from nondisclosure of data? Is it acceptable to just continue a public process as if it is a routine public process? When is it appropriate to say that emergency measures are being taken to accomplish something within a given time period? The public is confused about how leadership decisions are being made and these concerns should be foremost in public announcements of what data is, what it shows, and what public authorities intend to do with it. He requested that care be taken to catch up with as many constituents as possible and keep the process inherently rational. **(3) Jim Cullem** – MPRWA, asked if it would be feasible to analyze what well production would be if intake wells were drilled further out in the ocean, at a shallower angle as suggested by Geosyntec. *Svindland responded that modeling of a 19 degree and 10 degree angle had been completed for the project EIR. The 10 degree angle will be evaluated. It may be that some wells will be drilled at 19 degrees and others at 10 degrees.*

A question was directed to Svindland regarding the procurement process for construction of the slant wells and Dennis Williams' association with the project. Svindland stated that Williams' patented technology was not used to construct the test slant well. The patent has some advantages that could enhance operation of the final project. Design of the final project will be based on the most cost effective technology and negotiations the construction contractor. Burnett suggested that in order to provide assurance to the public, Williams could provide written disclosure that he will not receive royalties should the patented technology be utilized.

### Action Items

#### 2. **Adopt Minutes of May 20, 2015 Governance Committee Meeting**

Public Comment: **(1) Tom Rowley**, Monterey Peninsula Taxpayers Association, expressed concern that Monterey County's representative to the Governance Committee was not in attendance at the May or June meetings to receive project updates. **(2) Michael Warburton**, PTA, expressed agreement with Rowley's comment and stated that it is important for public confidence in public institutions to have people know what they are seeing, who is conducting the public's business, and under what standards they conduct it. The adoption of minutes is an extremely important part of this process. He asked that notes and concerns that have been brought up all along be made part of the minutes of the organization.

On a motion of Brower and second by Burnett, the minutes were approved on a vote of 2 – 0 by Brower and Burnett.

#### 3. **California-American Water Notification #7 – Review Draft Request for Proposals (RFP) for Pipeline Procurement and Develop a Recommendation to California American Water on Finalization and Distribution of the RFP**

A summary of Crooks presentation can be viewed on the Committee website. Crooks advised the committee that the request for qualification documents are to be returned to Cal-Am by

July 2, 2015. The draft RFP content was provided to the Governance Committee for review and comment at the June 24, 2015 meeting. On July 20, 2015, the RFP will be distributed to contractors. The contracts and associated documents will be provided to the Committee for review and comment at the July 27, 2015 meeting. Comments from the committee will be forwarded to the contractors. The completed RFPs should be submitted to Cal-Am on September 1, 2015.

Public Comment: **(1) Tom Rowley**, MPTA, stated that the number of public hearings on the draft EIR was inadequate to provide the public in all potentially affected jurisdictions an opportunity to comment. He asserted that citizens are concerned about pipeline routes and that Cal-Am should make a concerted effort to present the pipeline routes to the citizens of Monterey, Del Rey Oaks, Pacific Grove and Seaside as soon as possible. *Crooks responded that Cal-Am has met with the affected cities on the two proposed pipeline routes. A neighborhood meeting was conducted in Monterey and a route was moved in response to concerns expressed. Catherine Steadman of Cal-Am stated that a four-color direct mail brochure was sent to all Cal-Am customers that illustrated pipeline alignment and included a list of all streets that would be affected. The information is also on the Cal-Am website. Svindland noted that the contractor could incorporate changes in the pipeline routes after the contract is issued.* **(2) George Riley** expressed support for Rowley's comments. He asked if the \$130 million proposed budget covered the conveyance facilities. *Svindland responded that the \$130 million was for the Cal-Am only facilities plus the extra pipeline to the desal plant. Also included were costs for mitigation, engineering, and permitting fees. The construction costs could be approximately 55% of the \$130 million.* **(3) Michael Warburton**, PTA, stated that the discussion under agenda item 3 signaled to him that the small settlement group has assumed that the EIR has been accepted and it is merely details moving forward. If this RFP is being issued with the understanding that all public decisions have already been made, I ask, what if the whole thing doesn't make sense. Are you saying that the whole thing has been proved to make sense, and all the necessary findings have been made by public agencies involved? If so, I'm very concerned about issuance of an RFP before an EIR has even been commented on. *Svindland stated that if the EIR was delayed after the contract was issued, Cal-Am would bring the issue to the Governance Committee for direction.* **(4) Jim Cullem**, Monterey Peninsula Regional Water Authority, asked if permits from Cal-Trans are required for any of the pipeline routes. *Svindland stated that Cal-Am installed a pipeline on the Fremont bridge and Cal-Trans did require a permit, but there was no delay in issuance of the permits. We would expect some on pipelines.*

Brower made a motion that was seconded by Burnett to support distribution of the Requests for Proposals, with the understanding that California-American staff would ensure that recommendations on desalination and source water infrastructure submitted on August 29, 2014 and May 28, 2013 would be incorporated into the Final RFP prior to distribution. The motion was approved on a vote of 2 – 0 by Brower and Burnett.

Burnett requested that Cal-Am report back to the committee on how the bids compare to the costs that had been agreed on. Also that the 7/9/15 MPRWA meeting might be a good opportunity to ensure that all cities have submitted comments on the pipeline routes.

## Discussion Items

### 4. Suggest Items to be Placed on Future Agendas

Public Comment: **(1) Tom Rowley** requested an update on any security measures that have been implemented at the CEMEX test well site. **(2) Michael Warburton**, PTA, stated that he made a previous request that the committee address changes in legal circumstances. The situation is changing rapidly, and in a larger context things are changing in our country faster than anyone dreamed they would change. Assuring a reliable supply of water for cities on the Monterey Peninsula, the circumstances have changed profoundly since application was made and perhaps that could find its way on to the agenda.

## Adjournment

The meeting was adjourned at approximately 3:45 pm.