

**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

**FINAL MINUTES  
Regular Meeting  
Governance Committee  
for the  
Monterey Peninsula Water Supply Project  
December 16, 2015**

**Call to Order:** The meeting was called to order at 2:05 pm in the conference room of the Monterey Peninsula Water Management District offices.

**Members Present:** Bill Kampe, representative for Monterey Peninsula Regional Water Authority (alternate to Jason Burnett)  
David Potter, representative for Monterey County Board of Supervisors  
Robert MacLean, representative for California-American Water

**Members Absent:** Robert S. Brower, Sr., Monterey Peninsula Water Management District  
Jason Burnett, Monterey Peninsula Regional Water Authority

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

**Public Comments:** No comments were presented to the committee.

**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, California-American Water (Cal-Am), presented the progress report. A summary of his presentation can be viewed on the Governance Committee web site. No comments were directed to the committee during the public comment period on this item.
- 2. Report from California-American Water on Addressing the Possibility of Risks Associated with Storms and Sea-Level Rise**  
Crooks presented the report. A summary of his presentation can be viewed on the Governance Committee web site. No comments were directed to the committee during the public comment period on this item.

**Action Items**

- 3. Review and Develop Recommendation on California American Water Notification #11 – Execution of Construction Contract for Monterey Peninsula Water Supply Project Conveyance Facilities**

Crooks provided information on Notification #11. His presentation can be viewed on the Governance Committee website.

Public Comment: **(a) David Stoldt**, General Manager, Monterey Peninsula Water Management District, asked if it would be more efficient to contract with Garney Pacific, Inc. or Monterey Peninsula Engineering (MPE) for the SVR and Brine Return Pipeline, instead of working with a third contractor, Mountain Cascade, Inc. on just one pipeline project. *MacLean responded that the cost savings achieved by contracting with Mountain Cascade, Inc. would be \$257,000 – a significant amount. Cal-Am does not anticipate any difficulties in administering the contract with Mountain Cascade, Inc.* Stoldt stated that the MPE bid for the Booster Pump Stations was half the amount proposed by other bidders. He asked if Cal-Am's review of the MPE technical specifications met their requirements. *MacLean stated that the difference in cost between MPE and Granite/Rados was approximately \$1 million. Crooks confirmed that Cal-Am was confident in MPE's ability to successfully complete the project, and that MPE's knowledge of the local area offered a distinct advantage over the other bidders.* **(2) Tom Rowley**, Monterey Peninsula Taxpayers Association (MPTA), asked if construction of a reservoir for brine disposal will be added to the list of project components. *Svindland responded that \$7 million plus contingencies has been allocated to brine disposal. The settlement agreement also included \$6.9 million to address that issue. A plan for brine disposal has not yet been finalized.*

Cal-Am representatives made the following statements in response to questions from the committee members. A map of desal project facilities is available for review by the public. Cal-Am has worked with the cities of Seaside and Monterey regarding the pipeline routes. Cal-Am is also working with the Transportation Agency of Monterey County regarding the rail right-of-way. Cal-Am's plan with regard to CAN #11 is to contract with Garney Pacific, Inc., MPE and Mountain Cascade, Inc. The contractors will participate in the value engineering study and the contracts could be modified based on the outcome of the study.

Potter offered a motion to approve the contracts with Garney Pacific, Inc., MPE and Mountain Cascade, Inc. The motion was seconded by Kampe and approved on a vote of 2 – 0 by Potter and Kampe. Brower was absent.

**4. Adopt Minutes of December 1, 2015 Governance Committee Meeting**

On a motion by Potter and second of Kampe, the minutes were adopted unanimously on a vote of 2 – 0 by Potter and Kampe. Brower was absent. No public comment was presented to the committee on this item.

**Discussion Items**


**5. Suggest Items to be Placed on Future Agendas**

It was proposed that in the future, the committee will review the value engineering study and other items as they arise. It was also suggested that the committee receive a report on the litigation cost incurred by local agencies related to the Monterey Peninsula Water Supply Project, particularly costs incurred due to challenges raised by Marina Coast Water District (MCWD). Committee members stated the following. (a) The ratepayers in Marina do not understand how much the litigation has cost them. (b) If that is within the charge of this committee, it would be good to report on those costs to the ratepayers in Marina. (c) This committee was established to focus on the project. Litigation has affected the test well costs.

It would be difficult to focus only on costs related to lawsuits by Marina Coast Water District. (d) The committee Chair will need to confer with counsel to determine a forum for the proposed report. It could also be presented to the Monterey Peninsula Regional Water Authority.

Public Comment: Tom Rowley, MPTA, asked if physical security for all facilities being planned has been addressed. He stated that there is potential for vandalism at the construction sites. *MacLean reported that a full security design will be prepared for future construction phases of the project, but no public presentation will be provided.*

**Adjournment:** The meeting was adjourned at approximately 2:45 pm.

  
Arlene M. Tavani,  
Clerk to the MPWSP Governance Committee