

MONTEREY PENINSULA WATER SUPPLY PROJECT GOVERNANCE COMMITTEE

CAL-AM NOTIFICATION #1

TO: Jason Burnett, Chair, MPWSP Governance Committee

FROM: Richard Svindland, VP - Engineering, California American Water

DATE: March 15, 2013

RE: Cal-Am Notification # 1 – Draft Desalination Infrastructure Request for

Qualifications to be issued by California American Water

This Cal-Am Notification is submitted to you pursuant to, and in compliance with, Section V.B. of the Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee (the "Agreement"), dated March 8, 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 a request for qualifications ("RFQ") for the procurement of a Contract, valued in excess of \$1 million, relating to the design and construction of the Desalination Infrastructure. Pursuant to Section V.D., Category B.1., of the Agreement, the Governance Committee may recommend qualifications and selection criteria for such Contract.

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 RFQ relating to the design and construction of the Desalination Infrastructure on or about April 1, 2013. The Governance Committee may review and make recommendations relating to the qualifications and selection criteria to be included in the RFQ.

Pursuant to Section V.B. of the Agreement, the Governance Committee shall issue its recommendation, if any, to Cal-Am in response to this Cal-Am Notification no later than March 25, 2013. The recommendation should be sent to Richard Svindland of Cal-Am at richard.svindland@amwater.com.