

**EXHIBIT 17-A**

**Evaluation Matrices of District Engineer and General Manager**



**Proposal Review Scoring Sheet for Alternative Desalination Facility**

Reviewer: Larry Hampson

Date: March 9, 2013

Review categories and scoring criteria	Category score		Deep Water Desal	People's Moss Landing	Notes
	max score				
<b>Organization Information and Financial Strength</b>	<b>12</b>	<b>11%</b>			
a. type of organization (e.g. corporation, partnership, including joint venture teams and subcontractors) and how long it has been in existence.	3		2	1	PML and DWD are LLC. Internet search on Moss Landing Commercial Park shows that the California "Agent for Service of Process [in case of a lawsuit] resigned on 10/5/10." There has been no replacement. Part of DWD D-B team are partners in LLC w/ Dennis Ing as Agent for Service.
b. capital structure - financial resources organization intends to dedicate to the project in the next 18 months	3		3	1	PML: \$500K for EIR + \$200K design; DWD: \$5 million (+ or -) for legal, permits, tech studies, prelim design.
c. cost sharing partnership with the District.	3		3	2	PML: defer acquisition costs. DWD: will retain ownership of intake pipeline to data center, lease SWRO building, JPA owns pipelines to and from SWRO facility to outfall at MLPP raging waters (note: three pipelines required in Dolan Road).
d. audited financial statements provided for the past two years, including annual reports, income statements, balance sheets, and statements of changes	3		0	1	PML - unaudited balance sheet; buildings and real estate valued at \$276 million; \$32.3 million in mortgage payable over one year. DWD - described, none provided, offer to provide.
<b>Team ability and strengths</b>	<b>10</b>	<b>9%</b>			
a. proposal identifies key team members, contractors, sub-contractors, and their qualifications and experience	5		4	2	DWD has relevant experience in design of SWRO plant; CEQA/NEPA and permitting expertise not demonstrated. DWD has retained Tenera for WQ sampling. PML has relevant experience in membrane technology and concentrate disposal (Mickley). No PML SWRO design experience demonstrated either in proposal or on Mickley
b. proof provided of contracts with the contractors, sub-contractors, and third-party participants	5		2	1	No contracts provided; proposals provided by PML with some preliminary consultant work. DWD has partnership that includes design team, political representation, technical studies consultant, financial expertise. DWD did not provide copies of third
<b>Source Water Intake Strategy</b>	<b>16</b>	<b>14%</b>			
a. feed water source and physical infrastructure identified for delivering it to the treatment facility	4		1	2	PML intake in Moss Landing harbor may require significant pre-treatment for variable WQ (SPI report); possible to modify PML outfall to be both intake and outfall, but costs unknown; existing intake lines are in place under Highway 1. DWD relying on construction of new 48-inch intake along fuel oil line easement/Highway 1/Dolan Road and extracting heat from data centers or MLPP to heat feed water.
b. potential water rights or environmental litigation risks identified or statement provided why there is limited or no litigation risk with respect to water rights or environmental concerns	4		2	1	Both PML and DWD rely on open sea water intakes, so water rights should not be an issue. Neither identify potential mitigation requirement for I&E impacts. PML submitted preliminary CEQA checklist. 2011 appraisal report of PML property by Landmark Realty states that the replacement cost of facilities makes the "extraordinary assumption that decontamination for [sic] the ground [sic] water is on-going through natural processes..." No groundwater monitoring data provided.
c. Long-term (50 or more years) security and right to this water source demonstrated. Legal agreements in place (and provided) or expected to be in	4		N/A	N/A	Intake/outfall may be subject to continuing jurisdiction of RWQCB.
d. Studies/data to support permit applications	4		2	1	PML provided analysis of air emissions for construction. DWD stated that there is an ongoing source water study.
<b>Outfall Strategy</b>	<b>10</b>	<b>9%</b>			
a. physical infrastructure identified or in place	5		1	2	PML intake and outfall in disrepair; SPI report shows R&R costs estimated at \$3 million for both, but PML Feb. 15, 2013 submittal shows \$1 million w/o any substantiation; JAMSE report describes minor repairs and potential for 24-inch steel pipe insert; PML shows an additional 36-inch outfall from the harbor - drawings show an abandoned 36-inch wood stave pipe with 10-ft. concrete plug along alignment of 51-inch pipe outfall until ocean. 51-inch outfall departs former 36-inch alignment in ocean and ends at -49 MLLW approx. 800 feet offshore; two 8-inch MLML pipes inside PML discharge line. DWD proposes use of MLPP outfall or new outfall along abandoned fuel oil pipeline

b.	legal agreements in place or expected to be in place related to the outfall	5		1	2	PML has existing outfall. DWD negotiating with State Lands for easement for new intake that could be used for outfall if MLPP outfall not available. Use of Dynegey MLPP outfall by DWD uncertain and may require indemnification.
<b>Water Treatment Facility</b>		<b>max score</b>	<b>8</b>	<b>7%</b>		
a.	preliminary design of the pre-treatment, treatment, and storage facilities completed, firm identified, contract in place, diagrams/drawings provided	4		2	1	PML and DWD provided description of facilities for SPI report, although SPI indicated PML was not very robust.
b.	plant configuration and performance schema identified; process flow diagram included	4		2	1	PML provided a proposal by Desal America describing facilities for a 9 mgd SWRO system on existing PML site (no diagrams or concept layout). DWD provided schematic, but no overall concept layout of intake, pipelines, SWRO facilities, delivery
<b>Site Control</b>		<b>max score</b>	<b>8</b>	<b>7%</b>		
a.	Site described, ownership identified, legal agreements for use provided	8		2	4	PML describes site, owns site, agreements in place for intake and outfall; however, are there hazardous wastes on site and has the owner made full disclosure about existing facilities? DWD described application to State Lands for offshore easement and agreement with Dynegey (not publicly available), but no other site-related agreements were furnished.
<b>Permitting</b>		<b>max score</b>	<b>12</b>	<b>11%</b>		
a.	required permits identified	3		3	3	PML and DWD described comparable set of permit requirements.
b.	firm identified for environmental studies, evidence of contract provided	3		2	1	PML identified consultant for environmental study (SMB Environmental, Inc.). DWD will enter into agreement for State Lands to be CEQA lead and has asked MPWMD to fund EIR. PML did not outline plans for completing necessary studies for intake, <u>membrane design, discharge</u> . DWD described intake studies only.
c.	strategy provided for obtaining permits	3		1	1	PML and DWD both rely on a simplified approach to obtaining intake and discharge permits - neither build in a time buffer for unexpected requirements.
e.	status or contract for lead CEQA/NEPA agencies	3		2	0	No lead identified for PML. State Lands to be CEQA lead for DWD. DWD in discussions with MBNMS for NEPA lead? (need to verify)
<b>Energy</b>		<b>max score</b>	<b>9</b>	<b>8%</b>		
a.	energy procurement strategy identified	3		3	1	Main power source from grid. PML has back-up generators, but it's not clear they are functional. DWD signed agreement with Salinas to form utility for power purchase.
b.	costs identified	3		2	2	Both PML and DWD costs are shown in SPI report. PML has lowered cost for buying site. DWD has altered its proposed intake and site facilities locations several times, so
c.	contracts in place or described	3		2	1	PML claims "over the fence" power cost from Dynegey at \$0.08/kw-hr, but no agreement provided. DWD will enter into agreement with Salinas to form utility to buy
<b>Third Parties</b>		<b>max score</b>	<b>6</b>	<b>5%</b>		
a.	third party construction agreements required for building, agreements in place or expected to be	3		0	2	PML not reliant on 3rd party agreements; DWD is reliant on third parties for site control, power, intake, outfall
c.	project depends on CEC licensing at MLPP, risk to source water, outfall, site control described	3		1	2	For PML, no risks associated with dependency on MLPP. For DWD, some risk associated with use of MLPP outfall.
<b>Business Terms</b>		<b>max score</b>	<b>6</b>	<b>5%</b>		
a.	legal structure and business terms described for short-term (environmental studies, permits)	2		1	1	PML proposes \$700 K contribution for EIR and design. DWD proposes about \$5 million contribution for studies, design, permit acquisition. Neither provided documentation of revenue or statements to show how contributions would be funded.
b.	legal structure and business terms described for design-build and O&M	2		2	2	PML to be D-B contractor w/MPWMD purchasing property (for \$15 million?). DWD proposes either D-B as developer or with JPA w/ competitive bid process for <u>engineering and construction</u> .
c.	earnings method and rate of return described	2		1	1	PML to be bought out. DWD to retain ownership of intake pipeline and facilities
<b>Litigation History</b>		<b>max score</b>	<b>5</b>	<b>4%</b>		
a.	No litigation within past five years	5		5	0	PML did not disclose any litigation; a search on the internet shows that Nader Agha was involved in more than 15 civil lawsuits between 1998 and 2010. DWD did not disclose any litigation.
<b>Costs</b>		<b>max score</b>	<b>4</b>	<b>4%</b>		
a.	proposal provides costs for environmental review and permitting	2		2	1	PML shows \$500K for EIR and \$200K for design, no costs for permitting. DWD shows \$1.6 million for legal/EIR/permits, \$1.5 million for studies and preliminary design.
b.	proposal provides costs for D-B, O&M	2		2	1	PML and DWD estimates are included in the SPI report, but do not include costs for
<b>Schedule</b>		<b>max score</b>	<b>8</b>	<b>7%</b>		

a. Does the proposal provide a plausible work schedule for environmental review and	4		1	1	see SPI final report - both proposals too optimistic
b. Does the proposal provide a plausible work schedule for D-B, initial start-up	4		1	1	see SPI final report - both proposals too optimistic
<b>Total</b>	<b>114</b>	<b>100%</b>	<b>58</b>	<b>43</b>	

Notes

1. SPI Report = Evaluation of Seawater Desalination Projects, Final Report, Prepared for Monterey Peninsula Regional Water Authority, January 17, 2013

2. Evaluation based on proposals submitted on February 15, 2013 by Moss Landing Commercial Business Park, LLC and DeepWater Desal, LLC, Monterey Peninsula Water Management District records, and internet research as noted.

**Proposal Review Scoring Sheet Alternative Desalination Facility**

Reviewer: D. Stoldt

Date: March 9, 2012

Review categories and scoring criteria	Category score		Proposal		Notes
	max score		Deep Water Desal	People's Moss Landing	
<b>Organization Information and Financial Strength</b>	<b>12</b>	<b>11%</b>			
a. type of organization (e.g. corporation, partnership, including joint venture teams and subcontractors) and how long it has been in existence.	3		2	1	PML ownership has longer history, but hasn't accomplished much; DWD is closely held. Neither has significant revenue capability.
b. capital structure - financial resources organization intends to dedicate to the project in the next 18 months	3		2	1	DWD appears to have stronger access to capital; Due diligence reveals much uncertainty about future ownership and financing of Moss Landing Commercial Park.
c. cost sharing partnership with the District.	3		3	1	DWD appears to commit approximately \$4 million; PML \$700,000;
d. audited financial statements provided for the past two years, including annual reports, income statements, balance sheets, and statements of changes	3		1	1	DWD no financial statements; PML provided unaudited; Significant debt load for Moss Landing Commercial Park
<b>Team ability and strengths</b>	<b>10</b>	<b>9%</b>			
a. proposal identifies key team members, contractors, sub-contractors, and their qualifications and experience	5		4	3	PML "team" appears disjointed. Not all members represented are actually part of team (i.e. Chapin); DWD project management team has industry reputation.
b. proof provided of contracts with the contractors, sub-contractors, and third-party participants	5		3	2	DWD relies on contractual relationships, not all of which have been executed or demonstrated. This is an area of further due diligence. Due diligence to date reveals contract under development for energy, exclusivity agreement with Dynegy, but have not seen commitment of intake easement/lease or use of outfall. DWD does have CEQA lead agency on board; PML did not demonstrate any contractual relationships.
<b>Source Water Intake Strategy</b>	<b>16</b>	<b>14%</b>			
a. feed water source and physical infrastructure identified for delivering it to the treatment facility	4		3	2	DWD needs contract for easement; PML may have initially misrepresented source as "sub-surface intakes"- later clarified, but much confusion. Due diligence reveals concerns wrt physical condition of existing intake options for PML.
b. potential water rights or environmental litigation risks identified or statement provided why there is limited or no litigation risk with respect to water rights or environmental concerns	4		2	2	Big area of uncertainty; Opposition not yet identified.
c. Long-term (50 or more years) security and right to this water source demonstrated. Legal agreements in place (and provided) or expected to be in	4		3	3	Both intake strategies appear to meet long term secure source.
d. Studies/data to support permit applications	4		3	0	DWD has significant headstart in data collection for siting intake structure.
<b>Outfall Strategy</b>	<b>10</b>	<b>9%</b>			
a. physical infrastructure identified or in place	5		2	3	PML existing outfall appears to be in more significant disrepair than represented. Concern over accommodation for MBARI 8" diameter pipes.
b. legal agreements in place or expected to be in place related to the outfall	5		2	3	DWD will rely on legal contract, of which no evidence at this time.
<b>Water Treatment Facility</b>	<b>8</b>	<b>7%</b>			
a. preliminary design of the pre-treatment, treatment, and storage facilities completed, firm identified, contract in place, diagrams/drawings provided	4		2	2	We have relied on additional information from the SPI reports.
b. plant configuration and performance schema identified; process flow diagram included	4		3	2	
<b>Site Control</b>	<b>8</b>	<b>7%</b>			
a. Site described, ownership identified, legal agreements for use provided	8		4	6	DWD has moved preferred site 3 times in 3 months - concern; PML have described site as both a 20-acre (p 5) and as a 25-acre (p 8), but no specific parcel identified. Existing buildings may provide benefit, but overall purchase price appears too high. Concerns over actual environmental condition of site -- not addressed.

<b>Permitting</b>	<i>max score</i>	<b>12</b>	<b>11%</b>			
a. required permits identified		3		3	2	PML appears to misunderstand need for NEPA review and may have understated work to be done for NPDES discharge permit. Also mention of need for a CPUC CPCN appears erroneous.
b. firm identified for environmental studies, evidence of contract provided		3		1	1	
c. strategy provided for obtaining permits		3		2	1	DWD has demonstrated better grasp of permit requirements
e. status or contract for lead CEQA/NEPA agencies		3		2	1	DWD has head start with State Lands Commission.
<b>Energy</b>	<i>max score</i>	<b>9</b>	<b>8%</b>			
a. energy procurement strategy identified		3		2	1	DWD pursuing innovative energy plan with Salinas; PML mistakenly identifies NRG as new owner of the plant; Also, our due diligence suggests an "over the fence"
b. costs identified		3		2	2	
c. contracts in place or described		3		1	1	
<b>Third Parties</b>	<i>max score</i>	<b>6</b>	<b>5%</b>			
a. third party construction agreements required for building, agreements in place or		3		1	1	
c. project depends on CEC licensing at MLPP, risk to source water, outfall, site		3		2	2	DWD strategy at MLPP appears to survive relicensing risk and/or one-through-cooling
<b>Business Terms</b>	<i>max score</i>	<b>6</b>	<b>5%</b>			
a. legal structure and business terms described for short-term (environmental		2		2	2	Costs enumerated for both projects;
b. legal structure and business terms described for design-build and O&M		2		1	1	no detail.
c. earnings method and rate of return described		2		1	2	Not much detailed description of DWD recovery of return; PML purchase price appears
<b>Litigation History</b>	<i>max score</i>	<b>5</b>	<b>4%</b>			
a. No litigation within past five years		5		3	1	PML response appears to conflict with 7/9/12 Pine Cone article
<b>Costs</b>	<i>max score</i>	<b>4</b>	<b>4%</b>			
a. proposal provides costs for environmental review and permitting		2		2	1	
b. proposal provides costs for D-B, O&M		2		1	1	Reviewer will rely more on SPI consulting reports
<b>Schedule</b>	<i>max score</i>	<b>8</b>	<b>7%</b>			
a. Does the proposal provide a plausible work schedule for environmental review and		4		2	1	Concern that PML has not identified timeline for data collection for intakes
b. Does the proposal provide a plausible work schedule for D-B, initial start-up		4		1	1	Not requested; Not created.
	<b>Total</b>	<b>114</b>	<b>100%</b>	<b>68</b>	<b>54</b>	