

**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
September 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:** Jeanne Byrne, representative for Monterey Peninsula Water Management District (alternate to Robert S. Brower, Sr.)
Bill Kampe, representative for Monterey Peninsula Regional Water Authority (alternate to Jason Burnett)
Robert MacLean, representative for California-American Water
- Members Absent:** David Potter, Monterey County Board of Supervisors
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 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 is on file at the Water Management District office and can be viewed on the Governance Committee web site. He reported the following. The California Coastal Commission (CCC) will conduct a hearing on the amended application for slant test wells on October 7 through 9, 2015 in Long Beach. The California Public Utilities Commission (CPUC) issued a Notice of Preparation for a joint CEQA/NEPA analysis of the Monterey Peninsula Water Supply Project (MPWSP) to be prepared by the CPUC and the Monterey Bay National Marine Sanctuary (MBNMS). Preparation of the NEPA analysis will not change the project schedule. The draft EIR/EIS document should be released in March or April 2016. The CPUC decision on the water supply project is expected in September or October 2016. In response to questions from the committee members, Crooks stated that he believes the CCC is giving positive consideration to the amended application. He noted that well maintenance activities will be undertaken in October, while the test slant well is out of

operation. MacLean stated that the National Oceanic and Atmospheric Administration waited until after the draft EIR was released before it determined that MBNMS should prepare the EIS. The CPUC has determined that development of a joint EIR/EIS document will be faster than preparation of two separate documents.

Action Items

2. Review California American Water Notification (CAN) #9 – Draft Request for Proposals (RFP) and Draft Construction Contract Monterey Peninsula Water Supply Project Source Water Slant Wells – Develop a Recommendation to California American Water Concerning the RFP and Contract

Crooks presented the item. He stated that comments received from the Governance Committee on previous requests for proposals and contracts have been incorporated into the draft documents presented with CAN #9. He explained that it is important to identify a contractor according to the schedule due to all the planning that must be completed before Cal-Am has received authorization from the CPUC to begin construction. The ratepayers have limited exposure to pre-construction costs, as the contract is limited to \$40,000 for planning activities – not construction. For example, the \$40,000 covers meetings with Cal-Am before construction begins, but any tooling or construction costs prior to issuance of the notice to proceed would be borne by the contractor. MacLean noted that the contract may be modified after committee review, but it would be brought before the Governance Committee for review before it is awarded to a contractor.

Public Comment: Jim Cullum, Executive Director, Monterey Peninsula Regional Water Authority (MPRWA), requested that the Governance Committee remand its recommendation on the Draft RFP and Contract to the MPRWA Technical Advisory Committee for review and comment. If the MPRWA TAC disagreed with the Governance Committee recommendation or identified additional considerations that should be incorporated into the RFP or Contract, they could be presented to the MPRWA Board in October and then brought back before the Governance Committee for consideration. Cullum requested that this project be LEED certified or LEED like, as was specified in the design/build contract. He recommended that Envision, a sustainable infrastructure rating system, could be used to evaluate the source well project so that it could be recognized for sustainability. Cullum stated that a sustainable advantage might be that slant well technology will be utilized; or that the discharge line is to be co-located; or there could be design and maintenance considerations. He noted that there are experts who could identify the opportunities for sustainability, and that planning for sustainability must begin early in the process.

Byrne stated that she did not support LEED Certification due to the high cost of paperwork associated with certification, but she did support LEED-like project components. Kampe stated that sustainability is a good quest, but the challenge is to be sure there is a payoff. The benefit must be quantifiable, such as cost savings over the long term. It must be clear how the project is improved as a result of sustainable factors. MacLean stated that Cal Am should consider the comments re sustainability and the Envision methodology, and decide if it makes sense to incorporate this into the RFP and contract. The RFP and contract would not be delayed by sending the CAN #9 to the MPRWA TAC, because the draft documents are subject to change before they are finalized. The Governance Committee will review the documents before they are final, likely in December 2015.

Kampe offered a motion to approve the draft RFP as presented noting that the MPRWA TAC will review the documents and provide comments at the next meeting. Further, there should be consideration of sustainable aspects that can improve life-cycle costs or other factors according to some well recognized criteria. The motion was seconded by Byrne and approved on a unanimous vote of 2 – 0 by Kampe and Byrne.

3. Adopt Minutes of August 26, 2015 Governance Committee Meeting

On a motion by Kampe and second of Byrne, the minutes were accepted with one correction. On page 5 of the minutes, the first sentence under the heading Suggest Items to be Placed on Future Agendas, delete the reference to “October 16” and replace it with “September 16”. The motion was approved on a vote of 2 – 0 by Kampe and Byrne.


Discussion Items

5. Suggest Items to be Placed on Future Agendas

October – if the MPRWA TAC identifies a critical issue related to the RFP and Contract on Source Water Slant Wells, the item could be brought to the committee again in October.

December – 2 items - results of the RFP on Source Water Slant Wells and also procurement of pipelines.

Adjournment: The meeting was adjourned at 2:30 pm.


Arlene M. Tavani,
Clerk to the MPWSP Governance Committee

