

EXHIBIT 17-C
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
January 17, 2018

- Call to Order:** The meeting was called to order at 1:30 pm in the conference room of the Monterey Peninsula Water Management District offices.
- Members Present:** Bill Kampe, representative for Monterey Peninsula Regional Water Authority (arrived at 1:45 pm)
Jeanne Byrne, representative for Monterey Peninsula Water Management District
Mary Adams, representative for Monterey County Board of Supervisors
Rich Svindland, representative for California-American Water (non-voting member)
- Members Absent:** None
- Pledge of Allegiance:** The assembly recited the Pledge of Allegiance.
- Public Comments:** **(a) Michael Warburton**, representing the Public Trust Alliance, expressed confidence in the settlement process that is in underway for the Monterey Peninsula Water Supply Project (MPWSP). He stated that instead of a conflict between engineers and lawyers, this process could result in a reasonable compromise that would put everyone in a better place. Also, that there are phenomenal opportunities to unwind the maze of legal problems that the project has at the California Public Utilities Commission (CPUC) level. **(b) Tom Rowley**, representing the Monterey Peninsula Taxpayers Association, described as false, statements made at the November 15, 2017 meeting that desalination was unproven technology. He stated that the slant well technology for production of the source water has not been proven, and he asserted that desalination is a proven technology.

Action Items

- 1. Approve Committee Meeting Minutes of November 15, 2017**
On a motion by Adams and second of Byrne, the minutes of November 15, 2017 were approved unanimously on a vote of 2 – 0 by Adams and Byrne. Kampe was absent for the vote. No comments were directed to the committee during the public comment period on this item.

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2. Adopt 2018 Committee Meeting Schedule

On a motion by Adams and second of Byrne, the 2018 committee meeting schedule was approved on a vote of 2 – 0 by Adams and Byrne. Kampe was absent for the vote. No comments were directed to the committee during the public comment period on this item.

Discussion Items

3. Status Report by California-American Water as to Monterey Peninsula Water Supply Project Generally

Chris Cook, Assistant Engineering Manager for California American Water (Cal-Am), reviewed the MPWSP anticipated schedule, which is on file at the District office and can be viewed on the Water Management District website. He reported that the Monterey Pipeline should be completed in 2018, in advance of Pure Water Monterey (PWM) project construction. Cal-Am estimates that construction of the desalination project facilities could begin in 2019, after the California Coastal Commission issues a permit. The desalination project could be operational by 2021.

4. Status Report by California-American Water As to Monterey Pipeline

Mr. Cook continued narration of the PowerPoint presentation that is on file at the District office and can be viewed on the Water Management District website. (Mayor Kampe arrived at the meeting during Mr. Cook's presentation.) Cook reported that 5.5 miles of the 7 mile Monterey pipeline had been installed. He reviewed the change orders listed on slides 5, 6 and 7. In response to a question from the committee, Cook stated that one-third of the pipeline had been pressure tested, and there were plans to pressure test other areas before final paving was completed in those areas. Cook advised the committee that Cal-Am intends to present RFPs to the committee for review before a change order is put out to bid. In response to a question from the committee, Cook informed the committee that cost estimates are based on construction of a 6.4 mgd desalination plant. If the final decision was that a 4.8 mgd plant should be constructed, that could be achieved through removal of a reverse osmosis train or other minor changes.

Public Comment: **(a) Jim Cullem**, Executive Director – Monterey Peninsula Regional Water Authority, suggested that at a future meeting Cal-Am present the detailed project schedule to the Governance Committee, and advise them of the permits that must be obtained following issuance of the Certificate of Public Convenience and Necessity (CPCN) and many junctures in the schedule that could cause project delays. **(b) Michael Warburton**, Public Trust Alliance, asked if an investigation had been completed on project alternatives should the CPCN not be awarded for the desalination project. He stated that there is an enormous amount of water in Monterey County that is used very cheaply and could be sold for more expensive uses. According to Mr. Warburton, it is realistic to assume the CPCN will not be issued.

5. Suggest Items to be Placed on Future Agendas

It was suggested that Cal-Am present an overview of the number of permits that must be obtained to complete the desalination project, also an update on future change orders and RFPs.

During the public comment period on this item, **Tom Rowley** asked for an update on security at the slant wells located at the CEMEX plant, considering the impending plant closure. In response, Rich Svindland of Cal-Am stated that the CEMEX plant will be staffed for six more years, and Cal-Am has implemented ongoing security measures.

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Adjournment: The meeting was adjourned at approximately 2:17 pm.

Arlene M. Tavani,
Clerk to the MPWSP Governance Committee

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