

**GOVERNANCE COMMITTEE  
FOR THE  
MONTEREY PENINSULA WATER SUPPLY PROJECT**

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California American Water • Monterey County Board of Supervisors  
Monterey Peninsula Regional Water Authority • Monterey Peninsula Water Management District

This meeting has been noticed according to the Brown Act rules. This agenda was posted on April 12, 2019.

**Governance  
Committee Members:**

*California American  
Water  
Rich Svindland  
Alt. – Ian Crooks*

*Monterey Peninsula  
Regional Water Authority  
Bill Peake  
Alt.- Vacant*

*County of Monterey  
Mary Adams  
Alt. – Vacant*

*Monterey Peninsula  
Water Management  
District  
Molly Evans  
Alt. – Jeanne Byrne*

**Staff Contact:**  
*David J. Stoldt, MPWMD  
Arlene Tavani, MPWMD*

**REGULAR MEETING  
Monterey Peninsula Water Supply Project  
Governance Committee**

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**Wednesday, April 17, 2019, 2:00 PM**

Monterey Peninsula Water Management District, Conference Room,  
5 Harris Court, Building G., Monterey, CA

**Call to Order/Roll Call**

**Pledge of Allegiance**

**Public Comments** - Any person wishing to address the Committee on matters not listed on the agenda that are within the subject jurisdiction of the Committee, may do so during Public Comments. The public may comment on any other items listed on the agenda at the time they are considered by the Committee. Please limit your comment to 3 (three) minutes.

**Action Items** – Public Comment will be Received

- P. 3** 1. Elect Committee Chair and Vice Chair
- P. 5** 2. Approve Committee Meeting Minutes of July 18, 2018
- P. 11** 3. Adopt 2019 Committee Meeting Schedule
- P. 13** 4. California-American Water Notification #14 – Provide any Recommendations on Selection of Contractor and Terms of Final Contract for the Following Two Contracts:
  - A. Construction of Fitch Park ASR Wells 5 and 6
  - B. Fitch Park ASR Wells 5 and 6 Above Ground Facilities
- P. 17** 5. California-American Water Notification #15 – Provide any Recommendations on Qualifications and Selection Criteria for the Following Draft Requests for Proposals:
  - A. Slant Well Intake System – Civil Work
  - B. Castroville Pipeline

**Discussion Items** – Public Comment will be Received

- 6. Status Report by California American Water as to Monterey Peninsula Water Supply Project and Monterey Pipeline/Pump Station Project Final Close Out
- 7. Informational Report by California American Water regarding Satellite System Interconnect
- 8. Suggest Items to be Placed on Future Agendas

**Adjournment**

After staff reports have been distributed, if additional documents are produced by the Governance Committee and provided to a majority of the committee members regarding any item on the agenda, they will be available at the Monterey Peninsula Water Management District (MPWMD) office during normal business hours, and posted on the Governance Committee website at <http://www.mpwmd.net/GovernanceCommittee/GovernanceCmte.htm>.

Documents distributed at the meeting will be made available in the same manner.

Upon request, a reasonable effort will be made to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service by 5:00 PM on Monday, April 15, 2019. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.

## Monterey Peninsula Water Supply Project Governance Committee

**Meeting Date:** April 17, 2019

**Action Item:** 1. Elect Committee Chair and Vice Chair

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**Summary:** The committee last met on July 18, 2018. Since then, membership on the committee has changed and there is a need to elect a Chair and Vice Chair. The March 8, 2013 agreement to form the Governance Committee states in Section III – Membership and Voting, “The Governance Committee shall appoint a “Chair” and “Vice Chair” from the primary (non-alternate) elected officials appointed to the Governance Committee.”

**Recommendation:** The voting members of the committee should, by motion, elect a Chair and Vice Chair.

### March 8, 2013 Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee

#### III. Membership and Voting

Each of the Public Entity Members of the Governance Committee shall be represented on the Governance Committee by one elected official of such entity and one alternate who shall also be an elected official. No individual person may be appointed as the primary or alternate representative of more than one Party. If MPRWA ceases to exist, then the cities that are members of the MPRWA at the time of the MPRWA’s termination shall collectively choose a “city representative” that will take the place of the MPRWA representative on the Governance Committee. Cal Am shall be represented by the President of Cal-Am or the President’s alternate, whom the President may designate to act on his or her behalf at any time. **The Governance Committee shall appoint a “Chair” and “Vice-Chair” from the primary (non-alternate) elected officials appointed to the Governance Committee.** Each of the Public Entity Members of the Governance Committee shall have a single equal vote in decision-making. Cal-Am shall not have a vote for purposes of the issuance of decisions or recommendations by the Governance Committee. However, Cal-Am shall, unless it abstains from doing so, state its preference with respect to any decision or recommendation made by the Governance Committee (the “**Cal-Am Preference**”) at the time that any decision or recommendation is made by the Governance Committee and the Cal-Am Preference shall be recorded within the meeting minutes together with a summary of any explanation provided by Cal-Am for the Cal-Am Preference.



**Monterey Peninsula Water Supply Project Governance Committee**

**Meeting Date:** July 18, 2018

**Action Item:** 2. **Approve Committee Meeting Minutes of July 18, 2018**

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**Summary:** Attached as **Exhibit 1-A** for committee review and approval are draft minutes of the July 18, 2018 committee meeting.

**Recommendation:** Review and adopt the draft minutes.

**Exhibits:**

**2-A** Draft minutes of July 18, 2018 committee meeting

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**GOVERNANCE COMMITTEE  
FOR THE  
MONTEREY PENINSULA WATER SUPPLY PROJECT**

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**EXHIBIT 2-A**

California American Water • Monterey County Board of Supervisors  
Monterey Peninsula Regional Water Authority • Monterey Peninsula Water Management District

**DRAFT MINUTES  
Regular Meeting  
Governance Committee  
for the  
Monterey Peninsula Water Supply Project  
July 18, 2018**

**Call to Order:** The meeting was called to order at 2:00 pm in the conference room of the Monterey Peninsula Water Management District offices.

**Members Present:** Bill Kampe, Chair, representative for Monterey Peninsula Regional Water Authority  
Mary Adams, representative for Monterey County Board of Supervisors  
Rich Svindland, representative for California-American Water (non-voting member)

**Members Absent:** Jeanne Byrne, representative for Monterey Peninsula Water Management District

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

**Public Comments:** **Michael Warburton**, representing the Public Trust Alliance, stated that the problem with obtaining a secure water supply and protecting the public trust assets of the Carmel River are that there are many divisions within Monterey County and working with State agencies. There are better ways of moving ahead collaboratively than by moving ahead by litigation. He stated that California American Water has an obligation to make a reasonable case and that has not been done.

**Action Items**

1. **Approve Committee Meeting Minutes of January 17, 2018**  
On a motion Adams and second of Kemp, the minutes were approved on vote of 2 – 0 by Adams and Kemp. Byrne was absent. No comments were directed to the committee during the public comment period on this item.
2. **California American Water Notification #13 – Provide any Recommendations on Qualifications and Selection Criteria for the Following Draft Requests for Proposals**
  - A Fitch Park Aquifer Storage and Recovery Wells 5 and 6 Construction Contract
  - B Fitch Park Aquifer Storage and Recovery Wells 5 and 6 Above Ground Facilities Design-Build Contract

Chris Cook, Assistant Engineering Manager for California American Water (Cal-Am) presented a summary which is on file at the MPWMD office and can be reviewed on the Governance Committee website. In response to questions from the committee members he stated the following. For this project the diverse spend goal is 30%. Cal-Am's contracts specify a diverse spend goal for the contractor. Cal-Am then works with contractors to track diverse spend compliance and reports the results annually to the California Public Utilities Commission (CPUC).

Mr. Cook noted that in the future, Cal-Am will submit to the committee for review RFPs for construction of the Castroville pipeline and slant wells civil and electrical work. Mr. Svindland noted that the satellite system interconnect pipelines listed in the PowerPoint presentation will not come before the Governance Committee as the CPUC approved those costs in a previous rate case filing. Those pipelines would be constructed after the desalination project is online.

In response to a question from the committee, Mr. Svindland stated that if construction of the desalination project was delayed by litigation, Cal-Am would make a decision about whether or not to move ahead on construction of wells 5 and 6. If desal water was not available for injection, the wells would be useful for extraction.

Public Comment – **(a) Michael Warburton**, Public Trust Alliance, recommended that the committee should not be moving ahead as if the desalination plant was a certainty because it could be a distraction to efficiently moving ahead with near term water supply needs. **(b) Jim Cullem**, Executive Director Monterey Peninsula Regional Water Authority, asked how Cal-Am will deal with the possibility of increased tariffs on construction materials. *Mr. Cook responded that Cal-Am works with the contractor to track cost increases, and there is also the possibility of cost decreases in other areas. If the cost of materials does drop below what was assumed based on the indices used, Cal-Am can negotiate with the contractor to obtain a credit.*

Adams made a recommendation that Cal-Am move forward on the Requests for Proposals as presented. The motion was seconded by Kampe and approved on a vote of 2 – 0 by Adams and Kampe.

### Discussion Items

**3. Status Report by California-American Water as to Monterey Peninsula Water Supply Project and Monterey Pipeline/Pump Station Project**

No action was taken on this item. A summary of Chris Cook's presentation is on file at the MPWMD office and can be viewed on the Governance Committee website.

Public Comment – **(a) Michael Warburton** stated that the Governance Committee is optimistic to assume that permits for the desalination project will be obtained in 2019. He asked for a status report from Cal-Am, the County of Monterey and cities involved in the project, as to where they are in the permitting process. He concluded that there is a tremendous opportunity for problem solving, if a commitment is made for collaboration, rather than litigation. He asked if the Governance Committee supports moving ahead with litigation. *Chair Kemp responded that many agencies were reviewing that question, but it was beyond the scope of this committee's authority.* **(b) Tom Rowley**, Monterey Peninsula Taxpayers Association, suggested that if the option is available to the committee, it should formally request a waiver of the fees that will be



charged by the Monterey Bay National Marine Sanctuary to discharge brine into the bay. **(c) Jim Cullem** asked for an update on negotiations for joint use of the Marina Coast Water District pipeline. He asked if a parallel pipeline will need to be constructed. *Mr. Cook responded that Cal-Am has submitted applications to the City of Marina for a local coastal development permit and it is under review. The coastal development permit to the California Coastal Commission is under development. Cal-Am has submitted letters to the Federal government stating that the discharge fees are inappropriate, but there has been no final resolution on the issue. Cal-Am has been meeting with Marina Coast Water District to resolve the pipeline issue.*

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

Kemp listed the items that were suggested for future discussion: permits and how they might affect the project; how fees proposed for brine discharge would affect operations costs; possibility of dual pipelines; and would the Governance committee charge be affected should the nature of the MPWSP change.

Public Comment - **(a) George Riley** asked what the committee's role would be if the desalination project was litigated. He also asked if the aquifer storage and recovery component of the Monterey Peninsula Water Supply Project would continue even if the desalination project schedule was affected due to litigation. *Mr. Svindland stated that the CPUC criteria is that if an asset is constructed, is it used and useful. The proposed ASR wells 5 and 6 are associated with the desalination project. If without desalination, those wells would facilitate water extraction, then Cal-Am would move forward on development of those wells before the desalination project has been fully permitted.* **(b) Tom Rowley** requested that the committee regularly review the status of desalination project costs. **(c) David Stoldt**, General Manager, Monterey Peninsula Water Management District, stated that a settlement agreement finalized in July 2013 established the Governance Committee. The agreement that established the parameters of the committee was adopted in November 2013. The committee was established to provide a method for the public to review and comment on initial bid packages, change orders and project cost. **(d) Michael Warburton** requested that the topic of changing circumstances be brought forward for discussion. He noted that he had made the request repeatedly over the past four years. *Chair Kemp asked Mr. Warburton to send him an email explaining how the request pertained to the Governance committee's charge, and then he would determine if the item should be brought forward for discussion.*

**Adjournment:** The meeting was adjourned at approximately 3:10 pm.

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Arlene M. Tavani,  
Clerk to the MPWSP Governance Committee



## Monterey Peninsula Water Supply Project Governance Committee

**Meeting Date:** April 17, 2019

**Action Item:** 3. **Adopt 2019 Committee Meeting Schedule**

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**Summary:** Show below is the proposed 2019 Committee meeting schedule. This schedule follows the previously established practice of meeting on the third Wednesday of each month at 2 pm.

**Recommendation:** The committee should adopt or modify the meeting schedule.

<b>Day</b>	<b>Date</b>	<b>Time</b>
Wednesday	May 15, 2019	2:00 pm
Wednesday	June 19, 2019	2:00 pm
Wednesday	July 17, 2019	2:00 pm
Wednesday	August 21, 2019	2:00 pm
Wednesday	September 18, 2019	2:00 pm
Wednesday	October 16, 2019	2:00 pm
Wednesday	November 20, 2019	2:00 pm
Wednesday	December 18, 2019	2:00 pm

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## Monterey Peninsula Water Supply Project Governance Committee

**Meeting Date:** April 17, 2019

**Action Item:** 4. **California-American Water Notification #14 – Provide any Recommendations on Selection of Contractor and Terms of Final Contract for the Following Two Contracts:**  
A. **Construction of Fitch Park ASR Wells 5 and 6**  
B. **Fitch Park ASR Wells 5 and 6 Above Ground Facilities**

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**Summary:** Attached as **Exhibit 4-A** is Cal-Am Notification #14 regarding the proposed execution of two contracts each in excess of \$1 million relating to the ASR Infrastructure. Cal-Am recommends that it contract with Zim Industries Inc, and Hal Hayes Construction Inc. Pursuant to Section V.D, Category B.2., of the agreement that formed the MPWSP Governance Committee, the committee may recommend which contractors should be retained, and issue any recommendations concerning the terms of the final contracts. Recommendations should be submitted by April 20, 2019.

As noted in CAN #14, additional information prepared by Cal-Am for review can be viewed at [www.watersupplyproject.org](http://www.watersupplyproject.org) in the **Documents/Procurement** section. The responsive proposals received for the work will be available at the same link by Monday, April 15, 2019.

**Recommendation:** Review Cal-Am Notification #14 and determine if the committee should submit recommendations regarding which contractors should be retained and/or on the terms of the final contracts.

**Exhibits:**

**4-A** Cal-Am Notification #14





## MONTEREY PENINSULA WATER SUPPLY PROJECT GOVERNANCE COMMITTEE

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### CAL-AM NOTIFICATION # 14

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**TO:** Chair, MPWSP Governance Committee  
**FROM:** Tim O'Halloran, Engineering Manager, California American Water  
**DATE:** April 10, 2019  
**RE:** Cal-Am Notification # 14 – Execution of Contracts for the Fitch Park  
ASR Wells 5 and 6

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This Cal-Am Notification is submitted to you pursuant to, and in compliance with, Section V.B. of the Amended and Restated Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee (the "Agreement"), dated November 5, 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 execute two contracts, each valued in excess of \$1 million, relating to the ASR Infrastructure (the "Contracts"). Pursuant to Section V.D., Category B.2., of the Agreement, the Governance Committee may recommend which contractors should be retained for the Contracts, and issue any recommendations concerning the terms of the final Contracts.

Cal-Am has determined these matters are ripe for presentation to, and recommendation by, the Governance Committee. Cal-Am's recommendation is that Cal-Am enter into the Contracts with Zim Industries Inc, and Hal Hayes Construction Inc. The Governance Committee may, under Category B.2: (1) recommend which contractors should be retained under the Contracts; and, (2) issue any recommendations concerning the terms of the final Contracts.

Cal-Am will provide the following information to the Governance Committee pursuant to Section V.D., Category B.2, by posting various documents, including Cal-Am's Proposal

Evaluation Report, on the Monterey Peninsula Water Supply Project website: (1) a copy of all responsive proposals received for the work, except for any proprietary information provided by proposers; (2) a written description of the process Cal-Am undertook to select the recommended contractor; (3) a summary of the considerations that Cal-Am deems pertinent to support its recommendation; and (4) any other information that Cal-Am believes will assist the Governance Committee in its review of the recommended Contract and contractor. This information can be accessed at [www.watersupplyproject.org](http://www.watersupplyproject.org) in the Documents/Procurement section.

Pursuant to Section V.B. of the Agreement, the Governance Committee shall issue its recommendations, if any, no later than April 20, 2019. The recommendations should be in writing and sent to Tim O'Halloran of Cal-Am at [tim.ohalloran@amwater.com](mailto:tim.ohalloran@amwater.com).



## Monterey Peninsula Water Supply Project Governance Committee

**Meeting Date:** April 17, 2019

**Action Item:** 5. **California-American Water Notification #15 – Provide any Recommendations on Qualifications and Selection Criteria for the Following Draft Requests for Proposals:**  
A. **Slant Well Intake System – Civil Work**  
B. **Castroville Pipeline**

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**Summary:** Attached as **Exhibit 5-A** is Cal-Am Notification #15 regarding the proposed issuance of two requests for proposals (RFP) for the procurement of two contracts, each valued in excess of \$1 million relating to the Source Water Infrastructure and Product Water Pipeline. According to Section V.D., Category B.1., of the agreement that formed the MPWSP Governance Committee, the committee may review and make recommendations relating to the qualifications and selection criteria to be included in the RFPs. Recommendations must be submitted by April 20, 2019

The draft RFPs can be accessed at [www.watersupplyproject.org](http://www.watersupplyproject.org) in the **Documents/Procurement** section.

**Recommendation:** Review Cal-Am Notification #15, and determine if the committee should submit recommendations regarding the requests for proposals.

**Exhibits:**

**5-A** Cal-Am Notification #15





## MONTEREY PENINSULA WATER SUPPLY PROJECT GOVERNANCE COMMITTEE

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### CAL-AM NOTIFICATION # 15

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**TO:** Chair, MPWSP Governance Committee  
**FROM:** Tim O'Halloran, Engineering Manager, California American Water  
**DATE:** April 10, 2018  
**RE:** Cal-Am Notification # 15 – Draft Requests for Proposals – Slant Well Intake System – Civil Work and Castroville Pipeline

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This Cal-Am Notification is submitted to you pursuant to, and in compliance with, Section V.B. of the Amended and Restated Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee (the “Agreement”), as revised November 5, 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 two requests for proposals (“RFPs”) for the procurement of two Contracts, each valued in excess of \$1 million, relating to the Source Water Infrastructure and Product Water Pipeline. Pursuant to Section V.D., Category B.1., of the Agreement, the Governance Committee may recommend qualifications and selection criteria for such Contracts.

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 RFPs described above on or about April 29, 2019. The Governance Committee may review and make recommendations relating to the qualifications and selection criteria to be included in the RFPs. The draft RFPs can be accessed at [www.watersupplyproject.org](http://www.watersupplyproject.org) in the Documents/Procurement section.

Pursuant to Section V.B. of the Agreement, the Governance Committee shall issue its recommendations, if any, to Cal-Am no later than April 20, 2019. The recommendations

should be in writing and sent to Tim O'Halloran of Cal-Am at [tim.ohalloran@amwater.com](mailto:tim.ohalloran@amwater.com).