

**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

This meeting has been noticed according to the Brown Act rules. This agenda was posted on September 13, 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 - Vice Chair
Alt. – Vacant*

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

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

REGULAR MEETING

**Monterey Peninsula Water Supply Project
Governance Committee**

Wednesday, September 18, 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

1. Consider Adoption of May 15, 2019 Committee Meeting Minutes
2. California-American Water Notification #16 – Provide any Recommendations on Selection of Contractor and Terms of Final Contract for the Following Two Contracts:
 - A. Slant Well Intake System – Civil Work
 - B. Castroville Pipeline
3. Consider Submittal of a Request to California American Water that it Pursue a Waiver of Discharge Fees from NOAA for the Desalination Project

Discussion Items – Public Comment will be Received

4. California-American Water Project Status Report
5. 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, September 17, 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.

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Monterey Peninsula Water Supply Project Governance Committee

Meeting Date: September 13, 2019

Action Item: 1. Consider Adoption of May 15, 2019 Committee Meeting Minutes

Summary: Attached as **Exhibit 1-A** for committee review and approval are draft minutes of the May 15, 2019 committee meeting.

Recommendation: Review and adopt the draft minutes.

Exhibits:

1-A Draft minutes of May 15, 2019 committee meeting

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**GOVERNANCE COMMITTEE
FOR THE
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California American Water • Monterey County Board of Supervisors
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EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Governance Committee
for the
Monterey Peninsula Water Supply Project
May 15, 2019**

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

Members Present: Molly Evans, Committee Chair, representative for Monterey Peninsula Water Management District
Mary Adams, Committee Vice Chair, representative for Monterey County Board of Supervisors
Bill Peake, representative for Monterey Peninsula Regional Water Authority
Ian Crooks, representative for California-American Water (non-voting member) alternate for Rick Svindland

Members Absent: Rich Svindland, representative for California-American Water (non-voting member)

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

Public Comments: No comments were directed to the committee.

Action Items

1. **Consider Adoption of April 17, 2019 Committee Meeting Minutes**
Adams offered a motion to adopt the April 17, 2019 committee meeting minutes. The motion was seconded by Peake and approved on a vote of 3 – 0 by Adams, Peake and Evans.
2. **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**
Motion #1 – Peake offered a motion to recommend that Cal-Am facilitate a meeting with Zim Industries (Zim) and Pueblo Water Resources, Inc. (Pueblo) to discuss Pueblo’s operational experience to date in the Seaside Basin that could inform any recommended changes in design and operations for Fitch Wells 5 and 6. The motion was seconded by Adams. No action was taken. Mr. Crooks stated that Cal-Am would commit to meeting with Zim and Pueblo as a condition to Cal-Am signing the contract.

Motion #2 – Adams offered a motion to recommend that Cal-Am enter into a contract with Zim for construction of Fitch Park ASR Wells 5 and 6. Also, that Cal-Am Direct representatives from Zim and Pueblo to confer and determine if any changes in design or operations are needed based on Pueblo’s experience with ASR wells in the Seaside Basin. The motion was approved on a unanimous vote of 3 – 0 by Peake, Adams and Evans. No public comments was directed to the committee on this item.

B. Fitch Park ASR Wells 5 and 6 Above Ground Facilities

On a motion by Peake and second of Adams, the committee recommended that Cal-Am enter into a contract with Hal Hayes Construction for construction of Fitch Park ASR Wells 5 and 6 above ground facilities. The motion was approved on a unanimous vote of 3 – 0 by Peake, Adams and Evans. No public comment was directed to the committee on this item.

3. 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

Adams offered a motion that was seconded by Peake, to accept the qualifications and selection criteria outlined in the RFP and recommend that Cal-Am issue the RFP. The motion was approved on a unanimous vote of 3 – 0 by Adams, Peake and Evans.

Jim Cullem, Executive Director for the Monterey Peninsula Regional Water Authority, addressed the committee during the public comment period on this item. He recommended that robust site work be developed to ensure that in the event of a storm surge or tsunami, Cal-Am would have quick access to the site to make repairs and ensure operations continue. He also suggested that the State could require modifications to the slant wells, so the contract should plan for some flexibility. In addition, substantial security measures should be in place at the project site.

B. Castroville Pipeline

Peake offered a motion that was seconded by Evans, to request that Cal-Am present the Draft RFP to Castroville Community Services District and request input related to acceptance testing, and operation and maintenance training; and that apart from that concern the committee approve the RFP. The motion was approved on a vote of 2 – 0 by Peake and Evans. Adams departed from the meeting at 3:30 pm, prior to the vote. No public comment was presented to the committee during the public comment period on this item.

4. Consider Requesting that California-American Water Pursue a Waiver of Discharge Fees from NOAA for the Desalination Project

Ian Crooks reported that in response to a request from Cal-Am, NOAA had reduced the fee on the amount of seabed used as filtration for the wells. There was no waiver process. Crooks stated that he could report back on the amount of the annual fee at the next meeting. Chair Evans requested that this item be deferred for additional discussion at the next meeting of the committee.

Discussion Items

5. California-American Water Project Status Report

Crooks stated that Cal-Am plans to break ground for construction of the desal plant, and/or begin work on transmission mains by September 2020, as required by the CDO. Construction of the wells and transmission mains should begin in 2020. Cal-Am is in the process of appealing to the Coastal Commission, Marina Coast Water District's denial of their permit application. The final CDO milestone requires water deliveries from the project by December 2021. Crooks said he could foresee no delays to breaking ground on the desal plant, nor construction of transmission mains. Project expenditures have reached \$80 million for environmental work, legal costs, the test wells and other preliminary work. The CPUC has approved an expenditure of \$279 million for the project. He noted that costs are escalating due to delays. In response to a question from the committee, David Stoldt stated that Quarterly Reports listed on the MPWSP website provide a breakdown of project expenditures by component.

6. Suggest Items to be Placed on Future Agendas

Peake suggested that Cal-Am, and the Water Management District and should confer on what material and links related to the MPWSP are posted to the agencies websites to avoid duplication.

Adjournment: The meeting was adjourned at 3:50 pm.

Arlene M. Tavani,
Clerk to the MPWSP Governance Committee

Monterey Peninsula Water Supply Project Governance Committee

Meeting Date: September 18, 2019

Action Item: 2. **California-American Water Notification #16 – Provide any Recommendations on Selection of Contractor and Terms of Final Contract for the Following Two Contracts:**
A. **Slant Well Intake System – Civil Work**
B. **Castroville Pipeline**

Summary: Attached as **Exhibit 2-A** is Cal-Am Notification #16 regarding the proposed execution of two contracts each in excess of \$1 million relating to the Source Water Infrastructure and Product Water Pipeline. Cal-Am recommends that it contract with Monterey Peninsula Engineering. 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.

As noted in Cal-Am Notification #16, documents Cal-Am has prepared for committee review can be accessed at www.watersupplyproject.org in the **Documents/Procurement** section.

Recommendation: Review Cal-Am Notification #16 and determine if the committee should submit recommendations regarding: (a) selection of Monterey Peninsula Engineering as contractor for the project, and (b) the terms of the final contract.

Exhibits:
2-A Cal-Am Notification #16



EXHIBIT 2-A

MONTEREY PENINSULA WATER SUPPLY PROJECT GOVERNANCE COMMITTEE

CAL-AM NOTIFICATION # 16

TO: Molly Evans, Chair, MPWSP Governance Committee
FROM: Tim O'Halloran, Engineering Manager, California American Water
DATE: September 11, 2019
RE: Cal-Am Notification # 16 – Execution of Construction Contracts for the Slant Well Intake System – Civil Work and Castroville Pipeline

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 execute two contracts valued in excess of \$1 million, relating to the Source Water Infrastructure and Product Water Pipeline (the "Contracts"). Pursuant to Section V.D., Category B.2., of the Agreement, the Governance Committee may recommend which contractor(s) 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 Monterey Peninsula Engineering, A Partnership. The Governance Committee may, under Category B.2: (1) recommend which contractor(s) 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 Reports, on the Monterey Peninsula Water Supply Project website on September 12, 2019: (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 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 within ten (10) calendar days following receipt of this Cal-Am Notification. The recommendations should be in writing and sent to Tim O'Halloran of Cal-Am at tim.ohalloran@amwater.com.