

**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

October 27, 2014

Transmitted by Email

Richard C. Svindland, P.E.  
Vice President - Engineering  
California American Water  
4701 Beloit Drive  
Sacramento, CA 95838

Subject: Monterey Peninsula Water Supply Project Governance Committee Recommendation on:  
(1) Award of Bids for Slant Test Wells, Monitoring Wells, and Civil and Electrical work related to source water infrastructure; and (2) Value Engineering Alternatives for incorporation into desalination facility final design.

Dear Mr. Svindland:

After careful deliberation and receipt of public comment, On October 13, 2014, the Governance Committee developed its recommendations for the award of bids for source water infrastructure and the preferred value engineering options for the desalination project. The committee action and recommendations are outlined below, and were unanimously supported by committee members Dave Potter, Robert S. Brower Sr., and Jason Burnett.

(1) Source Water Infrastructure

The committee recommended a total bid amount of \$6.27 million as proposed by California American Water.

\$4.07 million	Slant Well Drilling
0.16 million	Pump and Motor
0.65 million	Casing and Screen
0.72 million	Monitoring Wells
0.67 million	Civil and Electrical Work
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\$6.27 million	Total Bid Construction Costs

(2) Value Engineering Study Alternatives

The committee received the Final Value Engineering Study Report, and expressed support for the process California American Water would undertake with Value Management Strategies, Inc. to select the value engineering alternatives for incorporation into the desalination project design. In addition, the committee requested that California American

Mr. Richard Svindland

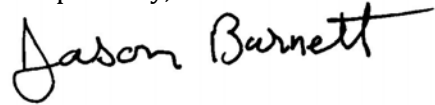
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Water provide a written report to the Governance Committee that states which of the 33 alternatives was accepted and rejected, and provides justification for decisions made regarding each of the alternatives.

On behalf of the Governance Committee members, I want to thank Cal-Am for cooperating with local agencies to ensure that the public was involved in making this important decision.

Respectfully,

A handwritten signature in black ink that reads "Jason K. Burnett". The signature is written in a cursive style with a long horizontal stroke extending from the end of the name.

Jason K. Burnett, Chair  
Monterey Peninsula Water Supply Project  
Governance Committee