

**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

December 4, 2015

Transmitted by Email

Ian Crooks
Engineering Manager/Coastal Division
California American Water
511 Forest Lodge Road, Suite 100
Pacific Grove, CA 93950

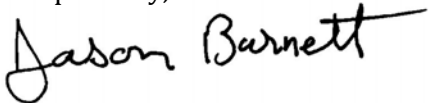
Subject: Monterey Peninsula Water Supply Project (MPWSP) Governance Committee Response to Cal-Am Notification #10 – Execution of Contract for the Monterey Peninsula Water Supply Project Source Water Slant Wells

Dear Mr. Crooks:

On December 1, 2015, the Governance Committee completed its review of the November 16, 2015 Proposal Evaluation Report for construction of source water slant wells. After discussion and receipt of public comment, Governance Committee members Jeanne Byrne and Jason Burnett voted unanimously to recommend that California American Water (Cal-Am) enter into a contract with Boart Longyear Company (Boart). In addition, the committee recommended that Cal-Am provide periodic updates on project progress and allow the committee to comment: (1) prior to authorizing expenditures by Boart for planning and permitting activity; (2) prior to authorizing expenditures by Boart for pre-mobilization activity including preparation of the drilling rig; and (3) prior to issuance of a notice-to-proceed to Boart for commencement of construction activities. The committee recognizes that Cal-Am has authority over the construction schedule; therefore, if the committee or any member of the public disagrees with Cal-Am's actions, the issue could be brought before the California Public Utilities Commission.

I want to thank California American Water for keeping the public and Governance Committee members apprised of progress on the MPWSP through updates presented at the monthly meetings, and for your continued cooperation to ensure the public is involved with decisions related to the project.

Respectfully,



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

U:\Arlene\word\2015\GovernanceCmte\Letters\I-Crooks20151204.docx