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JUN 10 2014

MPWMD

511 Forest Lodge Road
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June 10, 2014

James M. Cullem, P.E.
Executive Director
Monterey Peninsula Regional Water Authority (MPRWA)
580 Pacific St, Room 6
Monterey, CA 93940

Re: Value Engineering (VE) Escrow Account

Dear Mr. Cullem,

As we discussed and agreed, the MPRWA should establish an escrow account to pay for the VE contract services with VMS. California American Water will provide a check in the amount of \$109,035.70 for direct contract services plus \$11,000.00 for contingencies. Any remaining escrow balance will be refunded to California American Water within thirty (30) days of the completion of VE work under the contract with VMS.

Please send an invoice in the amount of \$120,035.70 to my attention in order to process the check.

Sincerely,

Ian Crooks, P.E.
Manager Engineering

C: Richard Svindland, P.E. Vice-President, California American Water