



**MONTEREY PENINSULA WATER SUPPLY PROJECT
GOVERNANCE COMMITTEE**

CAL-AM NOTIFICATION # 2

TO: Jason Burnett, Chair, MPWSP Governance Committee
FROM: Richard Svindland, VP – Engineering, California American Water
DATE: May 20, 2013
RE: Cal-Am Notification # 2 – Draft Desalination Infrastructure Request for Proposals and Draft Design-Build Contract to be issued by California American Water

This Cal-Am Notification is submitted to you pursuant to, and in compliance with, Section V.B. of the Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee (the “Agreement”), dated March 8, 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 a request for proposals (“RFP”) for the procurement of a design-build contract, valued in excess of \$1 million, relating to the design and construction of the Desalination Infrastructure. Pursuant to Section V.D., Category B.1., of the Agreement, the Governance Committee may recommend qualifications and selection criteria to be included in the RFP for such Contract. Additionally, pursuant to Section V.D., Category C.2., of the Agreement, prior to Cal-Am’s commencement of negotiations with a selected contractor relating to the design-build contract, the Governance Committee may review and issue recommendations concerning contract terms relating to such Contract.

Cal-Am has determined these matters are ripe for presentation to, and recommendation by, the Governance Committee. It is Cal-Am’s current intent to issue the RFP and draft design-build contract relating to the design and construction of the Desalination Infrastructure on or about June 17, 2013. The Governance Committee may: (1) under Category B.1, review and make recommendations relating to the qualifications and

selection criteria to be included in the RFP; and, (2) under Category C.2, review and issue recommendations concerning the contract terms contained in the draft design-build contract.

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; provided, however, that Cal-Am and the Public Entity Members of the Governance Committee have agreed that the Governance Committee shall issue its recommendations, if any, to Cal-Am in response to this Cal-Am Notification no later than May 31, 2013. The recommendations should be in writing and sent to Richard Svindland of Cal-Am at richard.svindland@amwater.com.