

**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

**EXHIBIT 23-B**

**FINAL MINUTES  
Monterey Peninsula Water Supply Project  
Governance Committee  
March 20, 2013**

**Call to Order:** The meeting was called to order at 4:00 pm in the MPWMD conference room.

**Members present:** Robert MacLean, California-American Water (Cal-Am)  
Jason Burnett, Monterey Peninsula Regional Water Authority (MPRWA)  
David Potter, County of Monterey (County)  
Jeanne Byrne, (Alternate) Monterey Peninsula Water Management District (MPWMD)

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

**Public Comments:** No comments were directed to the committee.

**Agenda Items**

The Chair received public comment on each agenda item.

- 1. Approve Minutes of March 13, 2013 Committee Meeting and Provide Direction on Format for Subsequent Reports**  
On a motion by Potter and second of Byrne, the minutes were adopted on a vote of 3 – 0 by Burnett, Byrne and Potter.
  
- 2. Review and Provide Recommendation for Design Build Request for Qualifications Prepared by California-American Water (Recommendation under Category B1 of Governance Agreement)**  
Anthony J. Cerasuolo, Vice President, Legal – Operations for California American Water, provided a brief overview of the Request for Qualifications (RFQ) and stated that it would be issued to interested parties on April 1, 2013. On May 31, 2013 Cal-Am will issue a list of firms chosen to receive a Request for Proposals (RFP). On November 15, 2013 an agreement with the selected firm should be executed. Cerasuolo responded to questions and comments from the committee and members of the audience. In response to the comments received, a list of proposed amendments to the RFQ was developed.

On a motion by Potter and second of Byrne, the RFQ was approved with the following amendments on a vote of 3 – 0 by Burnett, Byrne and Potter.

- Page 7, section 3.3.3 - Include in the discussion of Power Supply a reference to utilization of alternative power sources such as landfill gas.
- Page 9 - specify that the SOQ shall be limited to 15, double-sided pages.

- Page 9 – Specify that prospective Design-Build Entities shall have no contact with the Monterey Peninsula Regional Water Authority Technical Advisory Committee. Contact with permitting agencies strictly related to questions about permitting issues will be allowed. Kris Helms Consulting and Separation Processes, Inc. will be considered ineligible firms.
- Pages 18 and 19 – Include a reference to compliance with environmental laws.
- Pages 18 and 19 – Include a reference to compliance with prevailing wage and other labor laws such as diversity of workforce. Under Selection Criteria add a bullet, “local hiring experience”.
- Page 18 - Include a question that asks about the Design-Build Entity’s experience in designing plants that are cost effective to maintain and highly adaptable to new technologies over time.
- Remove any reference to Leed Certification. Focus should be on “sustainable green design” that will result in a savings to the ratepayer.
- Add a question regarding the number of change orders on past projects that were initiated by the Design-Build Entity as opposed to owner initiated.
- Ask about the Design-Build Entity’s history of responsiveness to the owner, after a project is complete.
- Insure that formatting of document is consistent, i.e. headings and fonts.

During the discussion, concerns were expressed about bonding requirements for subcontractors. MacLean stated that the bonding guarantee is from the design-builder or engineer, whichever entity is specified as the prime contractor. That entity will guarantee completion of the project and be responsible for performance of the contractors. It may be appropriate to discuss subcontractor bonding requirements when the RFP is developed.

**3. Develop Plan for Coordination with Architectural Design Team (Recommendation under Category B5 of Governance Agreement)**

John Kilpatrick, Engineering Manager – Project Delivery for California American Water, reviewed the schedule for development, review and selection of a final design for facilities that will be located at the desal plant site. The committee discussed how to best provide guidance to the design team and the opportunity for public review of the design concepts. Byrne offered to participate in the review effort. It was suggested that in May, the design team meet in Monterey with the committee to present their conceptual drawings. In June, the team could meet again in Monterey to present the one concept selected for development. In August, another review of the final design would occur in Monterey for committee review, before it is distributed with the RFP. At the April Governance Committee meeting, Cal-Am will present a final architectural design review/completion schedule.

**4. Discussion of Items to be Placed for Future Agendas**

April - present schedule for Cal-Poly architectural design team review; action needed based on response from CPUC on request to conduct workshop on GWR; and presentation from William Merry of Monterey Regional Waste Management District on landfill gas as an alternative energy source for desal. May – discuss development of request for proposals for design build entity.

**5. Schedule Next Meeting Date**

The meeting was scheduled for Wednesday, April 17, 2013 at 2 pm.

**Adjournment**

The meeting adjourned at 5:20 pm.