



MONTEREY PENINSULA WATER SUPPLY PROJECT GOVERNANCE COMMITTEE

CAL-AM NOTIFICATION # 3

TO: Jason Burnett, Chair, MPWSP Governance Committee
FROM: Richard Svindland, VP – Engineering, California American Water
DATE: December 6, 2013
RE: Cal-Am Notification # 3 – Execution of Design-Build Agreement for the Monterey Peninsula Water Supply Project Desalination Infrastructure

This Cal-Am Notification is submitted to you pursuant to, and in compliance with, Section V.B. of the Amended and Restated Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee (the “Agreement”), dated November 5, 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 execute a contract valued in excess of \$1 million, relating to the design and construction of the Desalination Infrastructure (the “DB Contract”). Pursuant to Section V.D., Category B.2., of the Agreement, the Governance Committee may recommend which contractor should be retained for the DB Contract, and issue any recommendations concerning the terms of the final DB Contract.

Cal-Am has determined these matters are ripe for presentation to, and recommendation by, the Governance Committee. Cal-Am's recommendation is that Cal-Am enter into the DB Contract with CDM Constructors, Inc. It is Cal-Am's current intent to execute the DB Contract relating to the design and construction of the Desalination Infrastructure on or about December 20, 2013. The Governance Committee may, under Category B.2: (1) recommend which contractor should be retained under the DB Contract; and, (2) issue any recommendations concerning the terms of the final DB Contract.

In accordance with your request, Cal-Am will provide the following information to the Governance Committee pursuant to Section V.D., Category B.2, by posting various documents, including Cal-Am's Proposal Evaluation Report dated November 16, 2013, on the Monterey Peninsula Water Supply Project website by 3 p.m. on December 6, 2013: (1) a copy of all responsive proposals received for the work, except for any proprietary information provided by proposers; (2) a written description of the process Cal-Am undertook to select the recommended contractor; (3) a summary of the considerations that Cal-Am deems pertinent to support its recommendation; and (4) any other information that Cal-Am believes will assist the Governance Committee in its review of the recommended DB Contract and contractor. This information can be accessed at www.watersupplyproject.org in the Procurement Opportunities section.

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. The recommendations should be in writing and sent to Richard Svindland of Cal-Am at richard.svindland@amwater.com.