

**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 17-D**

**FINAL MINUTES  
Regular Meeting  
Governance Committee  
for the  
Monterey Peninsula Water Supply Project  
May 15, 2019**

**Call to Order:** The meeting was called to order by Chair Molly Evans at 2:00 pm in the conference room of the Monterey Peninsula Water Management District offices.

**Members Present:** Molly Evans, Committee Chair, representative for Monterey Peninsula Water Management District  
Mary Adams, Committee Vice Chair, representative for Monterey County Board of Supervisors  
Bill Peake, representative for Monterey Peninsula Regional Water Authority  
Ian Crooks, representative for California-American Water (non-voting member) alternate for Rick Svindland

**Members Absent:** Rich Svindland, representative for California-American Water (non-voting member)

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

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

**Action Items**

1. **Consider Adoption of April 17, 2019 Committee Meeting Minutes**  
Adams offered a motion to adopt the April 17, 2019 committee meeting minutes. The motion was seconded by Peake and approved on a vote of 3 – 0 by Adams, Peake and Evans.
2. **California-American Water Notification #14 – Provide any Recommendations on Selection of Contractor and Terms of Final Contract for the Following Two Contracts:**
  - A. **Construction of Fitch Park ASR Wells 5 and 6**  
Motion #1 – Peake offered a motion to recommend that Cal-Am facilitate a meeting with Zim Industries (Zim) and Pueblo Water Resources, Inc. (Pueblo) to discuss Pueblo's operational experience to date in the Seaside Basin that could inform any recommended changes in design and operations for Fitch Wells 5 and 6. The motion was seconded by Adams. No action was taken. Mr. Crooks stated that Cal-Am would commit to meeting with Zim and Pueblo as a condition to Cal-Am signing the contract.

Motion #2 – Adams offered a motion to recommend that Cal-Am enter into a contract with Zim for construction of Fitch Park ASR Wells 5 and 6. Also, that Cal-Am Direct representatives from Zim and Pueblo to confer and determine if any changes in design or operations are needed based on Pueblo’s experience with ASR wells in the Seaside Basin. The motion was approved on a unanimous vote of 3 – 0 by Peake, Adams and Evans. No public comments was directed to the committee on this item.

**B. Fitch Park ASR Wells 5 and 6 Above Ground Facilities**

On a motion by Peake and second of Adams, the committee recommended that Cal-Am enter into a contract with Hal Hayes Construction for construction of Fitch Park ASR Wells 5 and 6 above ground facilities. The motion was approved on a unanimous vote of 3 – 0 by Peake, Adams and Evans. No public comment was directed to the committee on this item.

**3. California-American Water Notification #15 – Provide any Recommendations on Qualifications and Selection Criteria for the Following Draft Requests for Proposals:**

**A. Slant Well Intake System – Civil Work**

Adams offered a motion that was seconded by Peake, to accept the qualifications and selection criteria outlined in the RFP and recommend that Cal-Am issue the RFP. The motion was approved on a unanimous vote of 3 – 0 by Adams, Peake and Evans.

Jim Cullem, Executive Director for the Monterey Peninsula Regional Water Authority, addressed the committee during the public comment period on this item. He recommended that robust site work be developed to ensure that in the event of a storm surge or tsunami, Cal-Am would have quick access to the site to make repairs and ensure operations continue. He also suggested that the State could require modifications to the slant wells, so the contract should plan for some flexibility. In addition, substantial security measures should be in place at the project site.

**B. Castroville Pipeline**

Peake offered a motion that was seconded by Evans, to request that Cal-Am present the Draft RFP to Castroville Community Services District and request input related to acceptance testing, and operation and maintenance training; and that apart from that concern the committee approve the RFP. The motion was approved on a vote of 2 – 0 by Peake and Evans. Adams departed from the meeting at 3:30 pm, prior to the vote. No public comment was presented to the committee during the public comment period on this item.

**4. Consider Requesting that California-American Water Pursue a Waiver of Discharge Fees from NOAA for the Desalination Project**

Ian Crooks reported that in response to a request from Cal-Am, NOAA had reduced the fee on the amount of seabed used as filtration for the wells. There was no waiver process. Crooks stated that he could report back on the amount of the annual fee at the next meeting. Chair Evans requested that this item be deferred for additional discussion at the next meeting of the committee.

## Discussion Items

### 5. California-American Water Project Status Report

Crooks stated that Cal-Am plans to break ground for construction of the desal plant, and/or begin work on transmission mains by September 2020, as required by the CDO. Construction of the wells and transmission mains should begin in 2020. Cal-Am is in the process of appealing to the Coastal Commission, Marina Coast Water District's denial of their permit application. The final CDO milestone requires water deliveries from the project by December 2021. Crooks said he could foresee no delays to breaking ground on the desal plant, nor construction of transmission mains. Project expenditures have reached \$80 million for environmental work, legal costs, the test wells and other preliminary work. The CPUC has approved an expenditure of \$279 million for the project. He noted that costs are escalating due to delays. In response to a question from the committee, David Stoldt stated that Quarterly Reports listed on the MPWSP website provide a breakdown of project expenditures by component.

### 6. Suggest Items to be Placed on Future Agendas

Peake suggested that Cal-Am, and the Water Management District and should confer on what material and links related to the MPWSP are posted to the agencies websites to avoid duplication.

**Adjournment:** The meeting was adjourned at 3:50 pm.

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Arlene M. Tavani,  
Clerk to the MPWSP Governance Committee