

Table 3A. Monterey County Water District Advice Letter Projects

Project Code	Project Description	Total 2011-2012	Plan 2013	Plan 2014	Total Project
IP-0540-90	Upper Rimrock Tanks (2@90K gal)	176,503	100,000	655,497	932,000
IP-0540-155	Chualar 150K Gal tank	39,164	350,000	600,836	990,000
IP-0540-194	Replace Carmel Woods Tank	763,754	19,000	0	782,754
IP-0540-101	Ryan Ranch & Bishop Area Intertie	19,997	247,000	0	266,997
05400509	-200,000 Gallon Tank in Ambler Park (2)	410,468	130,000	1,412,532	1,953,000
I15-400049	Los Padres Dam Fish Passage				\$4,200,000
	Total - Advice Letter Projects	1,409,886	846,000	2,668,865	\$9,124,751

Table 3B. Monterey County Wastewater District Advice Letter Projects

Project Code	Project Description	Total 2011-2012	Plan 2013	Plan 2014	Total Project
IP-0549-1	Las Palmas Filtration and Ultra Violet (UV) Improvements.	0	0	0	0
	Total - Advice Letter Projects	0	0	0	0

Table 3C. Sacramento County District Advice Letter Projects

Project Code	Project Description	Total 2011-2012	Plan 2013	Plan 2014	Total Project
IP-0560-187	Walnut Grove System Improvements	34,774	380,000		414,774
IP-0560-38	Walnut Grove 120,000 Gal Tank	210,287	180,000		390,287
IP-0560-74	Lincoln Oaks 1.5 MG Tank, BPS, & Well	110,272	1,250,000	7,000,000	8,360,272
IP-0560-160	Walerga Road Bridge Pipe				
IP-0560-88	Crowder Lane Controls				
05610702	Faught Road Well	212,133	292,000	2,000,000	2,504,133
	Total - Advice Letter Projects				

1                   **I15-400006 (IP-0540-101), Ryan Ranch – Bishop Intertie**

2                   The Ryan Ranch service area does not have sufficient capacity to meet demands during  
3                   peak events and, as a result, has been forced to utilize an emergency interconnection with  
4                   the main Monterey service area. The Monterey County Environmental Health Department  
5                   (“MCEHD”) issued a Compliance Order in April 2006, indicating that California  
6                   American Water did not meet its permit conditions for providing a reliable and adequate  
7                   supply of water. The recommended solution is to provide an interconnection between the  
8                   Ryan Ranch system and the Bishop service area to meet those demands and the  
9                   interconnection will supplement the supply only when it is absolutely necessary. MCEHD  
10                  is aware of California American Water’s efforts in addressing the Compliance Order. As  
11                  per the 2010 GRC Settlement Agreement, it was recommended this investment be  
12                  approved in the amount of \$277,000, plus interest, and that California American should be  
13                  authorized to seek a rate base offset by filing a Tier 2 Advice Letter when the project has  
14                  been completed and is used and useful, at costs not to exceed those indicated. Presently,  
15                  the design for the intertie has been completed. California American Water is also  
16                  preparing the MPWMD application for the intertie, and will submit it to MPWMD once  
17                  certain issues are resolved. The costs spent to date on this investment project are \$19,997.  
18                  At this time, it is fully expected the project will be completed within the \$277,000 budget  
19                  – plus interest. A date of completion is not known at this time, pending resolution of the  
20                  previously mentioned application issue. Additional information, justification, and  
21                  documentation can be found in the Capital Investment Project Workpapers for this  
22                  specific project.

23  
24                   **I15-400049 – Los Padres Dam Fish Passage Advice Letter Project**

25                  California American Water owns and operates Los Padres Dam at approximately River  
26                  Mile 24.8 on the Carmel River. The Carmel River is home to a population of sea-run  
27                  steelhead trout, a species currently listed as “Threatened” per the federal Endangered  
28

1 Species Act. The current steelhead population in the Carmel River is lower in numbers  
2 than historic levels due to many factors, one of which is believed to be the delay and/or  
3 barrier to fish passage at Los Padres Dam. Over the years, various improvements have  
4 been made to accommodate upstream fish passage over Los Padres Dam. Most recently,  
5 in 2003, with grant funds and donations from the Carmel River Steelhead Association, the  
6 existing upstream fish passage was improved by removing rusted and broken gabions,  
7 buttressing the fish ladder with boulders, removing mid channel willows and adjusting the  
8 gradient of the streambed above the old fish ladder. At the present time, the only outlet  
9 for downstream fish migration at Los Padres Dam is the spillway. The spillway is a wide  
10 concrete flume approximately 600 feet long. Flow in the spillway is very shallow  
11 downstream of the crest, and frequently causes physical injury to both juvenile and adult  
12 fish. While traveling down the spillway, fish are also highly susceptible to predation by  
13 birds. When the lake elevation falls below the spillway crest, no downstream migration  
14 corridor exists for steelhead. In recent years, a small notch has been cut in the spillway  
15 crest to provide additional outflow, however, this 9-inch notch does not allow sufficient  
16 depth to pass fish without resulting in injury.

17  
18 The proposed project was approved as an Advice Letter project in the 2010 GRC, and  
19 included detailed designs, permitting, and construction of a floating weir surface collector  
20 and bypass conduit design that allows downstream passage of smolts and kelts. Project  
21 components include a behavioral guidance system ("BGS"), floating weir surface  
22 collector, fish bypass conduit, bypass access portals, and bypass outfall. Additional  
23 details on the BGS, the floating weir collector structure, the bypass conduit and the bypass  
24 outfall can be found in the Capital Investment Project Workpapers. The previously  
25 estimated total project costs for the Floating Surface Collector was \$2,342,000. It is  
26 important to note that this value was adopted as the upper limit allowed for the installation  
27 of the fish passage system in the 2010 GRC.

1 However, during the final design stage, consultation with the California Division of Safety  
2 of Dams (“DSOD”) was required for review of the design from a dam safety and  
3 permitting perspective. DSOD approval is required for any modification to the dam  
4 structure. Discussions with DSOD staff resulted in several changes to the overall design  
5 being required and incorporated, including: 1) Realignment of bypass pipe; 2) Increased  
6 penetration length through ogee; 3) Increased pipe protection in spillway; and 4) Change  
7 from HDPE to steel pipe in portion of line. The total estimated additional cost for these  
8 changes alone is about \$366,000. It should be noted that formal approval of the design  
9 has not yet been obtained from DSOD, as they will require contractor shop drawings to be  
10 submitted prior to final approval of the modifications. Therefore, additional changes can  
11 be expected and may be required. In addition, the following changes were also included  
12 due to permitting requirements: 1) Biological monitoring and mitigation during  
13 construction (\$100,000); 2) Addition of access manway and handrails to floating collector  
14 (\$26,000); 3) Floating collector geometry revisions (\$39,000); 4) Revised length and  
15 alignment of outfall (\$13,000); 5) Addition of debris deflection piles (\$68,000); and 6)  
16 Increased length of debris boom (\$11,000). Combined with the DSOD required changes,  
17 the total increase in the Engineering Estimate was \$623,000, which results in an updated  
18 Engineers Estimate of \$2,065,000.

19  
20 These combined required changes by DSOD were incorporated into a revised final design  
21 and bid package (including permits), which was released for bidding on June 28, 2012.  
22 Four bids were received from qualified contractors. Bids ranged from \$2,395,700 to  
23 \$3,486,000. The average bid value was \$2,844,150. The bid values were significantly  
24 over the Engineer’s Estimate which prompted an evaluation of the cause of the increase.  
25 Several drivers were identified, including: 1) complexity of the design and design portions  
26 remaining for the contractors to complete; 2) remoteness of the site; 3) ecological  
27 sensitivity of the site, requiring significant biological monitoring and protection; 4) short  
28

1 construction schedule due to seasonal constraints (can only work between July and  
2 October); and 5) short bid preparation period (construction was targeted for the second  
3 half of 2012, requiring a 3 week bid preparation period).

4  
5 The bidders were also questioned as to where savings might be realized if additional time  
6 was offered for both bid preparation and construction. There were two main areas in  
7 which the bids might be reduced: 1) the short bid preparation time prevented the bidders  
8 from seeking out the best pricing from subcontractors for fabrication of the fish collector  
9 or behavioral guidance system, and 2) due to the shortened construction schedule,  
10 overtime was built into the bids in order to achieve the desired completion date (October  
11 31, 2012). Three of the four bidders suggested that approximately 10% of their bids were  
12 due to these two factors and could be eliminated if a longer bid period and construction  
13 schedule were provided.

14  
15 The project will be rebid in 2015. A longer bid preparation period will be allowed. Bids  
16 will be solicited earlier in the year to provide for a longer pre-construction period that  
17 allows the contractors to optimize the construction process. The construction cost  
18 estimate based on received bids has therefore been reduced by approximately 10% to  
19 \$2,500,000. In addition, a value-engineering exercise was also performed by California  
20 American Water and HDR Engineers to review the design for unnecessary features and  
21 less costly alternatives. Several items were identified that may result in small reductions  
22 in the overall cost, which are primarily the result of improving access to the construction  
23 area by lowering the reservoir level, allowing the contractors to work "in the dry". These  
24 potential areas for savings will be revisited at the time of rebidding.

25  
26 Due to the significant increase in cost of the project over the approved 2010 GRC value  
27 and following discussion with Commission's Division of Ratepayer Advocates, California  
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American Water suspended the project pending approval of the projected increased project cost.

The current project cost estimate is shown here in comparison to the estimate provided in the 2010 GRC:

<i><b>Total Project Estimate</b></i>	<i><b>Cost</b></i>	
	<i><b>2010 GRC</b></i>	<i><b>Current</b></i>
<i>2009 Alternatives study</i>		\$138,000
<i>System design</i>	\$635,000	\$779,000
<b>Total Design</b>	<b>\$635,000</b>	<b>\$917,000</b>
Construction	\$1,442,000	\$2,500,000
Construction contingency (10%)		\$250,000
Construction support (HDR)		\$40,000
Inspection	\$48,000	\$64,000
Permit fees	\$13,000	\$14,000
CAW labor & OVHD	\$10,000	\$89,000
Project management (WSC)	\$25,000	\$0
Engineering overhead (11%)	\$176,000	\$326,000
<b>Total</b>	<b>\$2,349,000</b>	<b>\$4,200,000</b>

Therefore, based on the information presented above, it is recommended that the Commission approve this investment project as proposed/amended by California American Water in the amount of \$4,200,000. In addition, it recommended that this investment project remain an Advice Letter project. Again, additional information, justification and documentation can be found in the Capital Investment Project Workpapers for this specific investment project.