

## Monterey Peninsula Water Supply Project Governance Committee Revised and Deleted Clauses

A. GWR Decision. This matter concerns the “GWR Decision,” which specifically is whether Cal-Am shall: (i) pursue a water purchase agreement, acceptable to Cal-Am, for the purchase of water from the GWR Project, and consequently Cal-Am shall develop smaller Desalination Infrastructure with a capacity of approximately 6.4 MGD (or as specified in the CPCN); or (ii) forgo the pursuit of a water purchase agreement for the GWR Project, and consequently Cal-Am shall develop larger Desalination Infrastructure with a capacity of approximately 9.6 MGD (or as specified in the CPCN). The settlement agreement entered among various settling parties to the proceeding within CPUC A.12.04.019 on July 31, 2013 (“Settlement Agreement”) provides for a bifurcated phase of the proceeding to determine the GWR Decision. The Settlement Agreement at Section 4.3(d) provides that the Governance Committee’s opinion on any one or more of the findings for the GWR Decision, as set forth in Section 4.2 the Settlement Agreement, should be provided to the Commission for the Commission’s consideration, and should the Governance Committee issue a written statement concerning any one or more of the findings for the GWR Decision before testimony is submitted in the bifurcated proceeding, California American Water shall file said written statement with the Commission within ten (10) days of receipt for the Commission’s consideration.

B. Consistent with Section 4.3(d) of the Settlement Agreement, any one or more of the Public Entity Members of the Governance Committee may request that any of the matters pertaining to findings respecting the GWR Decision, as set forth in Section 4.2 of the Settlement Agreement, be agendized for discussion and potential recommendation of the Governance Committee at any time prior to the submission of testimony in the bifurcated proceeding for the GWR Decision. After discussion by the Governance Committee during a meeting for which the matter was agendized, the Governance Committee may approve any written statement included within the agenda for that meeting relating to one or more of the GWR findings, including any modification to such written statement made upon motion at the Governance Committee meeting. Cal-Am shall promptly submit any such written statement approved by the Governance Committee to the Commission, and in no event later than ten (10) days after receipt of notice of the written statement from the Governance Committee.