

November 28, 2011

Nader Agha
542 Lighthouse Ave.
Pacific Grove, CA 93950

Re: Additional Information Request for Moss Landing Project

Dear Nader,

Thank you for participating in the Water Forum on the 26th of October. The Mayors have additional questions on your project that were not completely addressed at the forum.

The most important questions that we have, deal with the demonstration of the ability to have your project meet the 95-10 deadline/timelines. To facilitate our understanding of your project's scheduling we would like a copy of your current critical path chart, PERT chart or whatever other system you are using to detail your project management to get from project start to production of water for Cal Am purchase and distribution on the Monterey Peninsula. Specific tasks of most interest would be the no later than start dates and durations associated with acquisition of easements (such as Cal-Trans easements for pipelines), data collection needed to facilitate environmental documents, Coastal Commission permits, schedules for various required permits and of course the design end construction schedule. We would also like a copy of your specific agreements with MBARI, Moss Landing Marine Lab and any other potential partners critical to the success of the project.

Additionally, please identify the key individuals you are coordinating with outside your partnership to develop your project. We would also like more information regarding project funders, level of investment in the project to date and planned investment pending acquisition of a public partner.

During your presentation you highlighted a number of pieces of infrastructure that you gave high valuation. The Mayors would like to better understand the cost/value of each of these critical components. Please provide the specific appraisal of those critical components, their condition assessment, etc. We would like to better understand the return on investment you expect from each of those critical components.

Governance has been the major stumbling block associated with the Regional Project as conceived to date. You indicated that you would form a joint powers

agency to provide for the governance of your project. Please further expand on the membership of such a joint powers, a draft of the specific powers and responsibilities of the joint powers, as well as any agreements you have in place to date to form the joint powers with potential customers. As you indicate that your project would be serving multiple jurisdictions, please indicate how your proposed joint powers will protect the interest of the rate payers in each of the subject jurisdictions and who will be the lead agency for the project's EIR. Please also provide a more complete breakdown of your cost estimates and the estimated cost ranges associated with each critical component of your proposed project. Please be clear as to assumed interest rates on borrowed/bonded funds to build and who the issuing agency is anticipated to be.

Finally, please indicate which land/facilities you have under property control and the nature of that control. If not currently under your control, explain the timelines to obtain property control and this associated cost.

Thank you for your continuing efforts to deliver a new water supply project to the Monterey Peninsula

Regards,

Chuck Della Sala
Mayor