



# Monterey County

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## Board Report

Legistar File Number: A 15-219

June 23, 2015

**Introduced:** 6/18/2015

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Agreement

- a. Approve the First Amendment to the Second Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency for the Interlake Tunnel Project;
- b. Increase Fiscal Year 2015-16 appropriations in CAO017 1050-8038-7614 (Operating Transfer Out) by \$450,000 financed by unreserved Fund Balance (4/5th vote required); and
- c. Authorize the County Administrative Officer to execute the First Amendment.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve the First Amendment to the Second Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency for the Interlake Tunnel Project;
- b. Increase Fiscal Year 2015-16 appropriations in CAO017 1050-8038-7614 (Operating Transfer Out) by \$450,000 financed by unreserved Fund Balance (4/5th vote required); and
- c. Authorize the County Administrative Officer to execute the First Amendment.

### SUMMARY/DISCUSSION:

On December 9, 2014, the Monterey County Board of Supervisors of the Water Resources Agency and the Water Resources Agency Board of Directors authorized the Agency, inter alia, to proceed with the Interlake Tunnel Project and Spillway Modification Project ("Project"); and, to prepare and issue Requests for Proposal for geotechnical and final design engineering and permitting and environmental approval.

Accordingly, Monterey County Water Resources Agency has progressed with the development of the Project, substantially on schedule. Accomplishments to date in 2015 include the following:

- The Project was presented at a February 26, 2015 evening public meeting at Lake Nacimiento. The Agency also has had meetings with San Luis Obispo County officials. The Agency responded to inquiries about the Project from third parties including property owners and County residents.
- The Second Reimbursement and Funding Agreement in the amount of \$600,000 was negotiated between the Agency and Monterey County and subsequently approved March 17, 2015.
- A meeting was held with California Department of Fish and Wildlife (CDFW) on March 20, 2015 to explore solutions to address the prohibition of white bass transference from Lake Nacimiento. The Agency consultant staff is developing a plan to address the white bass transference issue which includes defining mechanical solutions and prioritizing the

resolution of the issue with the environmental and preliminary engineering consultants for the Project.

- The Agency is working with the County Administrative Office-IGLA and Nossaman LLP to pursue available and potential sources of grant funding for the project.
- RFPs for preliminary engineering and environmental services were prepared and advertised on March 31, 2015; a mandatory pre-proposal meeting was conducted on April 16, 2015 with prospective consultants; and five preliminary engineering proposals and four environmental proposals were received on June 5, 2015.

The Agency currently has two Screening Teams reviewing the proposals, but the process will take more time than anticipated. Those teams are now scheduled to complete their work on or about July 8, 2015 and will recommend which proposers should be considered by the Selection Committee. The Selection Committee will interview the proposers the week of August 3, 2015.

Agency Consultant staff's work in addressing the white bass issue, and the approaches to the white bass issue identified in the proposals, should result in the Agency returning to the Board to approve engineering and environmental contracts in September 2015, along with the Third Funding Agreement.

OTHER AGENCY INVOLVEMENT:

The Agency collaborated with the County Counsel to prepare this Amendment.

FINANCING:

The committed funding under the agreement is \$500,000 through July 2014 and \$600,000 through March 2015, totaling \$1.1 million for fiscal year 2015. The Interlake Tunnel expenditures are anticipated to be approximately \$650,000 by June 30, 2015. This amendment extends the timeline to September 30, 2015 enabling the Agency to utilize \$450,000 provided for in the Second Reimbursement and Funding Agreement financed by unreserved fund balance. The Agency will request that \$1,900,000 be reserved for anticipated expenditures from October 2015 through June 2016; which, is unfunded and will require future Board action. Permanent financing for the Project, in the estimated amount of \$63 million, is planned to be funded through a combination of State grants and Proposition 218 Tax Assessment bonds

Prepared/Approved by:

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Nicholas E. Chiulos  
Assistant County Administrative Officer

Attachments:

- First Amendment to the Second Reimbursement and Funding Agreement between the County of Monterey and the MCWRA; and
- Interlake Tunnel and Spillway Modification Cumulative Cash Flow (as of 5/31/15)