

Interlake Tunnel Status Report

May 17, 2016

Progress Summary

- Environmental clearance activities commenced in January 2016.
 - Notice of Preparation (NOP) was released around April 27, 2016.
 - Scoping meetings are planned for mid-May 2016
 - Monday May 16, 2016 at 3:00pm
Office of the Agricultural Commissioner
1428 Abbott Street
Salinas, CA
 - Tuesday, May 17, 2016 at 6:30pm
Bradley Union School District Community Building
65600 Dixie Street
Bradley, CA 93426
 - Draft EIR is scheduled to be completed by December 2016.
- Assembly Bill 1585 was introduced to seek \$25 million in State funding for the project. A pre-requisite was the negotiation of a Project Labor Agreement with local Building and Trades councils which was completed in April, 2016. AB 1585 went before the Assembly Water, Parks and Wildlife Committee on April 12, 2016. The bill, if passed, is expected to provide partial funding for the project in August 2016.
- Reservoir Operations Planning and additional hydrologic modeling is progressing to define a recommended reservoir operations plan and forecast flood avoidance and additional conservation release expectations for the project. The reservoir operations modeling results will be incorporated into the County's hydrologic groundwater/surface water model scheduled for availability in July 2016.

Status of major elements/issues

Financial

- AB 1585 Legislation – working its way through legislative committees.
 - As mentioned above, the bill passed in the Assembly Water, Parks and Wildlife Committee on April 12, 2016.
 - A funding source for the legislation has yet to be identified.
 - AB 1585 was to go to the Appropriations Committee on April 27, 2016; nothing definitive from the committee meeting has been report.
- Project Labor Agreement – negotiated with local Building and Trades councils and is contingent upon passage of AB 1585 and \$25 million in State funds for the project.
- Development capital – the project has adequate capital to advance the environmental and engineering work through August 2016. If State funding is not available by August, additional capital will be required to continue the project.

Engineering

- LiDAR topographic surveys – aerial surveys of the tunnel alignment and San Antonio reservoir and San Antonio River using LiDAR techniques to aid in environmental and engineering work are in the planning stage with an RFP for surveying services scheduled to be released in May and work completed by August.

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- WRA is leveraging this LIDAR flight opportunity to possibly acquire additional LIDAR data. The data would be flown and captured, though not processed until additional resources could be made available. This will depend on the responses to the RFP.
- Hydrologic modeling – additional hydrologic modeling for the project continues to evaluate variables in the complex reservoir operations plan to provide data for incorporation into the County's basin hydrological model.
- Reservoir Operations Plan – a reservoir operations plan is under development to define the recommended operating plan for the project and to forecast realistic reductions in flood flows and increased conservation releases resulting from the project. The results of the reservoir operations plan and forecasted flows will be utilized in the environmental impact analysis for the project.
- Procurement of engineering services – upon successful passage of AB 1585 and the availability of State funding, the project will require the procurement of engineering services to perform preliminary engineering, prepare the engineer's report for the Proposition 218 tax assessment financing, and prepare design-build contractor procurement documents. The Agency intends to contract for engineering services from firms who proposed on the RFP for engineering services.

Environmental

- Draft EIR – scoping meetings and public input is underway to assist in the development of the draft EIR.
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- Field studies and impact analysis will be conducted in the second and third quarters of 2016 with a schedule to complete the Draft EIR by December 2016.

Regulatory

- White Bass – progress has been made but an agreement is not in place with the CA Department of Fish and Wildlife (CDFW) regarding proposed solutions to mitigate the possible release of white bass from Lake Nacimiento through the tunnel. Work is underway with CDFW to define a solution that is technically and financially feasible that is acceptable to CDFW.
- NOAA Fisheries – evaluation of the impact to endangered steelhead in the Salinas River from the changes in flows resultant from the project are underway. An objective of the reservoir operations plan for the project will incorporate provisions to address NOAA's concerns.

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Financial status and forecast

Expenditures as of March 31, 2016*

Consultant	Amount
AECOM Technical Services, Inc	\$ 22,767.50
ECORP	72,884.09
EPC Consultants Inc	564,238.35
Hagar Environmental Science	3,712.00
HDR Engineering	28,275.00
Hollenbeck Consulting	195,080.54
Horizon Water and Environment LLC	62,362.04
Phenix Environmental	81,100.00
Rojas Fisheries	28,400.00
	\$ 1,058,819.52

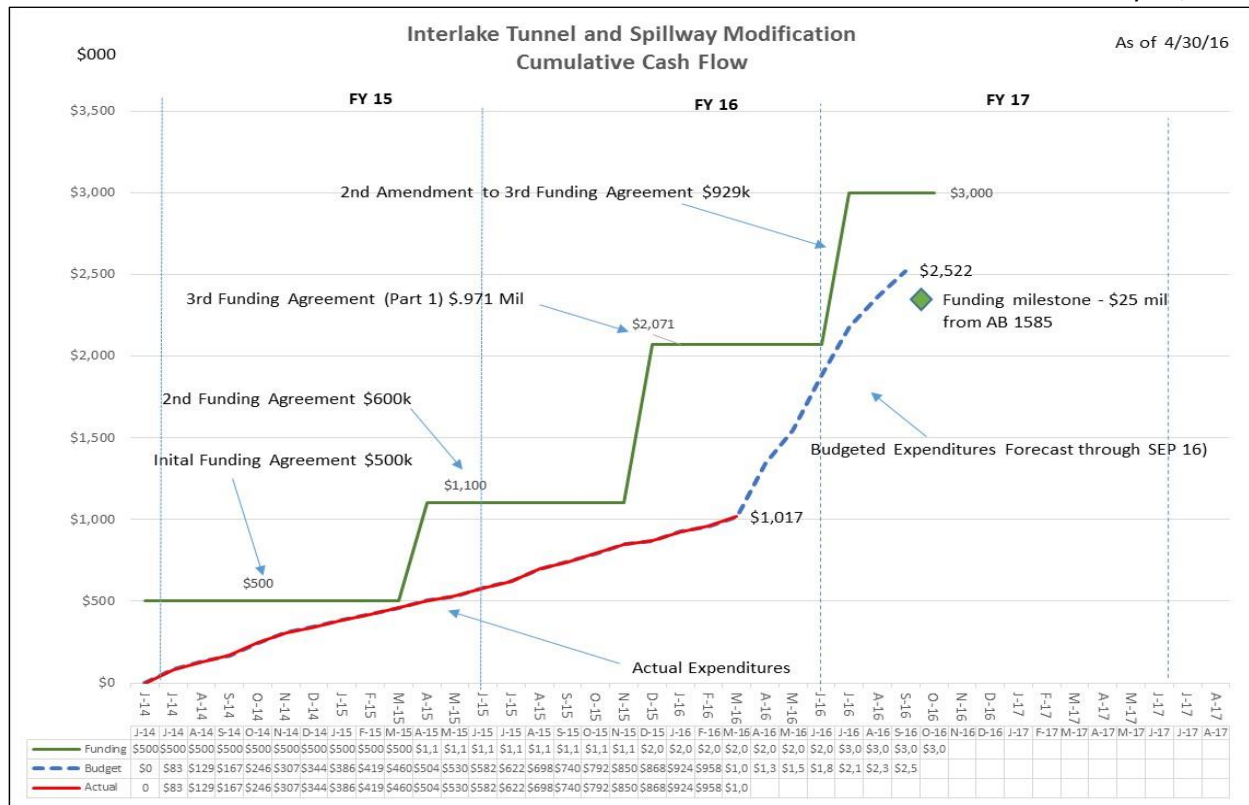
*This expenditures listing does not include legal expenses associated with the PLA negotiation.

Financial Status – Funding vs Actual vs Planned (Through SEP 2016)

The cumulative cash flow chart indicates the historical availability of funding from the County and expenditures for project development work. The chart forecasts expenditures through September 2016 when funding from AB 1585 is anticipated to be available. The project will have approximately \$480k available from the County's funding commitment to pursue alternative project delivery means if State funding is not available.

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Program Budget

The current forecasted project budget is summarized as follows:

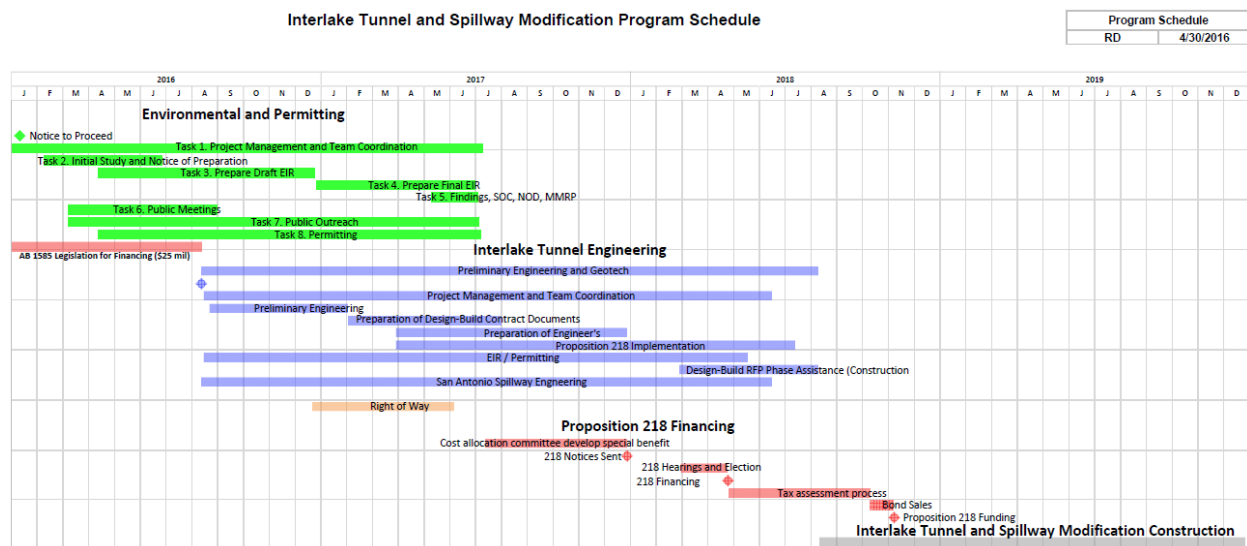
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Interlake Tunnel and Spillway Modification Capital Cost Estimate	
	12-Apr-16
Description	Costs (\$000)
Project Development Costs	
Conceptual Engineering	\$924
Environmental and Permitting	\$1,738
Interlake Tunnel Engineering	\$1,699
San Antonio Spillway Engineering	\$1,613
Right of Way Easements	\$244
Proposition 218 Financing	\$342
Program Management	\$1,865
Subtotal - Project Development Costs	\$8,425
Construction Costs	
Tunnel	\$32,506
Fish Screen	\$5,000
Spillway Modification	\$15,000
Construction contingency	\$9,800
Construction Management	\$1,200
Capitalized interest during construction	\$4,800
Subtotal Construction Costs	\$68,306
Total Project Cost Estimate	\$76,731

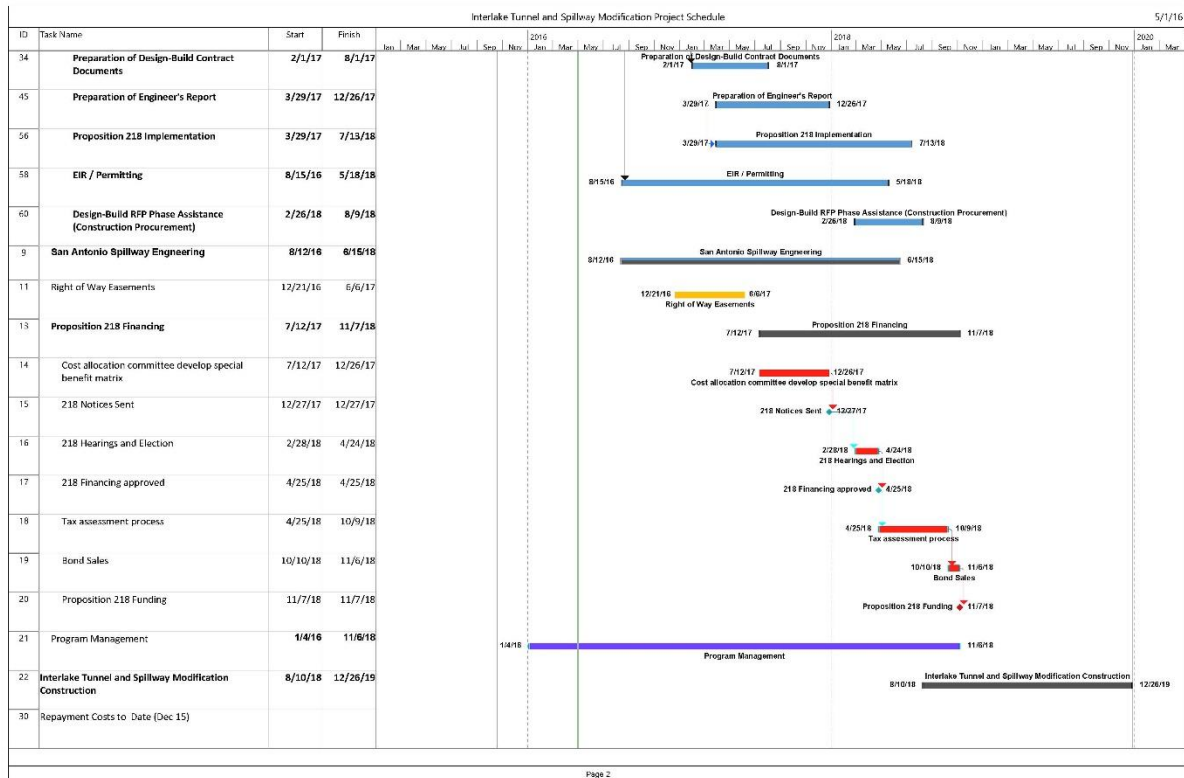
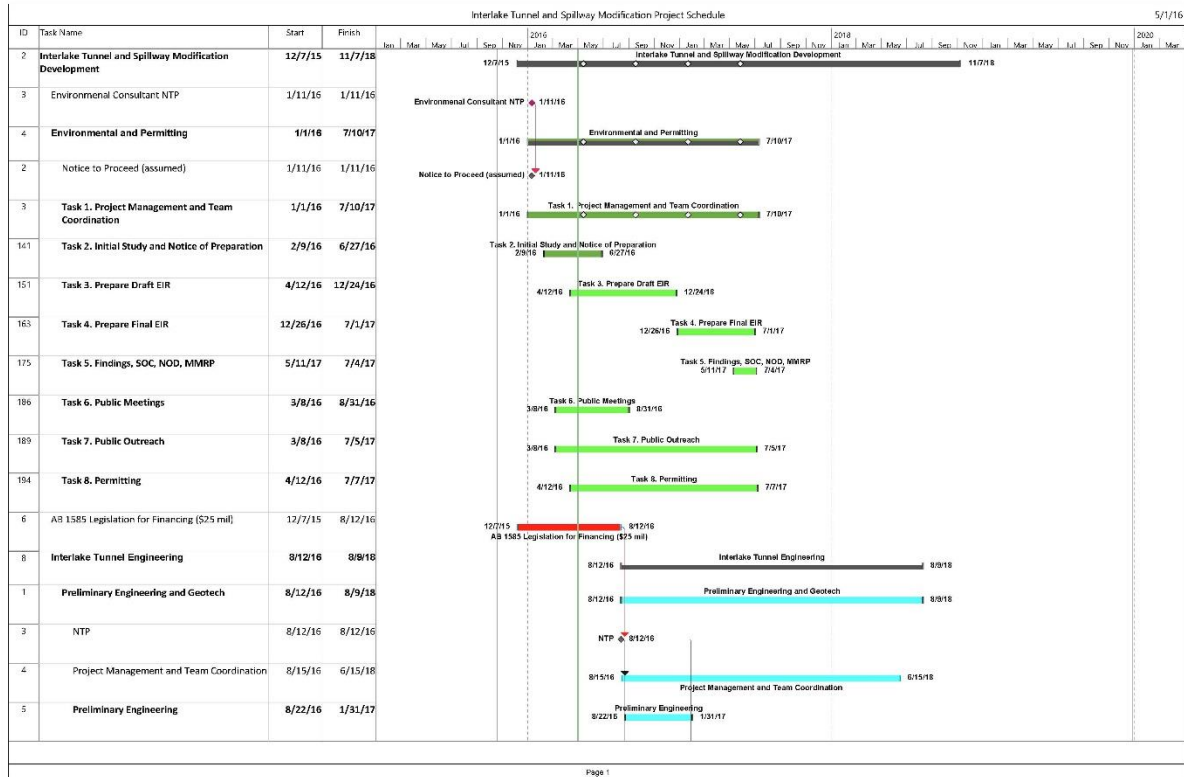
Project schedule

The current development schedule for the project is summarized below:



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Planning milestones / Decision Points

There are critical milestones that must be achieved for the project to maintain the development schedule presented herein:

1. State funding - \$25 million (AB 1585) – targeted for September 2016
2. Proposition 218 election – targeted for second quarter 2018

If Milestone 1 is not achieved, a decision to consider alternative project financing and delivery means will be required.