



Monterey County

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Board Report

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Receive a status report on the Interlake Tunnel and Spillway Modification Projects ("Project").

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Board of Directors:
Receive a status report on the Interlake Tunnel and Spillway Modification Projects ("Project").

SUMMARY/DISCUSSION:

Project development financing has been secured with \$10 million of State grant funding through the Department of Water Resources (DWR). DWR executed the Grant Agreement on February 16, 2017; reimbursable costs to date are \$1,242,982.

The project schedule has experienced further delays of approximately 6 months due to:

- Delays in the U.S. Geological Survey's (USGS) development of an operational baseline model from the County's recently completed and calibrated integrated groundwater surface water model. The model is critical in evaluating the hydrologic and hydrogeologic benefits of the Project and is necessary for the completion of the Draft EIR.
- Failure to reach a Memorandum of Understanding with California Department of Fish & Wildlife (CDFW) by August 31, 2017.
- Landowners' resistance to granting access to geotechnical borehole sites.

Accordingly, the forecast for the Proposition 218 election has moved to February 2019 from November 2018.

Status of Major Elements/Issues

Biological and cultural field surveys for sites impacted by the Project have been completed and preparation of a Draft Administrative EIR is underway. Completion of the Draft EIR is dependent upon finalizing the Project Description which includes requires hydrologic and hydrogeologic modeling and analysis of design and operational alternatives. The Draft EIR is scheduled for public review and comment in January 2018.

Federal Regulatory Permitting

Construction of the Project will require a permit from the US Army Corps of Engineers (USACE) and that process includes Section 7 consultation under the Endangered Species Act (ESA) for construction effects that may impact federally listed species. Meetings with federal agencies have determined that the operation of the Project will need to be included in the HCP currently being proposed for the

Salinas Valley Water Project and other Agency activities to provide incidental take coverage for current operations.

MCWRA is working to develop a possible HCP implementation plan and funding source that will involve other agencies and projects to provide the necessary incidental take permits under the ESA.

State Regulatory Permitting

Efforts had previously stalled in developing a Memorandum of Understanding between MCWRA and the CDFW regarding proposed tunnel project appurtenances to contain white bass in Lake Nacimiento per the requirements of Government Code 6400.5. Evidence of white bass in the Salinas River following recent reservoir releases prompted a new course of action to change the requirements of California Code of Regulations or amend the Agency Act by legislative action. The proposed Code amendment or Agency Act amendment would exempt the tunnel project from the white bass containment requirements thereby saving several million dollars of project capital and operating costs.

However, this legislative effort (SB193) has been put on hold pending renewed negotiations on developing the Memorandum of Understanding between MCWRA and CDFS. Considerable engineering analysis has been required as part of this process.

Outside the issue of white bass, the need for additional permits from California state agencies is under evaluation. Certification of the USACE permit by the Central Coast Regional Water Quality Control Board and authorization under the CDFS Lake and Streambed Alteration Program are the most likely.

Hydrologic Modeling

The US Geological Survey (USGS) has developed a model for the County of Monterey that simulates the integrated groundwater/surface water system of the Salinas Valley Groundwater Basin (SVGB). The recently developed USGS model integrates watershed, climate, hydrogeologic, and land use models. The USGS will provide to AMEC Foster Wheeler a calibrated baseline model created through the development of a historical model calibrated for the hydrologic period 1967 to 2014. The modeling effort for the Project will rely on the USGS model while simulating the impacts of the project on the groundwater/surface water system of the SVGB. It is anticipated that AMEC Foster Wheeler will begin configuration of Project alternatives and analysis of model runs in September 2017. This work will be used to develop a Project description necessary for the completion of the Draft EIR.

Engineering

Engineering and design for the tunnel and spillway modification project has begun with consultant services provided by McMillen Jacobs Associates..

OTHER AGENCY INVOLVEMENT:

The County Administrative Office - IGLA and County Counsel have been involved with the continued progress of the Project.

Prepared and Approved by:

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