

The Monterey County Water Resources Agency (Agency) proposes to construct and operate the Interlake Tunnel and Spillway Modification Project. The project would consist of a tunnel, approximately 2 miles in length, which would be capable of transferring water from Nacimiento Reservoir in San Luis Obispo County to San Antonio Reservoir in Monterey County. In addition, the project proposes modification of the spillway at San Antonio Reservoir to raise the maximum elevation of the reservoir by up to 7 feet and increase storage capacity in that reservoir.

The Agency requires the services of a qualified contractor to complete the California Environmental Impact Report (CEQA) Environmental Impact Report (EIR) and permit applications for the project.

BACKGROUND

The Agency was formed under Chapter 699 of the California Statutes of 1947 as the Monterey County Flood Control and Water Conservation District. In 1990, the District was renamed the Monterey County Water Resources Agency and its mandate includes control of flood and storm waters, conservation of such waters through percolation and storage, monitoring of groundwater extraction, reclamation of water and the construction and operation of hydroelectric facilities.

The Agency owns and operates Nacimiento and San Antonio dams and reservoirs. The reservoirs are managed for the combined goals of flood protection, water conservation, Salinas Valley Water Project (SVWP)¹ operation, and recreation. These reservoirs are located in the Salinas River watershed, northwest of Paso Robles, California. The Nacimiento and San Antonio watersheds are situated along the boundaries of Monterey and San Luis Obispo Counties.

Nacimiento Reservoir fills approximately three times faster than San Antonio Reservoir, resulting in the possibility of unused storage in San Antonio Reservoir when Nacimiento Reservoir is at capacity and releasing flood spills. A tunnel connection would provide the conveyance means to transfer water from Nacimiento Reservoir to San Antonio Reservoir before it is spilled in a flood release. Additionally, water could be transferred from Nacimiento Reservoir at appropriate times to maximize the net storage of the combined reservoirs.

The Interlake Tunnel has been under consideration since the late 1970s and was included in the MCWRA July 1991 Water Facilities Capital Plan as an approach to better manage flood and conservation flows in the Salinas River watershed. More recently, the project was included in the 2013 Greater Monterey County Integrated Regional Water Management Plan. In May 2014, a group of Salinas Valley growers revitalized the urgency for the project due to the ongoing multi-year drought.

The proposed modification of the San Antonio spillway has been envisioned as a method to enhance the proposed Interlake Tunnel, but would not be constructed without the Interlake Tunnel. In addition, the spillway raise may be eliminated from further consideration if construction is not feasible or cost-

¹ <http://www.co.monterey.ca.us/government/government-links/water-resources-agency/projects-facilities/salinas-valley-water-project-svwp#wra>

effective. The decision on the feasibility of including the spillway rise should be made by the end of December 2018.

As stated in the Notice of Preparation (NOP) for the project, the purpose is to develop a multi-benefit project for the Salinas River Basin to improve water supply sustainability, water quality and flood management. The proposed project is intended to meet the following objectives:

- Minimize flood releases from Nacimiento Reservoir and reduce associated downstream flood damages;
- Increase the overall surface water supply available from Nacimiento and San Antonio Reservoirs by maximizing the opportunity for water to be collectively stored in the reservoirs;
- Improve the hydrologic balance of the groundwater basin in the Salinas Valley and reduce seawater intrusion;
- Continue to meet environmental flow requirements
- Minimize impact on existing hydroelectric production
- Preserve recreational opportunities in the reservoirs; and
- Protect agricultural viability and prime agricultural land.

ENVIRONMENTAL WORK COMPLETED TO DATE

The Agency and its contractors have completed a range of tasks and deliverables, including the following:

1. Environmental QA/QC plan and Communication Protocols
2. Administrative record guidance memo and ongoing maintenance of the administrative record
3. NOP, annotated CEQA checklist and mailing list
4. EIR Scoping meetings in Bradley and Salinas (presentation, meeting materials, transcripts and notes)
5. Draft Public Scoping Report
6. Updated mailing list, based on scoping process
7. CEQA, NEPA and permitting strategy memo and tracking matrix
8. Hydrological modeling needs table, shared with the modeling consultant and project team
9. Private well letter, questionnaire, parcel map information and mailing list for the area of tunnel alignment
10. Map of facilities subject to inundation at San Antonio, based on 7-foot raise
11. AB 52 consultation letters
12. Cultural resources field survey, draft reports, and maps
13. Paleontological field survey and maps
14. Biological field survey and habitat maps
15. Wetland delineation field survey, draft and final reports, and maps
16. Internal regulatory workshop (agenda, presentation/materials, and notes)
17. Interagency coordination meeting at USACE, SF (presentation/materials and notes)
18. Alternatives workshop (agenda, presentation/materials, and notes)
19. Final matrix of alternatives for EIR analysis and design consideration
20. Administrative Draft EIR – preliminary outline

21. Administrative Draft EIR – style guide
22. Administrative Draft EIR – annotated outlines for 26 chapters
23. Administrative Draft EIR – environmental setting sections for Chapters 4 through 22
24. Administrative Draft EIR – Chapter 1 (Introduction)
25. Administrative Draft EIR – draft cumulative project list
26. Administrative Draft EIR – preliminary draft project description and subsequent updates (most recently updated based on 30% design but still need modeling results to finalize description of project operations and figures, based on 60% design)
27. San Antonio Dam subsurface (geotechnical) investigation CEQA technical memo
28. San Antonio Dam subsurface (geotechnical) investigation CEQA Notice of Exemption (NOE)
29. San Antonio Dam subsurface (geotechnical) investigation California Department of Fish and Wildlife (CDFW) Lake and Streambed Alteration Agreement (LSAA) permit application
30. San Antonio Dam subsurface (geotechnical) investigation Central Coast Regional Water Quality Control Board (RWQCB) 401 Notice of Intent (NOI) permit application
31. Environmental clearance memo, Interlake Tunnel alignment geotechnical investigation - Monterey County property
32. Environmental clearance memo, Interlake Tunnel alignment geotechnical investigation - Chiang property
33. Environmental clearance memo, Interlake Tunnel alignment geotechnical investigation – Heath/Horn property
34. Technical Memo – Status of White Bass (*Marone chrysops*) in Lake Nacimiento and its Relationship to the Proposed Interlake Tunnel Project and the Sustainability of Monterey County's Water Resources
35. Technical Memo - Review and Summary of the EIR for the California Department of Fish and Game (now Wildlife) White Bass Management Program
36. Technical Memo - Interlake Tunnel Project Ecological Benefits to Fisheries Resources
37. Technical Memo - Regional Context and Potential Ecological Benefits, Interlake Tunnel and Spillway Modification Project
38. Technical Memo - Review of Arroyo Toad Report from Fort Hunter Liggett
39. Technical Memo - Interlake Tunnel and Spillway Modification Project - Endangered Species Act (ESA) Compliance
40. Technical Memo - ILT Alternative ESA Permitting Concept
41. Technical Memo- DRAFT Proposed Strategies for Habitat Conservation Plan Development
42. Signed MOA with CDFW regarding fish screens for exclusion of white bass

In addition, there are environmental team meeting notes, GIS and CAD files, work plans, and field health and safety plans available for review.

REVISED SCOPE OF WORK

Task 1. Develop Workplan

The Contractor shall develop a detailed workplan for the preparation of the EIR, environmental permitting, and associated project management and meetings. The Contractor shall review the previously completed work indicated above and shall prepare the workplan taking into account the previously

completed work. The Agency shall identify the general parameters of the proposed project (e.g. clarifying the major components, including whether or not raising of the San Antonio spillway is or is not included) and the Contractor shall base the workplan on those general parameters. The workplan shall provide the assumptions for completion of the EIR project description, the EIR existing setting, the impact analysis, and the other EIR components as well as the environmental permitting. Assumptions concerning meetings and project management activities shall also be provided. Where appropriate, the workplan will identify the technical evaluations necessary to complete the EIR that have not yet been completed. For example, assumptions about the approach to the air quality analysis or the hydrology and water quality analysis shall be provided. The workplan will identify inputs required from the Agency and other parties. The workplan will also include development of a detailed cost estimate for each task including Contractor and subcontractor costs. The workplan will also include development of a detailed MS Project schedule for completion of the workplan. The draft workplan shall be provided to the Agency for comment. The Contractor shall revise the workplan in response to Agency comments and prepare the final workplan.

The workplan shall be developed taking into account the Agency's available funds for CEQA and environmental permitting. If the Contractor's costs identified in the workplan necessary to complete the scope in Tasks 2 through 8 would be in excess of the Agency's available funds, Contractor will work with the Agency to identify other options for completion of the work.

Contractor will proceed on this task after the Agency provides a notice-to-proceed for Task 1. The Contractor shall not commence on any subsequent tasks prior to Agency approval of the workplan and specific NTP for any subsequent tasks. The costs for Task 1 shall be billed on a time to materials basis, with a not to exceed budget of \$10,000.

The Agency is not under any obligation to continue work with the Contractor beyond Task 1 and the Contractor is not under any obligation to continue work with the Agency beyond Task 1 unless a final workplan is developed that is mutually acceptable to both parties including scope, schedule and budget.

Task 1 Deliverables:

- *Draft Workplan (electronic)*
- *Project Schedule (electronic)*
- *Final Workplan (electronic)*

Task 2. Prepare Administrative Draft EIR

The Agency and its contractors have advanced the Administrative Draft EIR to the point of having a draft project description and draft environmental setting sections. It is anticipated that the following steps are needed to complete the Administrative Draft EIR:

- Finalize the project description – this is dependent on the modeling (definition of future operations) and engineering decision regarding the spillway, expected by December 21, 2018

- Prepare a description of project alternatives – alternatives have been identified but need further definition
- Prepare figures to support the project description based on 60% design, scheduled to be completed in early 2019
- Finalize setting sections, including figures
- Conduct impact analysis and determine the mitigation approach for unique issues such as impacts to local wells, transfer of white bass, methylmercury, and effects related to the increased inundation pool if the San Antonio spillway raise is pursued:
 - Based on inundation levels, determine need to replace/relocate recreational facilities, roads, utilities, etc. and whether this becomes part of the project or is a later phase subject to supplemental CEQA
- Approach biological mitigation, specifically steelhead but other species as appropriate, with the concept that we are front-loading the Section 10/HCP process for long-term reservoir operations
- Finalize complete (all sections) admin draft EIR for internal review

The current working draft EIR includes chapters on the following resource topics:

• Surface Water Hydrology	• Hazards and Hazardous Materials
• Groundwater Hydrology	• Noise and Vibration
• Water Quality	• Greenhouse Gas Emissions
• Water Supply	• Agriculture
• Geology, Soils and Seismicity	• Recreation
• Biological Resources	• Aesthetics
• Cultural Resources	• Utilities and Service Systems
• Tribal Cultural Resources	• Wildfire
• Transportation	• Energy

If the proposed spillway modifications are carried forward, the analysis of project effects is to be conducted for two options: tunnel-only and tunnel plus spillway. The scope and budget for the tunnel plus spillway analysis should be identified as a sub task so that it can be eliminated if not required.

Task 2 Deliverables:

- *Administrative Draft EIR (electronic)*

Task 3: Screen Check Draft EIR

The Administrative Draft EIR will be subjected to one round of review by the project team. Comments will be provided as a consolidated set with any discrepancies resolved. A live meeting will be held to review revisions to the Administrative Draft EIR and finalize for legal review. The Screen Check Draft EIR will be prepared as complete and as close to a final reproducible copy as possible, and will represent approximately 90% completion.

Task 3 Deliverables:

- *Screen Check Draft EIR (electronic)*

Task 4: Public Draft EIR

The Screen Check Draft EIR will also be subjected to one round of review. A live meeting will be held with Agency counsel and staff to resolve final technical edits. It is assumed that any additional efforts to prepare the Public Draft EIR will primarily be related to document layout, formatting, and editing, and that no areas of substantial new technical analysis will be required. A Notice of Availability (NOA) will be prepared and distributed to stakeholders on the mailing list and the Monterey and San Luis Obispo County Clerks. The Draft EIR will be filed with the State Clearinghouse (SCH), with a SCH Notice of Completion (NOC).

Task 4 Deliverables:

- *Public Draft EIR (electronic for posting and printing)*
- *15 hard copies of the EIR Executive Summary and CDs including the EIR in its entirety for submittal to the SCH*
- *NOA and NOC (electronic and hard copies for posting and printing)*

Task 5: Final EIR

Pursuant to Section 15088 of the State CEQA Guidelines, MCWRA, as the Lead Agency for the Project, is required to evaluate comments on environmental issues received from persons who reviewed the draft EIR and prepare a written response. Using master and individual responses, as appropriate, the environmental contractor will respond to comments which address substantive environmental that address the EIR analysis. Comments related to other aspects of the Project (e.g., the project planning process, design assumptions, MCWRA policies) will be responded to by others if determined necessary, and provided to the environmental contractor for inclusion in the Draft Responses to Comments document.

Each written response will paraphrase the specific comments being responded to, followed by an appropriate response in keeping with the CEQA Guidelines and current CEQA case law. Revisions to the Draft EIR will be provided in underline/strikeout text. Draft responses to comments and EIR text changes will be submitted to MCWRA for review and comment.

Similar to preparation of the Draft EIR, there will be a screen check Final EIR that will be subject to review by the Agency's legal counsel. A live meeting will be held with Agency counsel and staff to resolve final technical edits. The Final EIR will be prepared for posting on the Agency's website and for circulation to those public agencies commenting on the Draft EIR.

Task 5 Deliverables:

- *Administrative Draft Responses to Comments (electronic)*

- *Screen Check EIR (electronic)*
- *Final EIR (electronic for posting and printing)*

Task 6: Mitigation Monitoring and Reporting Plan, Findings of Fact, Statement of Overriding Considerations, and Notice of Determination

A Mitigation Monitoring and Reporting Plan (MMRP) will be prepared for approval by the Board at the time of EIR certification. The MMRP will include: the proposed mitigation measures; specific actions to be carried out by the responsible party; parties responsible to implement the actions; parties responsible for monitoring the action; timing of the action; and the reporting of the results of that mitigation effort. The MMRP will have separate sections addressing mitigation measures for the tunnel and the spillway components of the Project, respectively. The contractor will also assist the Agency in preparing the Draft Findings of Fact, Statement of Overriding Considerations, and Notice of Determination (NOD).

Task 6 Deliverables:

- *Mitigation Monitoring and Reporting Plan (electronic)*
- *Findings of Fact (electronic)*
- *Statement of Overriding Considerations (electronic)*
- *Notice of Determination (electronic and hard copies for filing)*

Task 7: Permits

Several permits/approvals will be required from local, state and federal regulatory agencies prior to Project implementation. These permits/approvals are needed for compliance with:

- Clean Water Act, Section 404
- Clean Water Act, Section 401
- Endangered Species Act (ESA, Section 7)
- California Fish and Game Code, Section 1600 et seq.
- California Endangered Species Act (CESA)
- National Historic Preservation Act, Section 106

The Agency and its contractors have prepared a cultural resources survey and report as well as a wetland delineation report to support permit applications. While baseline biological habitat surveys have been conducted, the contractor will need to prepare Biological Assessments (BAs) to comply with ESA, Section 7. It is assumed at this time that two BAs, one each for wildlife and fisheries, will be prepared to support the USACE's Section 7 consultation with the U.S. Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS) regarding potential impacts to federally listed species that may be present and that could be impacted by the project. The permit applications that may be required include:

- Clean Water Act Section 404 Permit/River and Harbors Act Section 10

- Regional Water Quality Control Board: waste discharge requirements under the state Porter-Cologne Water Quality Control Act and a water quality certification under Section 401 of the Clean Water Act
- California Department of Fish and Wildlife Lake or Streambed Alteration Agreement
- CESA Incidental Take Permit

Task 7 Deliverables:

- *Draft and Final BAs (electronic)*
- *Draft and Final permit applications (electronic)*

Task 8 Project Management and Meetings

It is expected that the contractor will coordinate with all members of the project team, consistent with the project's communication protocols. At a minimum, the contractor will participate in web-based meetings facilitated by the Program Manager as well as periodic environmental team calls, depending on need. Monthly progress reports will be included with the submittal of monthly invoicing and include reports from any sub-contractor team members. Progress reports will identify progress made and all impacts (if any) to schedule and budget.

The contractor may be asked to participate in internal workshops to address design/engineering, hydrologic modeling, etc. In addition, the contractor will support Agency staff at public meetings on the Draft EIR, likely to be held in Salinas and Bradley, as well as MCWRA Board of Directors and Board of Supervisors hearings.

Task 8 Deliverables:

- *Meeting agendas and other meeting materials (electronic and hard copy, as necessary)*
- *Meeting notes (electronic, within one week of each meeting)*
- *Schedules (electronic)*
- *Progress reports and invoices (electronic)*
- *CEQA Administrative record (electronic)*