

April 8, 2019

The Honorable Bob Wieckowski, Chair
Senate Budget Subcommittee No. 2
State Capitol, Room 4085
Sacramento, CA 95814

The Honorable Richard Bloom
Assembly Budget Subcommittee No. 3
State Capitol, Room 2003
Sacramento, CA 95814

RE: Budget Request for the Interlake Tunnel in Monterey County

Dear Senator Wieckowski and Assemblymember Bloom:

Senator Monning and Assemblymember Rivas have requested \$17 million from the General Fund be apportioned to the Department of Fish and Wildlife as a local assistance grant to pay for fish screens for the water conveyance tunnel between Lake Nacimiento and Lake San Antonio. See attached fact sheet on this project.

California's drought impacted the agricultural community in Monterey County, one of the most productive farming regions in the world. The proposed Interlake Tunnel project will connect Nacimiento and San Antonio reservoirs to transfer wet year water from Nacimiento Reservoir to San Antonio Reservoir in order to utilize existing water storage capacity. The project will increase regional water storage by approximately 60,000 acre-feet.

The Department of Fish and Wildlife is requiring the tunnel design include fish screens to comply with current law, prohibiting the transfer of White Bass from Nacimiento reservoir to the San Antonio reservoir and to the San Antonio River and its tributaries.

The Monterey County Water Resources Agency is working on a Proposition 218 election for the agricultural growers to fund the project, which includes raising the dam and constructing the tunnel. However, \$17 million in financial assistance is needed from the state to fund the required fish screens.

In 2016, the Legislature appropriated \$10 million to the Natural Resources Agency for tunnel feasibility studies, thus the State has a vested interest in ensuring the success of the Interlake Tunnel project. For these reasons, Monterey County asks for your consideration of our request. Please feel free to contact Monterey County's Public Policy advisor, Jennifer Capitolo of Nossaman LLP at jcapitolo@nossaman.com or 916-930-7706, if you have further questions.

Sincerely,

John M. Phillips
Chair, Monterey County Board of Supervisors
Chair, Board of Supervisors of the Water Monterey County Water Resources Agency

Attachment:

- Budget Request Handout - \$17 million for Interlake Tunnel Project

cc: Senator Holly Mitchell, Chair, Senate Budget Committee
Senator Phil Ting, Chair, Assembly Budget Committee
Rachel Wagoner, Office of the Governor
Keely Martin Bosler, Department of Finance
Senator Bill Monning
Senator Anna Caballero
Assemblymember Robert Rivas
Assemblymember Mark Stone
California State Association of Counties

2019/20 STATE BUDGET FUNDING REQUEST: \$17 MILLION FOR FISH SCREENS FOR THE INTERLAKE TUNNEL

Fish Screens for a tunnel to connect Lake San Antonio and Lake Nacimiento to increase water storage capacity and achieve necessary fish protections.



California's recent droughts have severely impacted farming communities throughout the state, specifically the agricultural communities in Monterey County, one of the most productive farming regions in the world. The proposed Interlake Tunnel will connect Nacimiento and San Antonio reservoirs to transfer wet year water from Nacimiento Reservoir to San Antonio Reservoir to more fully utilize existing storage capacity in San Antonio Reservoir. The diversions through the tunnel provide increased water quantity for aquifer recharge and drought protection; seawater intrusion abatement; and provide additional flood control protecting the downstream farming communities.

The Nacimiento Reservoir is located in a watershed that receives significantly more rainfall than the San Antonio reservoir leaving the San Antonio Reservoir partially filled when the Nacimiento Reservoir is spilling critical fresh water resources in wetter years which can cause flooding and stress on wildlife and habitat within the Nacimiento and Salinas rivers.

Over the years, tens of thousands of acre feet of water were released from the Nacimiento Reservoir ultimately flowing into the ocean instead of being stored and utilized for future conservation and environmental releases and other beneficial uses. The Project will provide an innovative solution to the problem utilizing existing storage infrastructure by designing and constructing a 12,000 foot tunnel between the Nacimiento and San Antonio reservoirs to transfer wet year water and thereby increase the opportunity to store up to 41,500 acre-feet of additional water per year when available. The water from these two reservoirs would then be used in controlled releases downstream increasing the total available supply and quality of water benefiting the surrounding communities and ecosystems through groundwater recharge, sea water intrusion abatement, and the promotion of fish habitats.

The Department of Fish and Wildlife is requiring the tunnel design to include fish screens to comply with CA Fish and Game Code 6400.5 to prohibit the transfer of White Bass from Nacimiento reservoir into San Antonio reservoir, San Antonio River and its tributaries. The Monterey County Water Resources Agency is requesting assistance from the State to help develop an acceptable solution to the requirement of the Fish and Game Code. White Bass were introduced by the State into the Nacimiento Reservoir in the 1960s for sport fishing, specifically because the Nacimiento Reservoir and the Salinas River is an isolated drainage and therefore white bass cannot move on their own to other drainages and there is no connection to the Sacramento-San Joaquin Delta. The estimated incremental costs to add the fish screens to the tunnel intake structure are \$10.7 million for capital construction and \$6.4 in capitalized operations and maintenance costs including a contingency allowance.

The Agency is the lead agency for the project. The Agency has broad community support for this project.

REQUESTED ACTION/STRATEGY

The Agency is seeking state funding for the fish screens associated with the project, which is expected to cost in excess of \$17 million to construct and maintain.

CONTACT: **Shauna Lorance** – Interim General Manager
Monterey County Water Resources Agency
(831) 755-8906 / lorances@co.monterey.ca.us

Jennifer Capitolo – Lobbyist
Nossaman LLP
(916) 402-1155 / jcapitolo@nossaman.com

