



TO: Monterey County Legislative Committee

DATE: July 22, 2019

FROM: Jennifer Capitolo, Senior Policy Advisor, Nossaman LLP
Ashley Walker, Senior Policy Advisor, Nossaman LLP

RE: Water Resources Agency

1. Overview of research efforts and meetings to date:

When Supervisor Alejo was in Sacramento for meetings regarding the County's State Budget request for the Interlake Tunnel Project, we met with Undersecretary Tom Gibson of the Natural Resources Agency. During the meeting, the Undersecretary he suggested Nossaman reach out to the California Water Commission regarding the Water Infrastructure Improvements for the Nation (WIIN) Act as a potential source of funding for the Interlake Tunnel Project. Nossaman met with the Commission's Executive Director and other staff shortly after to discuss the opportunity to secure Federal WIIN funding for Interlake. As a follow up, the Commission introduced us to key staff at the U.S. Bureau of Reclamation and Nossaman met with them as well. Nossaman informed the County IGLA office and Water Resources Agency about the program. We are engaged at the State and Federal level in order to access these funds.

On the State level, the Commission informed us they are tasked with verifying that projects are eligible for WIIN funding by being consistent with Proposition 1. There is a lot of grey area as they are looking at how to ensure projects are consistent, however staff is working on framework. So far, the Commission has only had one project come before them for a vote of consistency with Proposition 1. We believe that Interlake can meet this requirement under the chapter regarding Integrated Regional Water Management. Once the Commission verifies a project's consistency, the Governor will sign a letter stating such, which is required for the WIIN application.

We held a conference call with the County's Water Resources Agency (WRA) and Brent Heberlee to discuss next steps. Brent will report next on the federal efforts we are engaged in. We are working with WRA to draft a summary of the benefits of the project that align with the BOR's funding interests. Some of these eligible categories include: flood damage prevention, recreational opportunities, environmental benefits, and water storage.

If we secure federal authorization, and the letter from the Governor, we can submit an application for funding up to 25% of the eligible costs.