



## Board Report

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**File #:** WRAG 14-023, **Version:** 1

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Consider:

- a. Authorizing preliminary actions to prepare a project description and perform other engineering and design work to commence environmental review for the Interlake Tunnel Project;
- b. Requesting the Monterey County Board of Supervisors to authorize proceeding with negotiation and execution of a funding agreement between Monterey County and the Monterey County Water Resources Agency for an amount not to exceed \$2.5 million to perform the necessary work to commence environmental review of the Interlake Tunnel Project, said funds to be reimbursed to Monterey County if the Project is approved and financed; and
- c. Authorizing the General Manager of the Monterey County Water Resources Agency to enter into the necessary agreements to prepare for and commence environmental review of the Project in an initial amount not to exceed \$500,000 provided funding is approved by Monterey County.

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Board of Supervisors:

- a) Authorize preliminary actions to prepare a project description and perform other engineering and design work to commence environmental review for the Interlake Tunnel Project; b) Request the Monterey County Board of Supervisors to authorize proceeding with negotiation and execution of a funding agreement between Monterey County and the Monterey County Water Resources Agency for an amount not to exceed \$2.5 million to perform the necessary work to commence environmental review of the Interlake Tunnel Project, said funds to be reimbursed to Monterey County if the Project is approved and financed; c) Authorize the General Manager of the Monterey County Water Resources Agency to enter into the necessary agreements to prepare for and commence environmental review of the Project in an initial amount not to exceed \$500,000 provided funding is approved by Monterey County.

SUMMARY/DISCUSSION:

The Interlake Tunnel Project ("Project") was included in the July 1991 Water Facilities Capital Plan, prepared by Boyle Engineering Corporation for the Monterey County Water Resources Agency. Operationally, the Interlake Tunnel would divert water from Nacimiento Reservoir to San Antonio Reservoir that would have otherwise been spilled at Nacimiento Dam. The Nacimiento River basin produces nearly three times the average annual flow of the San Antonio River basin, therefore, capturing high Nacimiento River flows and diverting those flows to San Antonio Reservoir increases the overall storage capacity of the system.

The Project was not previously constructed. Subsequent to 1991, Agency efforts were focused on completion of the Salinas Valley Water Project (Salinas River Diversion Facility and Modifications to the Nacimiento Dam Spillway). The current drought has brought the necessity to complete the Project to the forefront.

The Project requires a detailed engineering analysis; but is generally planned to consist of an intake structure in Nacimiento Reservoir; 11,000 feet of 10-foot diameter tunnel, and an exit structure in San Antonio. Flow will be by gravity and it is estimated that an annual average volume of 60,000 acre-feet can be conveyed.

This action is exempt from CEQA pursuant to Guidelines Section 15262.

OTHER AGENCY INVOLVEMENT:

The Monterey County Water Resources Agency Board of Directors will review this item concurrently with the Monterey County Water Resources Agency Board of Supervisors. The County Administrative Officer and County Counsel have been involved in this process.

FINANCING:

Total project cost is estimated at \$25 million, including \$3.4 million in contingency. Depending upon the degree of environmental documentation required, the Project will require 1½ - three years to complete.

The Project has been divided into three phases: Preliminary Engineering and Water Rights Requirements Analysis; Remaining Pre-construction Tasks, including environmental review permit applications, geotechnical and final design, right-of-way acquisition and financing arrangements; and, construction. Attached is an Interlake Tunnel Project Cost Estimate, excluding costs of additional environmental documentation requirements.

For successful completion of the Project in a timely manner, the Agency requires the services of a Program Manager and Construction Manager. Costs for those services are included in the Interlake Tunnel Project Cost Estimate.

The Agency, upon approval of the Board of Supervisors of the Agency, will proceed to contract with a Program Manager for managing all Pre-construction Phase Tasks and, where required, contract with other service providers to complete all Pre-construction phase tasks. However, the Agency will not proceed beyond the preliminary engineering and water rights requirements analysis until environmental review is completed and authorization to proceed is received from the Board of Supervisors of the Agency. The estimate of Pre-construction Phase costs is as follows:

Preliminary Engineering	\$ 222,478
Permit Applications	311,805
Geotechnical & Final Design	945,190
ROW Acquisition	103,560
Financing	286,000
Pro Rata Program Management	634,372
	\$ 2,503,405

The Water Resources Agency is seeking to enter into a funding agreement with the County of Monterey to complete Project tasks, said funds to be reimbursed upon project financing.

Prepared &  
Approved by:

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Attachments:

Interlake Tunnel Project Cost Estimate  
Project Milestones Gantt Chart