



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: WRAA 15-017, **Version:** 1

Support a Third Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency in an amount not to exceed \$1,900,000 for Preliminary Engineering and Design; Further Water Rights Analysis; Spillway Modification Feasibility; Technical Support to the Monterey County Water Resources Agency during design; Environmental Consulting Services; and, Program Management for the Interlake Tunnel Project, substantially in the form of agreement attached and subject to approval by County Counsel.

RECOMMENDATION:

It is recommended that the Budget Committee:

Support a Third Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency in an amount not to exceed \$1,900,000 for Preliminary Engineering and Design; Further Water Rights Analysis; Spillway Modification Feasibility; Technical Support to the Monterey County Water Resources Agency during design; Environmental Consulting Services; and, Program Management for the Interlake Tunnel Project, substantially in the form of agreement attached and subject to approval by County Counsel.

SUMMARY/DISCUSSION:

The County of Monterey entered into a Reimbursement and Funding Agreement with the Agency on July 2, 2014 in an amount not to exceed \$500,000, agreeing to reimburse the necessary funds for such preparatory work on the condition that the County shall be repaid such funds if the Project is financed through an assessment district or other financing mechanism.

At a December 9, 2014, Special Joint Meeting, the Board of Supervisors, Board of Supervisors of the Water Resources Agency and the Water Resources Agency Board of Directors authorized the Monterey County Water Resources Agency to proceed with the Interlake Tunnel Project. The direction included work on the Spillway Modification at San Antonio as a key component of the Interlake Tunnel Project. The direction authorized an additional amount not to exceed \$2.5 million to perform geotechnical and final design engineering; permitting and environmental approval; financing plan preparation and implementation; and implementation and program management services, all for the Interlake Tunnel Project.

In addition to approval of the above dollar increase of Phase 2, the following tasks were added to Phase 1 of the Preliminary Engineering: Spillway Modification Feasibility Study and the technical support to the Agency during design and environmental consulting work. The work authorized by the direction given entails an increase in the amount for required services from \$500,000 to \$3,000,000.

On March 17, 2015, a Second Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency was authorized for Preliminary Engineering and Design; Further Water Rights Analysis; Spillway Modification Feasibility; Technical Support to the Monterey County Water Resources Agency during design; Environmental Consulting Services; and Program Management, relating to the Interlake Tunnel Project; and, increased the amount reimbursable to the Agency to include the

additional scope of work by an additional \$600,000 for FY 2015. In addition to approval of the above dollar increase of Phase 2, the following tasks were added to Phase 1 of the Preliminary Engineering: Spillway Modification Feasibility Study and the technical support to the Agency during design and environmental consulting work.

This Third Reimbursement and Funding Agreement will cause the County to reimburse to the Agency up to the sum of \$1,900,000 to perform an updated scope of work, that would include the Spillway Modification at San Antonio, and to perform geotechnical and final design engineering; permitting and environmental approval; financing plan preparation and implementation; technical support to the agency, and implementation and program management services.

The Third Funding Agreement will allow the Agency to utilize the remaining Board of Supervisors' authorized amount of \$1,900,000, not-to-exceed \$3,000,000. The sum of \$1,900,000 is in addition to the sum of \$500,000 that was reimbursed under the First Reimbursement and Funding Agreement; and, \$600,000 reimbursed under the Second Reimbursement and Funding Agreement. Funding for remaining services in Fiscal Year 2016 and for Fiscal Year 2017 will be subject to further agreement.

OTHER AGENCY INVOLVEMENT:

The County Administrative Officer and County Counsel have been involved in the negotiation and processing of the Funding Agreement. The Monterey County Water Resources Agency Board of Directors approved this Agreement on September 28, 2015.

FINANCING:

This Third Reimbursement and Funding Agreement will partially fund services up to issuing a design-build contract pursuant to AB 155, and includes the additional items of work approved on December 9, 2014. A cumulative cash flow schedule for the entire project up to construction is attached.

Prepared &

Approved by:

David E. Chardavoyne, General Manager, (831) 755-4860

Attachments:

- Third Reimbursement and Funding Agreement Between the County of Monterey and the Monterey County Water Resources Agency
- Interlake Tunnel and Spillway Modification Project Schedule
- Interlake Tunnel and Spillway Modification Development Schedule and Budget
- Interlake Tunnel and Spillway Modification Development Period Cash Flow
- Interlake Tunnel Phase 1 Development Schedule & Cash Flow Forecast 1
- Second Reimbursement and Funding Agreement Between the County of Monterey and the Monterey County Water Resources Agency 9 April 2015
- Reimbursement and Funding Agreement Between the County of Monterey and the Monterey County Water Resources Agency dated 2 July 2014