



# County of Monterey

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

## Board Report

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**File #:** WRAG 17-060, **Version:** 1

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Receive a status report on the Interlake Tunnel and Spillway modification projects (“Project”).

**RECOMMENDATION:**

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

Receive a status report on the Interlake Tunnel and Spillway Modification Projects (“Project”).

**SUMMARY/DISCUSSION:**

Project development financing has been secured with \$10 million of State grant funding through the Department of Water Resources (DWR). DWR executed the Grant Agreement on February 16, 2017. Environmental field studies have been completed and preparation of the Draft Administrative EIR is underway.

Planning has commenced for regulatory permit in compliance with the Endangered Species Act. The planning process has identified the avenue incorporating the Project to the likely preparation of a Habitat Conservation Plan (HCP) for the Salinas Valley Water Project and other Agency projects. The challenge will be to accommodate the additional scope without additional funding and incurring possible Project delays.

The project schedule has experienced delays of approximately 6 months:

- The time between approval of AB 1585 in September 2016 and execution of the grant agreement with DWR in February 2017 has delayed the award of the engineering and design services contract with McMillen Jacobs Associates by 6 months.
- Extended duration for the USGS to complete the County’s basin hydrologic model has delayed the hydrologic modeling for the project affecting the completion of the Draft EIR.

Accordingly, The forecast for the Proposition 218 election has moved from April 2018 to December 2018.

**Status of Major Elements/Issues**

Biological and cultural field surveys for sites impacted by the project have been completed and preparation of a Draft Administrative EIR is underway. Completion of the Draft EIR is dependent upon finalizing the Project Description which includes modeling reservoir release forecasts relative to operation of the tunnel and performing impact analyses. The Draft EIR is scheduled for public review and comment in January 2018.

**Federal Regulatory Permitting**

Meetings with NOAA Fisheries and permitting workshops have determined optimum courses of action to obtain permits under the Federal Endangered Species Act (ESA) for Incidental Take Permits for possible destruction of endangered species. The US Army Corps of Engineers has been identified as the lead Federal permitting agency under Section 7 of the ESA for construction of the projects. The operation of the Projects requires a Section 10 permit which is not administered by the Corps of Engineers and therefore the Project can be added to the likely preparation of a Habitat Conservation Plan (HCP) for the Salinas Valley Water Project and other Agency projects to provide the incidental take coverage for operations of all projects. MCWRA is working to develop a possible HCP implementation plan and funding source that will involve other agencies and projects to provide the necessary incidental take permits under the ESA.

### State Regulatory Permitting

Efforts appear to have stalled in developing a Memorandum of Understanding between MCWRA and the California Department of Fish and Wildlife (CDFW) regarding proposed tunnel project appurtenances to contain white bass in Lake Nacimiento per the requirements of Government Code 6400.5. Evidence of white bass in the Salinas River following recent reservoir releases has prompted a new course of action to change the requirements of California Code of Regulations or amend the Agency Act by legislative action. The proposed Code amendment or Agency Act amendment would exempt the tunnel project from the white bass containment requirements thereby saving several million dollars of project capital and operating costs.

### Hydrologic Modeling

MCWRA is preparing to solicit hydrologic modeling consultant services to operate the County's hydrologic groundwater/surface water basin model under development by USGS. The modeling work will include the incorporation of a reservoir operations module and forecast of reservoir releases and flows in the rivers relevant to the operation of the tunnel project. This information will become part of the tunnel project description and facilitate the completion of impact analysis and preparation of the Draft EIR. The modeling work is anticipated to start in May 2017.

### Engineering

Engineering and design for the tunnel and spillway modification project is anticipated to begin in March 2017 with the approval of the contract for these services with McMillen Jacobs Associates.

### Water Rights

Planning is underway for appropriate permit applications for a point of re-diversion for the tunnel and additional storage in San Antonio Reservoir.

### OTHER AGENCY INVOLVEMENT:

The County Administrative Office - IGLA and County Counsel have been involved with the continued progress of the Project.

Prepared and Approved by:

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