

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS
SALINAS RIVER BASIN MANAGEMENT PLANNING (BMP) COMMITTEE**

COMMITTEE MEMBERS

Richard Ortiz, Chair
Claude Hoover
Deidre Sullivan
Silvio Bernardi

Bob Antle, Public Member
David Bunn, Public Member
Don Chapin, Public Member

TIME: 8:30 a.m.
DATE: Wednesday, June 18, 2014
PLACE: Monterey County Water Resources Agency
Board Room
893 Blanco Circle
Salinas, CA 93901
(831) 755-4860

A G E N D A

1. **CALL TO ORDER**
2. **PUBLIC COMMENT**
(Limited to three (3) minutes per speaker on matters within the jurisdiction of the Agency not listed on this agenda. The public will have the opportunity to ask questions and make statements on agenda items as the Committee considers them.)
3. **APPROVE THE MINUTES OF THE BMP COMMITTEE MEETING HELD MAY 14, 2014.**
The Committee will consider approval of the Minutes of the above-mentioned meeting.
4. **RECEIVE UPDATE ON WATER RIGHTS PERMIT #11043 ACTIVITIES, AND PROVIDE DIRECTION TO STAFF.**
Robert Johnson, Assistant General Manager, will present this item for consideration by the Committee.
5. **RECEIVE UPDATE ON THE INTERLAKE TUNNEL PROJECT, AND PROVIDE DIRECTION TO STAFF.**
David Chardavoyne, General Manager, will present this item for consideration by the Committee.
6. **SET NEXT MEETING DATE AND DISCUSS FUTURE AGENDA ITEMS.**
The Committee will discuss and determine details for its next meeting.
7. **ADJOURNMENT**

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS
SPECIAL SALINAS RIVER BASIN MANAGEMENT PLAN (BMP) COMMITTEE**

Richard Ortiz, Chair
Claude Hoover
Deidre Sullivan
Silvio Bernardi

Bob Antle, Public Member
Don Chapin, Public Member
David Bunn, Public Member

TIME: 11:00 a.m.
DATE: Wednesday, May 14, 2014
PLACE: Monterey County Water Resources Agency
Board Room
893 Blanco Circle
Salinas, CA 93901
(831) 755-4860

MINUTES

1. **Call to Order @ 11:03 AM** by Committee Chair Richard Ortiz.

Members present: Director Richard Ortiz, Director Claude Hoover, Director Silvio Bernardi, Director Deidre Sullivan, Bob Antle and David Bunn
Members absent: Don Chapin

A quorum was established.

2. **Public Comment**

None.

3. **Approve the Minutes of the BMP Committee meeting held on April 9, 2014**

Committee Action: On motion and second of Committee members Claude Hoover and David Bunn the Committee unanimously approved the Minutes of the BMP meeting held on April 9, 2014.

4. **Review outcomes of Special Board of Directors Workshop, and provide direction to Staff.**

Rob Johnson, Assistant General Manager, provided a summary of the Special Board of Directors Workshop held immediately prior to the day's BMP meeting. Mr. Johnson's summary of the special workshop was followed by a discussion of other possible alternatives, including:

- a) Process alternatives
Adding storage to the permit
Moving or adding a diversion point
Running processes in parallel to economize time
- b) Developing a more comprehensive solution to seawater intrusion
Interlake Tunnel Project

Surface water Treatment Plant at the northern end of the Salinas Valley
Developing additional storage facilities

- c) Evaluating if the Agency should give up the Permit altogether.

Committee Questions/Comments (*Staff responses are emboldened and italicized*):

1. If the Agency gave up this water right, would projects being discussed be different? ***Water associated with Water Right Permit #11043 was used to identify projects considered by the RAC. Without this water right, the Agency would need to possess another water right to build the projects recommended by the RAC. We do not possess rights to other water that would allow us to build a project.***
2. Based upon the milestones in the Settlement Agreement, Agency focus now shifts to the NOP. What level of detail is required for the NOP? ***There should be enough information about the project and possible alternatives to get a good return on investment for the money to develop an EIR with the associated analysis AND satisfy concerns voiced by the public. The bar for an NOP can be low with respect to analysis because the EIR will address those specifics. The NOP includes the following information: location; how water will be utilized; and, the benefits provided by the project. The Agency will submit the NOP on time (July 2014). We are currently finalizing the project description.***
3. The NOP is an opportunity to get the project as close to shovel ready as possible. How far are we away from knowing how much it will cost in the broad sense? Can we know by the end of summer what the costs will be? ***This project (RAC recommendation) at its current stage is not ready to apply for Drought funds.*** On the list of alternatives, the project that could probably be ready is the Interlake Tunnel Project. And it could be shovel ready in April 2015 – in time to apply for Drought funds. Staff recommends the Interlake Tunnel Project should not be part of Water Right Permit #11043; but, considered on a separate track.
4. Why? Can the Interlake Tunnel Project be completed sooner? ***The Interlake Tunnel environmental process could be quicker which would make it shovel ready in time to apply for State grant funding.***
5. Would the Interlake project be considered in the EIR? ***No. It would be a separate, complementary project.***
6. Since the Interlake Tunnel is separate, do we want to concentrate on the RAC's recommendation? ***Staff would recommend a parallel process for both.***
7. Was the expansion of CSIP considered by the RAC? ***Yes, it was.***
8. The absorption of water by the invasive species in the Salinas River affects the amount of water available for beneficial use.
9. Storage from the State perspective equals 30 days. That makes water in the industrial pond more viable.
10. Is the tunnel project being highlighted because of its timeliness? ***Yes.***
11. Are other projects being considered? ***Yes. A more comprehensive solution includes more than WR Permit #11043 and the tunnel project.***

Mr. Johnson reported that at the morning's Board Workshop, Directors recommended that Staff move ahead with the RAC recommendation in the NOP process and proceed with the Interlake Tunnel Project (which was not part of the RAC recommendation) on a parallel track.

Public Comments:

Steve Shimek, Otter Project/Monterey Coastkeepers, stated he had been in contact with the State Board, who suggested the Agency should give up the water right and simply reapply. *The cost would to follow that process would be prohibitive and would also result in the possession of a junior water right.*

Norm Groot, Monterey County Farm Bureau, voiced his support for the project suite submitted by the RAC. He questioned how the Agency will be able to allocate resources for the Interlake Tunnel Project in addition to those required for the NOP, EIR, etc. Mr. Groot also discussed the need to secure assistance for Rob Johnson, who has shouldered the responsibility thus far.

Nancy Isakson, Salinas Valley Water Coalition, supported Mr. Groot's comments regarding resource allocations. Ms. Isakson stated the Agency should develop a plan regarding utilization of these resources. She stated it would be helpful if the NOP's project description provided sufficient detail for public review. Ms. Isakson also discussed the importance of understanding the CEQA standard when submitting the NOP.

Kevin Piearcy, Eastside Property owner and RAC member, stated in his opinion only one diversion point was needed...the diversion point in Soledad at the higher elevation. Mr. Piearcy stated the water would require treatment regardless of the project selected or where the water went.

Roger Moitoso, Arroyo Seco Vineyards and former Water Resources Agency Director, voiced his support for the project suite developed by the RAC. He added the Agency should determine under which water right the Interlake Tunnel would be pursued.

Committee Action: On motion and second of Committee members Claude Hoover and Silvio Bernardi recommended that the full Board of Directors consider moving forward with the NOP, with the Interlake Tunnel Project on a parallel track.

5. **Set next meeting date and discuss future agenda items.**
The next meeting will be held on Wednesday, June 11, 2014 @ 8:30 a.m..
6. **Adjournment @ noon.**

Submitted by: Wini Chambliss

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS – BASIN MANAGEMENT PLANNING (BMP) COMMITTEE**

MEETING DATE:	June 18, 2014	AGENDA ITEM:	
AGENDA TITLE:	Consider receiving an update on Water Rights Permit #11043 activities, and providing direction to Staff.		
	Consent ()	Action (X)	Information ()
SUBMITTED BY:	Robert Johnson	PREPARED BY:	Robert Johnson
PHONE:	(831) 755-4860	PHONE:	(831) 755-4860
DEADLINE FOR BOARD ACTION:	June 30, 2014		

RECOMMENDED BOARD ACTION:

Receive an update on Water Rights Permit #11043 activities, and provide direction to Staff.

PRIOR RELEVANT BOARD ACTION:

A Special Board of Directors (BOD) Workshop was held on May 14, 2014 wherein an update on Water Rights Permit #11043 activities was provided.

DISCUSSION/ANALYSIS:

At last month's meeting, Staff presented information related to the activities centered on the continued progression of Water Rights Permit #11043 (Permit) milestones set forth in the Settlement Agreement (SA) for Permit and from the May 14, 2014 workshop that was held before the Committee meeting.

The Permit was scheduled for revocation by the State Water Resources Control Board (SWRCB) in August 2013; however, through Staff and Counsel efforts, the SA was achieved and the Permit was protected, as long as the Agency adheres to a strict, aggressive set of milestones for water project implementation. The milestones end with a project being developed and delivering water by July 2026. The water allocated to the Permit will be used to continue the battle against seawater intrusion in the Salinas Valley.

The activities discussed at the workshop included; 1) an update on the Regional Advisory Committee (RAC) recommendations, including a conceptual project suite to utilize Permit water; 2) other alternatives for BMP Committee consideration; 3) the beginning of the development of a Notice of Preparation (NOP) and financing plan; and, 4) possible next steps in the process.

Attached to this report is a PRELIMINARY DRAFT of the NOP to be submitted to the State by the deadline set in the SA. This DRAFT is preliminary so it could be included in the mail out for the Committee, and an updated version will be presented at the meeting for discussion.

Staff continues to develop a timeline and schedule for needed resources to complete the next set

of milestones. It is very important the information from the workshop be taken forward to help with the request for resources from the County Board of Supervisors, which is scheduled to be heard on June 17, 2014.

FINANCIAL IMPACT:	YES () NO (X)
FUNDING SOURCE:	
COMMITTEE REVIEW AND RECOMMENDATION:	
ATTACHMENTS:	1. PRELIMINARY DRAFT of NOP (an updated version to be presented at the Committee meeting)
APPROVED:	<hr/> General Manager Date

MONTEREY COUNTY

WATER RESOURCES AGENCY

PO BOX 930
SALINAS, CA 93902
(831)755-4860
FAX (831) 424-7935

DAVID E. CHARDAVOYNE
GENERAL MANAGER



STREET ADDRESS
893 BLANCO CIRCLE
SALINAS, CA 93901-4455

NOTICE OF PREPARATION Salinas Valley Water Project, Phase II

Date: [INSERT DATE]

To: State Clearinghouse, Responsible Agencies, Trustee Agencies, Interested Parties and Organizations

Subject: Notice of Preparation of an Environmental Impact Report and Notice of Public Scoping Meeting

Project: Salinas Valley Water Project, Phase II

Lead Agency: Monterey County Water Resources Agency

The Monterey County Water Resources Agency (MCWRA) is the Lead Agency in accordance with the California Environmental Quality Act (CEQA) for preparation of an Environmental Impact Report (EIR) for the proposed Salinas Valley Water Project, Phase II (Project). The EIR is an environmental review document being prepared by MCWRA in compliance with CEQA to analyze potential environmental effects associated with implementation of the Project and to evaluate mitigation measures, as necessary. This Notice of Preparation (NOP) is being issued by the Lead Agency pursuant to CEQA requirements; it is intended to provide information about the Project and its potential environmental effects and to solicit public comments regarding the scope and content of the information to be included in the EIR.

With this Project, MCWRA seeks to capture and divert surface water from the Salinas River, which will be conveyed and delivered to the East Side and Pressure Subareas to effectively utilize water allocated to MCWRA by water rights Permit #11043 and offset groundwater pumping in the Salinas River Groundwater Basin. In concert with other completed MCWRA water projects, the Project will

enhance conjunctive management of water resources and be part of a comprehensive solution for combating seawater intrusion in Monterey County.

The Project is comprised of two capture and diversion facilities located at discrete diversion points, one located near the City of Soledad and the other located south of the City of Salinas. Each capture and diversion facility will have affiliated facilities for conveyance and delivery. Details specific to the conveyance and delivery elements, such as length and termination points of pipelines, or treatment of delivered water, will be analyzed in the EIR.

Public Comments

MCWRA, as Lead Agency, has provided this NOP to responsible and trustee agencies and other interested parties. As part of the environmental review process, MCWRA is soliciting the views of interested persons or agencies as to the scope and content of the proposed EIR. In accordance with CEQA, agencies are requested to review the project description provided in this NOP and provide comments on environmental issues relevant to the statutory responsibilities of the agency in connection with the Project.

Due to the time limits imposed by State law, all written comments must be received no later than thirty (30) days [Date to be inserted] following receipt of this notice. Please submit all comments to the address shown below. Please include your name, the name of the agency you are representing, a return address or email address, and phone number with your comments so that the Lead Agency may contact you and keep you informed throughout the EIR process.

Robert Johnson, Assistant General Manager
Monterey County Water Resources Agency
893 Blanco Circle
Salinas, CA 93901
Phone: 831-755-4860
Email: johnsonr@co.monterey.ca.us
Fax: 831-424-7935

Scoping Meeting

MCWRA invites your participation in the preparation of the EIR through attendance at the scoping meetings, which will provide additional opportunities for public comment. Details of the scoping meetings are as follows:

Scoping Meeting #1

Date: [INSERT DATE]

Time: [INSERT TIME]

Location: Monterey County Water Resources Agency

Board Room

893 Blanco Circle

Salinas, CA 93901

Scoping Meeting #2

Date: [INSERT DATE]

Time: [INSERT TIME]

Location: [INSERT LOCATION]

Copies of this NOP are available for review at MCWRA offices, located at 893 Blanco Circle, Salinas, CA, 93901 and may also be downloaded from the MCWRA website at <http://www.mcwra.co.monterey.ca.us>.

Notice of Preparation

Salinas Valley Water Project, Phase II



DRAFT

June 2014

Monterey County Water Resources Agency
893 Blanco Circle
Salinas, CA 93901

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Salinas Valley Water Project, Phase II

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Notice of Preparation

Salinas Valley Water Project, Phase II



Introduction

The Monterey County Water Resources Agency (MCWRA) proposes to implement the Salinas Valley Water Project, Phase II (Project) to address water supply issues within the Salinas River Groundwater Basin¹ (Basin). The Project will put to beneficial use the water right allocated to MCWRA by water rights Permit #11043 by further developing surface water resources that will be used to offset groundwater pumping. Reductions in groundwater extractions will help to halt seawater intrusion in the Basin and protect the water resources of Monterey County.

Project Background

The Salinas Valley, located in Monterey County, is home to the Salinas River, which flows northward along the axis of the valley from its headwaters in San Luis Obispo County to its confluence with the Monterey Bay near Marina, California (Figure 1). The geology, climate, and topography of the Salinas Valley have contributed to the growth of an agricultural industry that has flourished since its beginnings over a century ago and, in doing so, has brought change to the Salinas Valley.

The Salinas Valley receives relatively little precipitation – between 10 and 16 inches annually, depending on location (MCWRA, 1997). As such, groundwater is a vital resource within the Salinas Valley for both agricultural and urban uses. Approximately 489,000 acre-feet² (af) of groundwater was extracted from the Basin in 2012, with 91.3% of the pumping attributed to agricultural uses and 8.7% to urban pumping (MCWRA, 2013). Conjunctive use of surface water and groundwater plays a significant role in the Basin, where management of surface water sources allows for prolonged periods of streamflow and increased groundwater recharge.

¹ The Salinas River groundwater basin is divided into five hydrologic subareas: Pressure, East Side, Forebay, Arroyo Seco, and Upper Valley. The subareas have distinct recharge and stratigraphic characteristics but remain hydrologically connected to one another. See Figure 1.

² One acre-foot is the volume of water required to cover an area of one acre with a sheet of water one foot in depth.

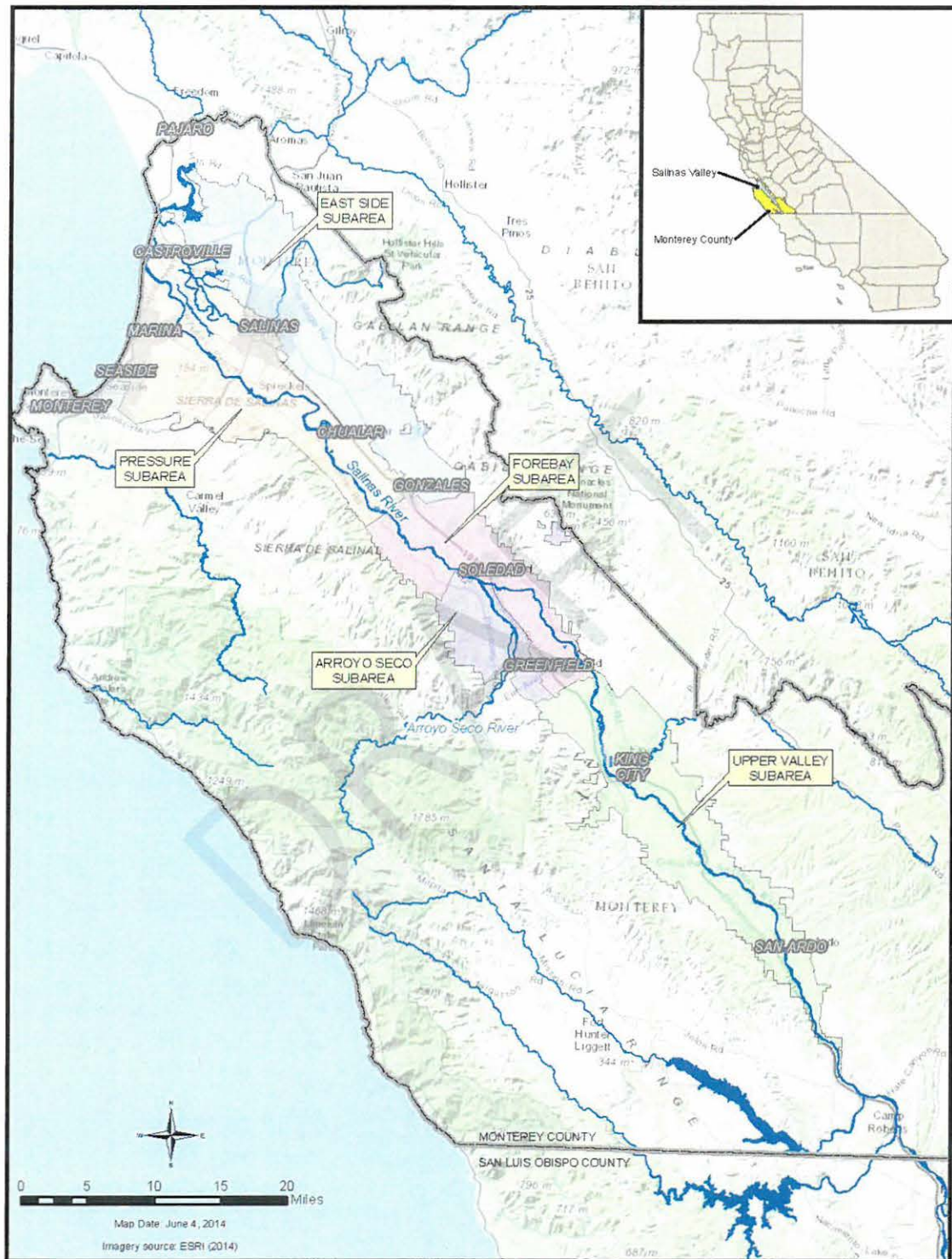


Figure 1 – Salinas River Groundwater Basin Hydrologic Subareas

Seawater intrusion was first documented in the Salinas Valley during the 1930s (State of California, 1946). In 1946, the State of California Department of Public Works (that later became the Department of Water Resources) completed *Bulletin No. 52 Salinas Basin Investigation* (Bulletin 52) which evaluated the water resources of the Salinas Valley and set forth possible solutions for maintaining a water supply and addressing the issue of seawater intrusion.

The conclusions of Bulletin 52 prompted a number of actions, including creation of the Monterey County Flood Control & Water Conservation District (MCFC&WCD) by the State Legislature, for the purpose of having a local district to create and operate water supply projects within Monterey County. The Monterey County Water Resources Agency (MCWRA) is the successor agency to the MCFC&WCD, which was given its current appellation in 1991 and made responsible for certain flood control activities as well as management, protection, and enhancement of water resources throughout Monterey County.

In response to the findings of Bulletin 52, and as a means of addressing water supply concerns in the Salinas Valley, MCWRA framed a solution strategy that includes developing a surface water source, moving water to northern portions of the Salinas Valley to reduce groundwater pumping, and stopping pumping along the coast.

Bulletin 52 also prompted MCWRA to file two water right applications with the State Water Resources Control Board (SWRCB) in 1949 with the idea that diversion of Salinas River surface water and delivery of that water to northern portions of the Salinas Valley would decrease groundwater pumping and slow the advancement of seawater intrusion. Water rights allocated by these two applications, which were later combined into water rights Permit #11043, were intended to be used as part of the solution described in Bulletin 52.

In August 2013, MCWRA and the State Water Resources Control Board (SWRCB) reached a settlement agreement with regard to water rights Permit #11043, which included some amendments to the permit and a timeline for implementation of a project utilizing the allocated waters. To date, a number of water projects have been implemented in support of MCWRA's solution strategy (Figure 2). These projects include:

- Nacimiento Reservoir - completed in 1957;

- San Antonio Reservoir - completed in 1965;
- The Monterey County Water Recycling Project - includes the Salinas Valley Reclamation Project (SVRP) and the Castroville Seawater Intrusion Project (CSIP), which came online in 1997 and first made water deliveries in 1998; and,
- The Salinas Valley Water Project, Phase I - comprised of the Nacimiento Reservoir Spillway Modification (completed in 2009) and construction of the Salinas River Diversion Facility (SRDF), which was completed in and began delivering water in 2010.

While recent data suggest that the rate of advancement of the intrusion front has slowed in recent years, seawater intrusion continues to be a concern in portions of the Salinas Valley. The proposed Project will build upon the extensive work that has already been completed and continue to advance MCWRA's solution strategy.

Project Objectives

MCWRA is developing the Project as part of a comprehensive plan to offset groundwater pumping in the Pressure and East Side Subareas and halt the advancement of seawater intrusion.

Specific objectives of the Project are to:

- Enhance the value of the Salinas Valley Water Project, Phase I by providing additional surface water that is needed to combat seawater intrusion; and,
- Effectively utilize the water allocated to MCWRA by Permit #11043.

Project Location

The Project is located in Monterey County within the Basin (Figure 1). The Project incorporates two surface water diversion points, one located near the City of Soledad (called the East Side Canal Intake in the permit) and the other located south of the City of Salinas (called the Castroville Canal Intake in the permit), as shown on Figure 3. Each diversion point will be accompanied by conveyance and delivery facilities, the locations and termini of which will be evaluated in the EIR. The EIR will also explore treatment methods; the location and requirements of any treatment facilities associated with the Project will be examined in the EIR.

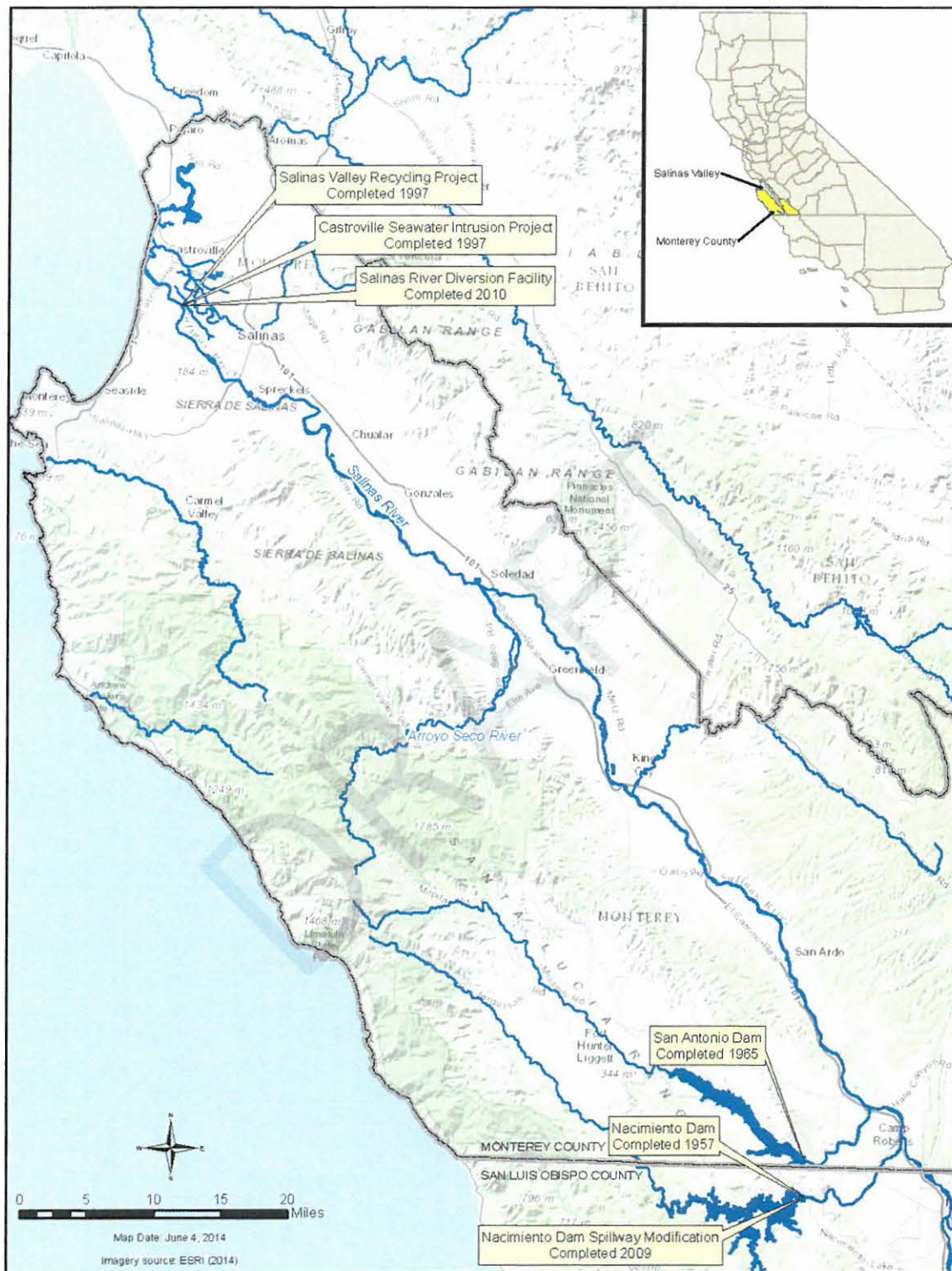


Figure 2 – MCWRA Completed Water Projects

Project Description

The Project will allow MCWRA to facilitate further offsets of groundwater pumping by delivering additional surface water to the Pressure and East Side subareas. Up to 135,000 acre-feet per year of water will be diverted from the Salinas River and supplied for municipal, industrial, and/or agricultural uses in the Pressure and East Side subareas. Two pipelines will be constructed to deliver the water to end-users. Continued alleviation of groundwater pumping through use of the diverted surface water will help combat seawater intrusion in Monterey County.

Project Elements

The Project will encompass two surface water diversion points and their appurtenant facilities for capture, conveyance, and delivery of the water.

Capture and Diversion

The capture and diversion facilities will consist of either a surface water diversion facility, similar to the SRDF, or Ranney® Collector Wells. The most appropriate type of facility for each diversion point will be examined in the EIR.

Conveyance

The conveyance facilities associated with each diversion point will be composed of pipelines, which may be constructed both above and below ground level, and pump stations. The Project EIR will be used to analyze the most beneficial configuration of the pipelines and to explore specifics of the pipelines, including diameter, length, destination, number and location of turnouts, locations of pump stations, and physical layout of the conveyance facilities.

Delivery

The type and locations of the Project's delivery facilities will be analyzed in the EIR to determine maximum beneficial use of the water. The resulting delivery facilities may consist of injection wells that are part of an aquifer storage and recovery (ASR) system, percolation ponds, turnouts for direct use of the water, or other options ensuing from analysis during the EIR process.

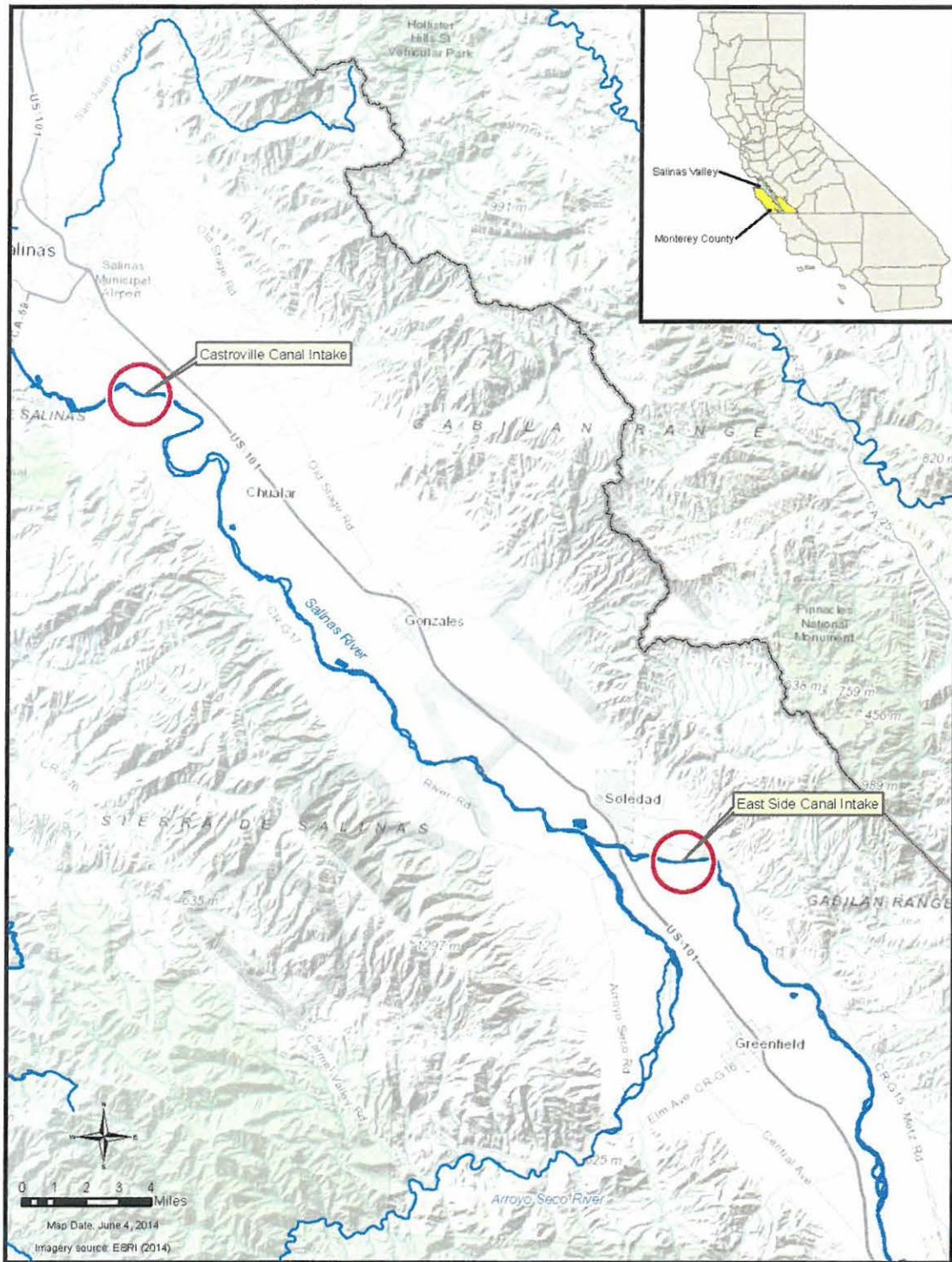


Figure 3 – Project Location Area

The construction design and physical location of the delivery facilities will be influenced by the type of facility, the end-user's intended application of the water (agricultural versus urban), and whether or not the Project will involve a water treatment component. The Project will either deliver raw water or treated water; if treated, the method of treatment will be identified once a project alternative is selected.

Potential Project Participants

At present, MCWRA has not identified any other participants in the Project. Once a project alternative has been chosen, MCWRA will evaluate the Project's needs and will communicate with those entities whose cooperation may be required to fulfill the Project objectives. Municipalities, water purveyors, and other resource management agencies are among those entities which may be invited to collaborate with MCWRA in order to implement the Project.

Environmental Issues to be Addressed

Aesthetics

Implementation of the Project will involve construction of above-ground structures for capture and diversion, conveyance, delivery, and possibly treatment of the diverted water; these may include diversion facilities, pump stations, and pipelines. Construction, maintenance, and operation of these facilities have the possibility for changes to existing visual quality. The EIR will evaluate the potential for Project-related structures to affect aesthetic, scenic, or other visual resources.

Agricultural Resources

Some components of the Project would be located in areas presently used as agricultural land. Potential impacts to agricultural resources, including conversion of agricultural land to other uses or conflicts with existing Williamson Act contracts, will be evaluated in the EIR.

Air Quality and Greenhouse Gas Emissions

Construction of Project elements would result in temporary emissions from construction equipment, earth moving activities, material hauling, and worker trips. Operation of the project may generate emissions resulting from energy use or worker trips associated with routine operation and

maintenance activities. The EIR will analyze effects of construction, operation, and maintenance of the Project on air quality and greenhouse gas emissions.

Cultural Resources

Implementation of the Project would require disturbance of the ground for construction of above- and below-ground structures, which could possibly impact existing and/or previously unknown archaeological or paleontological resources. Other historic and cultural resources could also potentially be affected by construction and excavation. The EIR will evaluate the potential effect of Project implementation on cultural resources.

Fisheries

The fisheries and aquatic resources that support fish habitat of the Salinas River could be affected by the Project due to different water management practices, changes in diversion amounts or scheduling, altered river flows, and variations in water quality. The Project could also impact fisheries or aquatic resources during construction activities, some of which may be taking place in or near streams, rivers, and drainages. The EIR will examine potential effects on fisheries habitat, including conditions for spawning and migration, and interference with any special-status species.

Geology, Soils, and Seismicity

Construction of Project facilities will result in ground disturbance which could impact soil erosion or increase exposure of people or existing structures to geologic hazards, such as unstable slopes or poor soil conditions. Central California is a seismically active region, so Project facilities may be subject to seismic hazards and the geologic hazards associated with seismic activity, such as liquefaction or landslides. The EIR process will evaluate potential impacts to geology, soils, and seismicity that may result from implementation of the Project.

Groundwater Resources

The Project is part of a conjunctive water management strategy aimed at reducing groundwater pumping; so it may affect groundwater levels and water quality. Potential effects to be analyzed in the EIR will include changes to groundwater levels, groundwater flow patterns, water quality, and effects on other beneficial uses of groundwater.

Hazards and Hazardous Materials

Existing hazardous materials or contaminated soils may be encountered during excavation and construction activities related to the Project. Operation and maintenance of the Project facilities may involve use of hazardous materials such as fuel, lubricants, or chemicals involved in the water treatment process. The EIR will evaluate potential for exposure to hazardous chemicals during construction, operation, and maintenance of the Project.

Hydrology and Water Quality

The Project involves diversion of surface water from the Salinas River, which is expected to have a direct impact on localized and downstream flow regimes. Changes to hydrology from implementation of the Project may influence water quality and conditions in the river channel. Changes to surface water flows may affect aquatic habitat and fisheries, and may also influence flood control activities or growth patterns of vegetation. Construction of the Project and end-user applications of diverted surface water may impact drainage patterns or the volume and quality of surface water runoff. The timing and volume of diversions may factor into all of these potential impacts. The EIR will identify all potential impacts to channel conditions, drainage, flood control, hydrology, and water quality from the Project.

Land Use and Planning

The Project's facilities for capture and diversion, conveyance, and delivery of water may affect existing or planned land uses in the vicinity of the facilities. The EIR will examine the Project for consistency with established plans, policies, and regulations at the local, regional, county, state, and federal levels. The functional and physical compatibility of the Project with surrounding existing or planned land uses will also be assessed by the EIR process.

Noise

Implementation of the Project will result in an intermittent and temporary increase in the level of noise in localized areas near construction activities. Operation and maintenance of Project facilities is expected to have limited and discontinuous impact on noise levels; the extent of impact will depend on the selected Project alternative. The EIR will evaluate possible sources of noise from construction activities; operation of pump stations, injection and extraction wells, or water treatment facilities; and vehicle activity.

Public Services

It is not anticipated that implementation of the Project will impose additional demand for fire protection, police protection, schools, or parks. It is possible that the Project may affect facilities related to water treatment or solid waste disposal. The EIR will evaluate the potential for the Project to place additional demands on public service resources.

Socioeconomics and Environmental Justice

The EIR process will consider potential effects from the Project on socioeconomic and environmental conditions, including possible impacts to population, health, and economic activity that may disproportionately and adversely affect minority and low-income populations. The EIR will analyze these impacts for areas where the Project facilities will be constructed and operated.

Terrestrial Vegetation and Wildlife

Construction of the Project may result in short-term disturbance or loss of habitat for vegetation and wildlife and, long-term, could interfere with wildlife movement or migration corridors. The EIR will analyze these potential impacts as well as other indirect effects from dust, soil erosion, noise, or vibration that may occur during construction or operation of Project facilities.

Transportation and Traffic

A temporary increase in traffic in localized areas may occur during Project construction activities as a result of the need to transport equipment, personnel, and materials. Operation and maintenance of the Project are expected to generate a limited number of additional vehicle trips. The EIR will evaluate the potential for impact to traffic, including lane or road closures and established transportation policies.

Utilities and Services

Existing utilities and services may be temporarily impacted due to the location of excavation and construction activities associated with Project implementation. Depending upon the selected Project alternative, there may also be on-going effects if water treatment is involved in the Project operation. The EIR will evaluate potential effects to utilities and services.

Growth Inducement

Much of the area where the Project will be implemented is currently developed or being actively utilized for agricultural purposes. However, the availability of a reliable surface water supply from the Project may affect the nature of farming practices on agricultural land and the populations that support agricultural operations. Additionally, the Project may remove impediments to planned expansion of agricultural activities or urban development. Therefore, the EIR will consider potential for growth in areas that may receive water from the Project in the context of approved land uses in the Monterey County General Plan and/or other applicable local area plans.

Other Considerations

In accordance with CEQA Guidelines, the EIR will include a cumulative impacts assessment that will consider effects of the Project in concert with other projects and the cumulative potential for significant environmental impacts.

The EIR will not include analysis of Forestry Resources, Mineral Resources, or Recreation, which were determined to be less than significant within the context of the Project.

Project Alternatives

As required by CEQA, the EIR will identify potentially significant impacts of the Project and analyze a range of alternatives to avoid or substantially decrease identified impacts. Some possible Project alternatives include relocation or addition of a diversion point; amendment of water rights Permit #11043 to include storage of surface water; and a “no project” option.

The EIR will also explore treatment options for the delivery element of the Project. Alternatives will depend on the selected Project alternative and needs of the targeted end-users.

Intended Uses of the EIR

MCWRA is the CEQA Lead Agency for review of the proposed Salinas Valley Water Project, Phase II. The MCWRA Board of Directors, MCWRA Board of Supervisors, and Monterey County Board of Supervisors will consider the information in the EIR during the Project approval process. The EIR will also be a resource for other agencies that have a regulatory or permitting role over some aspect of

the project. Responsible agencies, trustee agencies, and other agencies with jurisdiction over resources potentially affected by the Project will use the EIR as part of their review process.

References

Monterey County Water Resources Agency. *Water Resources Data Report, Water Year 1994-1995*. October 1997.

Monterey County Water Resources Agency. *Ground Water Extraction Summary Report 2012*. October 2013.

State of California, Department of Public Works. *Bulletin No. 52 Salinas Basin Investigation*. 1946.

DRAFT

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS – BASIN MANAGEMENT PLANNING (BMP) COMMITTEE**

MEETING DATE:	June 18, 2014	AGENDA ITEM:	
AGENDA TITLE:	Consider receiving an update on the Interlake Tunnel Project activities, and providing direction to Staff.		
Consent ()		Action (X)	
Information ()			
SUBMITTED BY:	David Chardavoyne	PREPARED BY:	Robert Johnson
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DEADLINE FOR BOARD ACTION:	June 30, 2014		

RECOMMENDED BOARD ACTION:

Receive an update on the Interlake Tunnel Project activities, and provide direction to Staff.

PRIOR RELEVANT BOARD ACTION:

June 3, 2014 – The Board of Directors (BOD) authorized preliminary actions related to the Interlake Tunnel Project (Project) and authorized requesting fiscal resources for the Project from the County Board of Supervisors (BOS).

DISCUSSION/ANALYSIS:

The 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 not been captured behind Nacimiento Dam. The Nacimiento River watershed produces nearly three times the average annual flow of the San Antonio River watershed, therefore, capturing high Nacimiento River flows and diverting those flows to San Antonio Reservoir increases the overall storage capacity and effectiveness of the reservoir system.

The Project was not previously constructed. Subsequent to 1991, Agency efforts were focused on completion of the Monterey County Water Recycling Project and 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 this 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. 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.

Staff will provide an update on the fiscal request to the County and work that has been performed since the June 3, 2014 BOD meeting.

FINANCIAL IMPACT:	YES ()	NO (X)
FUNDING SOURCE:		
COMMITTEE REVIEW AND RECOMMENDATION:		
ATTACHMENTS:	1.	
APPROVED:		
	_____	_____
	General Manager	Date