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, July 9, 2014
PLACE: Monterey County Water Resources Agency, Board Room
893 Blanco Circle
Salinas, CA 93901
(831) 755-4860

AGENDA

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.)

The Committee will consider approval of the Minutes of the above-mentioned meeting.

4. CONSIDER RECEIVING AN UPDATE ON WATER RIGHTS PERMIT #11043 ACTIVITIES, AND PROVIDING DIRECTION TO STAFF.
Robert Johnson, Assistant General Manager, will present this item for consideration by the Committee.

5. CONSIDER RECEIVING AN UPDATE ON THE INTERLAKE TUNNEL PROJECT, AND PROVIDING DIRECTION TO STAFF.
David Chardavoyne, General Manager, will present this item for consideration by the Committee.

6. CONSIDER RECEIVING UPDATE ON THE STATUS OF AB 155, AND PROVIDING DIRECTION TO STAFF.
David Chardavoyne, General Manager, will present this item for consideration by the Committee.

7. SET NEXT MEETING DATE AND DISCUSS FUTURE AGENDA ITEMS.
The Committee will discuss and determine details for its next meeting.

8. ADJOURNMENT
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 than 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 July 1, 2014 fiscal request to the County and other work that has been performed since the previous BOD meeting.

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<th>FINANCIAL IMPACT:</th>
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<td>FUNDING SOURCE:</td>
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<td>COMMITTEE REVIEW AND RECOMMENDATION:</td>
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<td>ATTACHMENTS:</td>
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General Manager \[ Date \]
Consider receiving an update on the status of AB 155, and providing direction to Staff.

The Interlake Tunnel Project (Project) is a project the Salinas Valley needs to augment the current water supply infrastructure. Given the current drought situation and possible wet upcoming winter, a sense of urgency has developed around getting the Project implemented. With that sense of urgency, 'design/build' legislation was considered as a tool to facilitate increased expediency in completing Project.

AB 155 was initiated as a legislative vehicle to provide the ability to procure necessary components to successfully complete the Project in a timely manner. Attached to this report is the language of AB 155, as of June 17, 2014, as well as a summary sheet of the history of the bill. Staff is seeking direction on moving forward regarding AB 155.

FINANCIAL IMPACT: YES ( ) NO ( X )

FUNDING SOURCE:

COMMITTEE REVIEW AND RECOMMENDATION:

ATTACHMENTS:
1. AB 155 language, as of June 17, 2014
2. AB 155 History summation

APPROVED:

General Manager Date
An act to add Section 11.1 to the Monterey County Water Resources Agency Act (Chapter 1159 of the Statutes of 1990), relating to water, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST


(1) Existing law, the Monterey County Water Resources Agency Act, establishes the Monterey County Water Resources Agency as a flood control and water agency within the County of Monterey.

This bill would authorize the agency to award a design-build contract for the combined design and construction of a project to connect Lake San Antonio, located in the County of Monterey, and Lake Nacimiento, located in the County of San Luis Obispo, with an underground tunnel or pipeline for the purpose of maximizing water storage, supply, and groundwater recharge.
(2) The bill would declare that, due to the unique circumstances of the agency, a general statute within the meaning of specified provisions of the California Constitution cannot be made applicable and a special statute is necessary.
(3) This bill would declare that it is to take effect immediately as an urgency statute.


The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares all of the following:
1. (1) The Salinas Valley contains some of the most fertile land in, and is a leading provider of produce to, the world, and due to the economic impact of its production it contributes to the general economic well-being of the state.
2. (2) As of 2014, the state, including the County of Monterey, has experienced extraordinary drought conditions, which threaten, in part, the economic viability and agricultural production of the valley.
3. (3) In light of these extraordinary drought conditions, the Governor, on January 17, 2014, declared a state of emergency.
4. (4) The Monterey County Water Resources Agency (hereafter the agency), established pursuant to Chapter 1159 of the Statutes of 1990, owns and controls two reservoirs: Lake San Antonio, located in the County of Monterey, and Lake Nacimiento, located in the County of San Luis Obispo.
5. (5) These lakes provide water storage for, and flood control protection to, the Salinas Valley River Groundwater-basin Basin downstream of the lakes, and also improves water supply and groundwater recharge in the basin, which contribute to the economic viability and agricultural production of the valley.
6. (6) The agency has previously undertaken projects to improve water storage and groundwater recharge within the basin, including the Salinas Valley Water Project, which, in part, implemented modifications to the spillway in the dam at Lake Nacimiento, and in the operation of the dams and spillways at the lakes.
7. (7) Despite these projects, the current drought conditions will have long-term significant impacts on the agricultural production
in the valley, and additional appropriate projects are necessary to
to ensure the continued economic viability and agricultural production
in the valley, especially in light of future conditions as may be
affected by global climate change.

(8) The watershed of Lake Nacimiento generally experiences
more runoff from storms and thus provides more water for storage
than does the watershed of Lake San Antonio and, as a result, water
otherwise available for storage at Lake Nacimiento is lost due to
volumes exceeding its storage capacity.

(9) The agency has proposed a project to connect Lake
Nacimiento and Lake San Antonio by an underground tunnel or
pipeline that would be constructed within a right-of-way or other
easement acquired by the agency for that purpose.

(10) The project will maximize overall water storage at the lakes
by allowing the conveyance of water to Lake San Antonio for
storage that may otherwise overflow from Lake Nacimiento, thus
improving the benefits provided by the lakes and the Salinas Valley
Water Project to the basin and the valley, mitigating the impact of
the drought, and improving the economic viability of the valley
and its agricultural production, all benefitting the state.

(11) Utilizing an alternative project delivery system, consisting
of a design-build contract, will provide benefits by shifting the
liability and risk for cost containment and project completion to
the design-build entity, and will provide for the more timely and
efficient project delivery in light of the current drought conditions
and the Governor's emergency declaration.

(12) The agency has requested the authority to utilize the
alternative project delivery system in conjunction with a project
labor agreement that meets the requirements of Chapter 2.8
(commencing with Section 2500) of Part 1 of Division 2 of the
Public Contract Code so as to complete the project in a more timely
and efficient manner without any disruptions.

(b) It is the intent of the Legislature that the design-build process
set forth in Section 2 of this act may be used by the agency solely
for the purpose of the project, and not for other purposes.

SEC. 2. Section 11.1 is added to the Monterey County Water
Resources Agency Act (Chapter 1159 of the Statutes of 1990), to
read:

11.1. (a) The following definitions apply to this section:
(1) “Design-build” means a procurement process in which both the design and construction of a project are procured from a single entity.

(2) “Design-build entity” means a partnership, corporation, or other legal entity that is able to provide appropriately licensed contracting, architectural, and engineering services as needed pursuant to a design-build contract.

(3) “Lakes” means collectively Lake San Antonio, located in the County of Monterey, and Lake Nacimiento, located in the County of San Luis Obispo, both owned and operated by the Monterey County Water Resources Agency.

(4) “Project” means a project to connect the lakes with an underground tunnel or pipeline for the purpose of maximizing water storage, supply, and groundwater recharge at the lakes, and within the Salinas Valley River Groundwater Basin and the Salinas Valley proper, including all necessary subsurface and surface improvements.

(5) “Project labor agreement” means an agreement that meets the requirements of Chapter 2.8 (commencing with Section 2500) of Part 1 of Division 2 of the Public Contract Code.

(b) (1) Notwithstanding any other law, the agency may award a design-build contract for the combined design and construction of the project.

(2) If the agency does award a design-build contract as authorized under paragraph (1), it shall do the following:

(A) Establish a procedure for the selection of the design-build entity for the project.

(B) Award the contract based upon a written proposal that is determined to be the most advantageous to the agency.

(C) Ensure that the design-build entity selected for the project enters into a project labor agreement that will bind all of the contractors performing work on the project.

(c) The agency may utilize a design-build contract solely for the project and for no other purpose.

SEC. 3. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances of the Monterey County Water Resources Agency.
SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to mitigate the conditions within the County of Monterey caused by the current drought and as set forth by the Governor in the related emergency declaration, it is necessary that this act take effect immediately.
COMPLETE BILL HISTORY

BILL NUMBER : A.B. No. 155
AUTHOR : Alejo
TOPIC : Monterey County Water Resources Agency: design-build.

TYPE OF BILL :
Active
Urgency
Non-Appropriations
2/3 Vote Required
Non-State-Mandated Local Program
Non-Fiscal
Non-Tax Levy

BILL HISTORY
2014
June 17 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on GOV. & F.
June 17 Re-referred to Com. on GOV. & F.
June 15 Withdrawn from committee. Re-referred to Com. on RLS.
June 9 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on N.R. & W.
Feb. 27 Re-referred to Com. on N.R. & W.
Feb. 24 Withdrawn from committee. Re-referred to Com. on RLS.
Feb. 20 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on L. & I.R.

2013
June 18 In committee: Set, first hearing. Hearing canceled at the request of author.
June 13 Referred to Com. on L. & I.R.
June 3 In Senate. Read first time. To Com. on RLS. for assignment.
May 29 Read third time and amended. Ordered to third reading. (Page 1728.)
May 28 From inactive file. Ordered to third reading.
May 24 Notice of intention to remove from inactive file given by Assembly Member Alejo.
Apr. 4 Ordered to inactive file at the request of Assembly Member Alejo.
Apr. 1 Read second time. Ordered to third reading.
Mar. 21 From committee: Do pass. (Ayes 5. Noes 0.) (March 20).
Feb. 15 Referred to Com. on L. & E.
Jan. 23 From printer. May be heard in committee February 22.
Jan. 22 Read first time. To print.