



County of Monterey

Item No.3

Board Report

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

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Receive a progress report on the Interlake Tunnel and San Antonio Spillway Modification Project; and provide comment and direction to staff as appropriate.

RECOMMENDATION:

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

Receive a progress report on the Interlake Tunnel and San Antonio Spillway Modification Project; and provide comment and direction to staff as appropriate.

SUMMARY/DISCUSSION:

The Interlake Tunnel and San Antonio Spillway Modification Project (ILT or Project) is a water storage project that transfers water from Nacimiento Reservoir to San Antonio Reservoir, allowing for reduced flood control releases and increased storage of water during wet and normal years that can be released during dry years. 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 transferring the stored water to San Antonio Reservoir increases the overall storage capacity of the Monterey County Water Resources Agency's (Agency) reservoir system.

In January 2023, the Agency released a Draft Environmental Impact Report (DEIR) for the Project. The DEIR was open for public review and comment from January 20, 2023 to March 21, 2023. The Agency conducted two public meetings to present the Project and provide the public information on how to comment on the DEIR, on February 1 and 2, 2023, in Bradley, CA and Greenfield, CA, respectively. The Agency and consultant ICF Jones & Stokes, Inc. are finalizing responses to comments received during the DEIR comment period, including preparing materials that will further clarify the hydrologic modeling data that were utilized in preparation of the DEIR.

Also in January 2023, the Agency executed Amendment 3 to the Grant Agreement with the State of California Department of Water Resources (DWR) which provides funding for the Project. The maximum payable amount of the Grant Agreement remains ten million dollars (\$10,000,000) but Amendment 3 extended the term to December 31, 2023 and resulted in revisions to some of the deliverables associated with tasks in the work plan.

Deliverables under the Grant Agreement include a Draft Engineer's Report. In support of this Draft Engineer's Report for the ILT, the Agency began work in May 2023 on an update of the 1998 Salinas Valley Historical Benefits Analysis (HBA). The updated HBA will inform the Draft Engineer's Report by evaluating historical hydrologic, flood control, and economic benefits provided by Nacimiento and

San Antonio Reservoirs, the Castroville Seawater Intrusion Project, and the Salinas Valley Water Project.

The decision to produce an updated HBA was based, in part, on comments that the Agency received on a draft engineer's report that was developed in 2021 related to dam safety repairs. At that time, feedback from stakeholders included comments about the outdated nature of the 1998 HBA. Development of an updated HBA and reliance on that document for the Draft Engineer's Report for the ILT is intended to address this concern. In addition, the DWR grant funding for the ILT provided the means to fund an initial update of the HBA. The Agency intends to continue refining and updating the HBA on a more frequent basis going forward, with this initial update serving the purpose of meeting the deadline for deliverables on the ILT grant funding.

The Agency's near-term focus is on completing responses to comments on the DEIR and completing the deliverables for the DWR grant including: a draft Findings/Statement of Overriding Considerations; draft Mitigation, Monitoring, and Reporting Plan; draft regulatory permit applications for construction; and a draft Engineer's Report with a project description and assessment methodology.

The activities discussed in this update are consistent with the Agency's Strategic Plan from December 2020 (Goal B, Strategy 6 - Complete the planning stage of the Interlake Tunnel).

OTHER AGENCY INVOLVEMENT:

No other agency was involved in the development of this report. The State Department of Water Resources, Department of Finance, and California Department of Fish & Wildlife are involved with financing of the Project.

FINANCING:

There is no impact to the existing budget associated with receiving this project update. All ongoing activities are funded by the \$10,000,000 grant from DWR. Prior to receipt of the DWR grant, the Agency funded an additional \$2,876,000 in work on project administration; planning and conceptual engineering; and environmental and permitting tasks.

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