



Monterey County

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

Board Report

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Receive an oral report from the Monterey County Water Resources Agency (WRA) regarding the status of the Interlake Tunnel (ILT) project and schedule, including timing of the funding mechanisms for the ILT and other necessary WRA projects, including deferred maintenance at the San Antonio and Nacimiento Dams.

RECOMMENDATION:

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

Receive an oral report from the Monterey County Water Resources Agency (WRA) regarding the status of the Interlake Tunnel (ILT) project and schedule, including timing of the funding mechanisms for the ILT and other necessary WRA projects, including deferred maintenance at the San Antonio and Nacimiento Dams.

SUMMARY/DISCUSSION

The Interlake Tunnel (ILT) is a project to divert water from Nacimiento Reservoir to San Antonio Reservoir that would have otherwise been spilled at Nacimiento Dam. The Nacimiento River basin produces nearly three times the average annual flow of the San Antonio River basin, therefore, capturing high Nacimiento River flows and diverting those flows to San Antonio Reservoir increases the overall storage capacity of the system.

The study to identify the actual water supply benefit and associated costs is proceeding, although slower than expected. The USGS model has caused a significant delay in the project, as multiple glitches have been identified and fixed. The design (to 60%) and the environmental work is scheduled to be completed by the end of 2019.

Initially, the intent was to immediately proceed with a Proposition 218 special assessment vote to obtain the funding to begin construction after the completion of the engineering and environmental work. However, the WRA identified the need to also fund a significant amount of deferred maintenance at the Nacimiento and San Antonio Dams, including replacing the spillway at San Antonio. A funding mechanism to address these maintenance activities, either through a Proposition 218 special assessment or special tax, will likely be scheduled at the end of 2019 or early 2020.

The need to move forward with funding on the deferred maintenance activities creates an issue with the timing of the funding of the ILT. Two funding requests within a short time will likely cause confusion and risk the passage of both. Staff continues to work with the ILT consulting team to complete the design and environmental work, along with the bid documents. Once the benefits and costs for the ILT project are available, staff will coordinate with stakeholders to determine the best time to proceed

with the Proposition 218 special assessment vote. In determining the timing of the ILT special assessment vote ILT the following items will need to be considered:

- The need to complete deferred maintenance prior to constructing the ILT;
- Utilization of any grant funding, including funding for the fish screen construction;
- The recommendation by multiple stakeholders that the funding of the maintenance at the dams and the ILT be separate; and
- The willingness/ability of landowners to fund a currently estimated \$150 million ILT project after committing to the funding of the deferred maintenance at the dams.

OTHER AGENCY INVOLVEMENT

No other agency was involved in the development of this report.

FINANCING

There is no impact to existing budget associated with this project update

Prepared and approved by: _____
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