



Board Report

File #: WRAG 19-286, **Version:** 1

Consider receiving an update on the Monterey County Water Resources Agency priorities for deferred maintenance at the San Antonio and Nacimiento dams, timing of funding mechanism to pay for deferred maintenance, and how deferred maintenance funding interrelates to the Interlake Tunnel project funding.

RECOMMENDATION:

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

Receive an update on the Monterey County Water Resources Agency priorities for deferred maintenance at the San Antonio and Nacimiento dams, timing of funding mechanism to pay for deferred maintenance, and how deferred maintenance funding interrelates to the Interlake Tunnel project funding.

SUMMARY/DISCUSSION:

On April 26, 2019, the Water Resources Agency Board of Directors held a special workshop and Agency staff presented an overview of 40 projects and 21 programs that were identified as either unfunded and/or underfunded. The aggregate total of these projects and programs summed approximately \$85 million.

On September 19, 2019, a follow-up joint workshop was held with the Agency Board of Supervisors and Board of Directors. Staff brought back the recommendations from the April 26th workshop and further examined the costs of the projects/programs to a revised total of approximately \$145 million. The workshop consensus was that the Agency should focus on funding deferred maintenance at the San Antonio and Nacimiento Reservoirs due to deadlines set by the Division of Safety of Dams (DSOD) to rehabilitate the spillway at San Antonio by November 2024, and conduct a Proposition 218 special assessment election to obtain funding for this work. The attendees at the workshop also recommended that the deferred maintenance election be kept separate from any elections necessary for the Interlake Tunnel project due to project schedules and DSOD deadlines.

On November 5, 2019, staff recommended to the Board of Supervisors that the Agency proceed with the consensus expressed at the September workshop to fund deferred maintenance at the Nacimiento and San Antonio Reservoirs through a Proposition 218 special assessment. A contract with the Wallace Group was approved to help Agency staff evaluate putting forth a special assessment election in the spring of 2020. An election in the spring of 2020 would be required in order to include these new assessments in the 2020-21 Tax Roll if approved. The Board of Supervisors also asked for further clarification on deferred maintenance project priorities, the need and timing for each project, and correlation to the Interlake Tunnel Project.

Attached to this report are priority lists for the necessary work at San Antonio and Nacimiento Dams. There are three main categories: Compliance with State and/or Federal Programs; Achieve Full Operational Function; and Public and/or Employee Safety. Many projects have overlapping priorities. The Agency plans to hold a workshop in January 2020 to discuss the assessment methodology with stakeholders. The Agency will return to the Board in early 2020 with more information on a potential Proposition 218 election on the deferred maintenance.

Additionally, attached is an updated proposed timeline for moving the Interlake Tunnel project forward. The USGS is very close to finalizing the hydrologic model for the Salinas Basin. A review of the model will be

conducted by Agency staff in December. Once there is preliminary data to discuss, Agency staff and consultants will reestablish the project work plan and restart environmental work. As detailed in the attachment, staff hopes to obtain California Environmental Quality Act approval by the spring of 2020, and to be ready to put forth a Proposition 218 special assessment in the fall of 2020. The timing of the Proposition 218 vote will be contingent upon the public response to the environmental document on the project.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

There is no financial impact for receiving this report. The Board of Supervisors approved the Agency entering into an agreement with the Wallace Group to evaluate bringing a Proposition 218 special assessment election. The Agency has entered into the agreement and has started work with the Wallace Group.

Prepared and Approved by:

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Attachments:

1. Nacimiento Dam Deferred Maintenance Projects Priority List
2. San Antonio Dam Deferred Maintenance Projects Priority List
3. Interlake Tunnel Schedule