



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: AUGUST 20, 2024
DEPARTMENT: PUBLIC WORKS
FROM: DAVID JACOBS, DIRECTOR
TITLE: TEMPORARY POND 3 DIVERSION AGREEMENT

RECOMMENDED MOTION:

A motion to approve a resolution authorizing the City Manager to sign a letter of agreement for the temporary diversion of industrial wastewater from the City's Industrial Wastewater Treatment Facility using the pond 3 pump station to M1W.

EXECUTIVE SUMMARY:

The ponds at the Industrial Wastewater Treatment Facility (IWTF) have reduced percolation and are coming close to the freeboard limits in the discharge permit. To maintain freeboard, the City has requested Monterey One Water (M1W) to take water using the pond 3 pump station. On August 5, 2024, a letter of agreement was received from M1W to take water. It is estimated the cost of diverting and treating the water is going to range between \$110,000 and \$200,000 depending on the amount of water diverted.

BACKGROUND:

The IWTF site was built in 1943 to serve as a vegetable wastewater treatment processing facility which initially consisted of a series of percolation ponds. The facility has been expanded over the years to include additional percolation ponds, an aeration lagoon, and drying beds. Currently, it spans approximately 280 acres with a permitted capacity of 4 million gallons per day (mgd).

The IWTF operates under a General Waste Discharge Requirements (WDR) (Order No. R3-2004-0066) from the Regional Water Quality Control Board (RWQCB). The IWTF is specifically prohibited from discharging effluent to the Salinas River.

Currently, 23 industrial users contribute wastewater flow to the IWTF (the IWTF is located south of the City next to the Salinas River). These industrial users are primarily performing food processing, which includes vegetable packaging, ice manufacturing and produce refrigeration. Industrial wastewater flows vary seasonally. Peak flow within the system occurs during the summer months, which coincides with the peak harvesting season. Flows are lower in the winter, which coincides with decreased processing due to lower harvests.

A collaborative effort between the City and Monterey One Water (M1W) resulted in the installation of permanent facilities in 2016 to divert the industrial wastewater directly to the M1W Regional Treatment Plant (RTP). Further collaboration resulted in a Proposition 1 Storm Water Grant from the State Water Resources Control Board. The grant allowed construction of the stormwater diversion facilities and a pump station to convey both wastewater and stormwater to the RTP after treatment through the IWTF. These improvements were completed in 2020. Collectively, these improvements allow the system to transfer stormwater and industrial wastewater to the RTP for reuse and recycling.

The IWTF was inundated by the Salinas River in March 2023. The inundation deposited silt in the percolation ponds and reduced their percolation capacity. The reduced percolation has staff watching the freeboard ¹(maintaining freeboard is a condition of the WDR) on the ponds. To maintain freeboard RWQCB gave permission to use the rapid infiltration beds from July 24 to August 2, 2024.

In the past M1W has worked with the City to temporarily accept industrial wastewater to lower water levels at the IWTF due to operational concerns regarding regulatory requirements. This has occurred periodically over the last few years with a letter of agreement and terms executed each time. Each time a request has been made the terms of the agreement include reimbursement of costs incurred by M1W in accepting and treating these flows:

- January 2023: In response to severe weather and flooding of the ponds
- March 13, 2023 – May 1, 2023: Flooding shutdown use of the IWTF
- February 16, 2024 – April 21, 2024: In response to severe weather and freeboard concerns with the ponds

At the July 29, 2024, M1W Board of Director's meeting, the Board approved M1W taking the water from pond 3. The Board stipulated that the acceptance and treatment of the water would be paid by the City unless another user can use the water, then the user of the water would pay for the treatment.

The City received a letter on August 5, 2024, outlining the conditions of M1W taking the water which include:

- a. Pro-Rated Annual Fixed Costs: Pond 3 Pump Station: \$203,352 total annual Fixed Cost/ 365-a day (Pro-rated amount - \$557.12/day).
- b. Variable Treatment Rate at Regional Treatment Plant: For Pond 3 water taken to RTP using Pond 3 Pump Station: \$417.32 per MG (or \$136/AF). M1W will measure the amount of water diverted to account for the volumetric rate charge.
- c. Staff and Operational Costs Associated with Diversion: Costs associated with actual diversion from the Pond Three Pump Station. M1W's costs associated with operating the diversion is \$1,000 per week (\$1,000 / 7 days = \$142.85/day)

¹ Freeboard is the distance from the surface of the water in the pond to the top of the pond levees.

- d. Standard Overhead Rate: 20% of Variable Treatment Rate and Staff and Operational Costs Associated with Diversion. The overhead rate is calculated for the combined daily rate of operational costs ($\$142.85 * 20\% = \28.57).

M1W is going to its Board on August 26, 2024, to increase the variable treatment rate from \$136/AF to \$419.59/AF. This increase will push the total cost of the diversion above the approval authority of the City Manager.

It is important to point out that this is a temporary 90-day agreement to provide the capacity needed for the short-term. This period will allow Staff to bring a discussion to the Council on the development of a long-term water strategy and plan for the City.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

This project addresses the current City Council’s Goals of “Infrastructure and Environmental Sustainability” and “Effective and Culturally Responsive Government.”

DEPARTMENTAL COORDINATION:

The Public Works Department is collaborating with Legal and Administration Departments.

FISCAL AND SUSTAINABILITY IMPACT:

Funding is available and appropriated in the Industrial Waste Appropriation 6200.50.5441.

ATTACHMENTS:

Resolution
M1W letter of Agreement