



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: MARCH 30, 2021

DEPARTMENT: PUBLIC WORKS

FROM: DAVID JACOBS, DIRECTOR

BY: BRIAN FRUS, SENIOR ENGINEER

TITLE: FUNDING AGREEMENT WITH THE STATE WATER RESOURCES CONTROL BOARD AND DESIGNATION OF A REPRESENTATIVE FOR THE SALINAS PROJECT TO ENHANCE REGIONAL STORMWATER SUPPLY

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing entering into a Funding Agreement with the State Water Resources Control Board and Authorizing and Designating a Representative for the Salinas Project to Enhance Regional Stormwater Supply.

RECOMMENDATION:

It is recommended that the City Council approve a Resolution authorizing entering into a Funding Agreement with the State Water Resources Control Board and Authorizing and Designating a Representative for the Salinas Project to Enhance Regional Stormwater Supply.

BACKGROUND:

The City owns and operates an Industrial Wastewater Collection and Conveyance System (IWCCS) that processes industrial wastewater from agricultural-related businesses operating in the City. The main trunk line for the IWCCS, which collects discharges from these industries, passes through the Treatment Plant No 1 (TP1) site before disposal at the Industrial Wastewater Treatment Facility (IWTF). Also, all flows for the City Sanitary Sewer System are conveyed to the TP1 site where the Monterey One Water (M1W) Salinas Area Pump Station is located. Similarly, a portion of the City's Storm Water Collection System which drains into the Salinas River Outfall, also traverses the TP1 site.

The City and M1W, recognized the opportunities presented by the proximity of these independent infrastructure systems, and have collaborated to install permanent facilities to divert industrial wastewater to the M1W Regional Treatment Plant via the Salinas Area Pump Station. In 2015, M1W in coordination with the City, received \$10 million under Round 1 of the State Water

Resources Control Board (State Board) Proposition 1 Storm Water Grant Program (SWGP) to enable diversion, storage, and reuse of storm water and dry weather urban flows by utilizing infrastructure at the TP1 and IWTF locations. Implementation work for the Round 1 Grant work was completed in December 2020 and a final report has been submitted.

Last year, the City, with assistance from M1W staff, applied for an additional storm water implementation grant through Round 2 of the same program for the Salinas Project to Enhance Regional Stormwater Supply (SPERSS). The City was notified in February 2021 that it will receive a second Proposition 1 Grant of \$6.3M to further enhance the City's stormwater capture, storage, and conveyance infrastructure at the same TP1 and IWTF sites. The grant agreement is currently being negotiated, however, City staff in collaboration with M1W, requested that the State reassess the award amount based on changes to the local cost share proposal in the grant application. At the staff level, the State has indicated that the grant award amount may increase from \$6,263,327 to \$8,830,827 based on the availability of qualifying local cost match funds spent by M1W on the construction of the Pure Water Monterey Advanced Water Purification Facility (AWPF) as provided for in the Right of Entry Agreement Salinas Industrial Wastewater Treatment Facility and Salinas Pump Station (Oct. 20, 2020). As requested by the State Board, City and M1W staff provided information to demonstrate that storm water will be used to meet influent needs of the AWPf. The City will submit a formal petition to the State Board SWGP staff requesting these changes by April 16, 2021 along with other required support documentation.

This cooperative effort between the City and M1W also benefits the Industrial Wastewater Collection and Conveyance System and will enable increased resiliency and water supply reliability. Components of the grant include:

- A new influent pump station at the IWTF
- A Trash Capture Unit and Vault Structure
- Segregated Stormwater conveyance using existing infrastructure

CEQA CONSIDERATION:

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.

Prior to initiating any construction of the SPERSS project that may impact the environment, the City and the State Board will document the CEQA compliance activities. Specially, the critical construction components of the project were included in the environmental analysis of the Pure Water Monterey EIR (available at www.purewatermonterey.org), which was certified by Monterey One Water on October 2015, and amended by Addendum No. 3 in October 2017. Depending upon the final negotiated scope of work in the grant agreement and design engineering, additional CEQA documentation or processes may be completed to analyze changes to the EIR triggered by the final scope of the project. The grant includes budget to complete this CEQA process.

Except for any required updates to the City's Waste Discharge Requirements (WDR), permits and approvals will be acquired before starting construction and expected to be ministerial or administrative. At this time, no additional permit requirements or approvals are anticipated for the Project's construction hence, City staff is confident that the required permits or environmental compliance documents will be secured.

STRATEGIC PLAN INITIATIVE:

The proposed project and agreement meet the City Council's Strategic Plan Initiatives of Investment Strategies/Risk Management, and Operational Efficiencies.

DEPARTMENTAL COORDINATION:

This project will rely on coordination between the Wastewater and the Water, Waste and Energy (WWE) divisions in Public Works. WWE will coordinate the overall execution of the grant work, with the Wastewater Division providing valuable input from an operations perspective.

FISCAL AND SUSTAINABILITY IMPACT:

At this time, there is no committal of City funds toward this project and any such fiscal impacts will be brought to Council once a formal grant agreement has been executed. The total estimated cost of \$6,263,327 (or up to \$8,830,827) for the SPERSS project is funded through the State Board) Proposition 1 Storm Water Grant Program.

An equal sum of in-kind match funds of \$6,263,327 (or up to \$8,830,827) for the SPERSS project will be provided by M1W by leveraging expenditures for the Advanced Water Purification Facility, a component of the Pure Water Monterey Project.

City will provide a portion of the consulting fees totaling \$28,500 which will be appropriated from the Industrial Waste Enterprise fund once a formal grant agreement is executed.

ATTACHMENTS:

Resolution

Notification Of Award - Proposition 1 Storm Water Grant Program Round 2 Implementation
Grant Solicitation, State Water Resources Control Board