



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: AUGUST 24, 2021

DEPARTMENT: PUBLIC WORKS

FROM: DAVID JACOBS, DIRECTOR

BY: BRIAN FRUS, SENIOR ENGINEER

TITLE: SHORT-TERM POND 3 INDUSTRIAL WASTEWATER
EFFLUENT UTILIZATION AGREEMENT

RECOMMENDED MOTION:

Approve a Resolution of a Short-Term Pond 3 Industrial Wastewater Effluent Utilization Agreement with Monterey One Water and the Monterey County Water Resources Agency.

RECOMMENDATION:

It is recommended that the City Council approve a resolution of a Short-Term Pond 3 Industrial Wastewater Effluent Utilization Agreement with Monterey One Water and the Monterey County Water Resources Agency.

BACKGROUND:

The City owns and operates an Industrial Wastewater Collection and Conveyance System (IWCCS) that processes industrial wastewater (IWW), or “ag wash water,” from agricultural-related businesses operating in the City. The City treats the IWW by aeration and disposes of the effluent into ponds (including Pond 3) for evaporation and percolation, at the Industrial Wastewater Treatment Facility (IWTF).

Monterey One Water owns and operates the Regional Treatment Plant (RTP) and can divert IWW to the RTP directly via a shunt located at Treatment Plant 1 (TP1) or by way of the Pond 3 pump station located at the IWTF.

M1W, in partnership with Monterey County Water Resources Agency (MCWRA), has also maintained and operated the Monterey County Water Recycling Projects, which include the Salinas Valley Reclamation Plant (SVRP), owned by M1W, and the Castroville Seawater Intrusion Project (CSIP) and the Salinas River Diversion Facility (SRDF) owned by MCWRA. These facilities provide recycled water for approximately 12,000 acres of agricultural land in Northern Monterey County, providing over 85 billion gallons of recycled water since 1998 by

using wastewater from throughout northern Monterey County. MCWRA and M1W's partnership is memorialized in the November 3, 2015 Amended and Restated Water Recycling Agreement between the two entities (2015 ARWRA) as amended through June 2022.

The Monterey County Water Resources Agency owns and operates the Nacimiento and San Antonio reservoirs which are tributary to the Salinas River. The Conservation Program recharges the groundwater basin and delivers water from the reservoirs to the SRDF for use in the CSIP system.

In early 2020, the Pure Water Monterey Groundwater Replenishment Project (PWM) including its Advanced Water Purification Facility (AWPF) began to operate, in partnership with the Monterey Peninsula Water Management District and Marina Coast Water District. The PWM Project's Final Environmental Impact Report was certified by M1W on October 8, 2015, and includes diverting new source water to augment RTP influent wastewater volumes as needed, including Salinas IWW and stormwater.

Due to an extended drought period, resulting in diminished water supplies available in reservoir storage, MCWRA curtailed water deliveries to the SRDF, and M1W stopped utilizing SRDF water as of August 1, 2021. Hence, additional water is needed to meet CSIP's current peak irrigation demand for water (estimated at 200 to 500 acre-feet) between August and October of 2021. Currently, there is no agreement that specifically addresses the usage of Pond 3 water nor defines the terms of such usage by another agency. Thus, M1W, MCWRA and the City have drafted a Short-Term Utilization Agreement such that the City can supply additional industrial wastewater from Pond 3 to MCWRA and M1W for use in CSIP to curtail groundwater pumping which would likely become necessary to offset the supply shortfall. Any curtailment of groundwater pumping will help slow seawater intrusion.

City staff determined an incremental cost of treatment of the City's industrial wastewater during the term of this Short-term Utilization Agreement to be \$426/acre-foot. This cost is based on forecasted capital improvement projects that would directly benefit the delivery of recycled IWW distributed across the total flow to the facility over a five year period.

In addition to City costs, M1W will charge their actual costs for treatment, operations, maintenance, and capital reserve for the Pond 3 pump station which are expected to range from \$345 to \$500 per acre-foot, depending on the amount of flow treated, according to the table below.

Amount diverted (AF)	Cost (\$ per AF)
500	\$345
400	\$371
300	\$415
200	\$502

Hence for CSIP, MCWRA shall pay all incremental treatment costs associated with the City, plus MIW's actual costs for treatment, operations, maintenance, and capital reserve for the Pond 3 pump station through payment terms previously established in Section VII of the 2015 ARWRA.

The City has also indicated a willingness to negotiate the future use of industrial wastewater from Pond 3 by MCWRA and MIW beyond the term of this Short-term Utilization Agreement in a new and long-term agreement to potentially include the utilization of future IWW flows for CSIP and the PWM projects.

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:

The proposed project and agreement relate to the following City Council's Strategic Plan Initiatives:

1. Investment Strategies/Risk Management: Invests in existing facilities by enabling Industrial Wastewater to be monetized and used towards costs of future infrastructure.

DEPARTMENTAL COORDINATION:

This project will rely on coordination between the Wastewater and the Water, Waste and Energy (WWE) divisions in Public Works. WWE will provide engineering support while the Wastewater Division will need to coordinate on-site activities with M1W and the continued operation of the facility. In addition, this project is dependent on a cooperative working relationship with both M1W and the MCWRA.

FISCAL AND SUSTAINABILITY IMPACT:

Revenues from the City's incremental cost of \$426 per acre-foot will benefit the Industrial Waste Enterprise Fund. Based on the projected range of flows from 200 to 500 AF, revenues could total \$85,200 to \$213,000. Moreover, this project will not involve the expenditure of any funds nor impact the General Fund.

ATTACHMENTS:

Resolution

Short-Term Pond 3 Industrial Wastewater Effluent Utilization Agreement