

**CITY OF SALINAS
INDUSTRIAL WASTEWATER TREATMENT FACILITY EFFLUENT
INTERIM AGREEMENT**

This **CITY OF SALINAS INDUSTRIAL WASTEWATER TREATMENT FACILITY EFFLUENT INTERIM AGREEMENT** (hereinafter referred to as “Interim Agreement”) is made this 1st of May **2025**, by and among Monterey One Water (hereinafter referred to as “M1W”), a California Joint Powers Authority; the Monterey County Water Resources Agency (hereinafter referred to as “Agency”), a special district formed per California Water Code App. §52-1, *et seq*; and the City of Salinas (hereinafter referred to as “City”), a California charter city and municipal corporation. M1W, Agency, and the City are referred to herein individually as “Party” or collectively as “the Parties.”

RECITALS

WHEREAS, the City owns and operates an Industrial Wastewater Collection and Conveyance System (“IWCCS”) that receives and conveys approximately 3,000 acre-feet/year of industrial wastewater (“IWW”) from approximately 25 agricultural processing and related businesses (“Dischargers”) located in the City. The City conveys approved flow allotments of IWW from the Dischargers to its Industrial Wastewater Treatment Facility (“IWTF”) located at South Davis Road. The IWW is generally treated by aeration and disposed of by evaporation and percolation in ponds and drying beds;

WHEREAS, periodically Dischargers exceed monthly flow allotments provided by the City, which are based on the IWTF capacity, occurring predominantly in April through October;

WHEREAS, for the purpose of this Interim Agreement, the term “Treated IWW” shall solely refer to IWW flows discharged to the IWTF, which have undergone aeration treatment and been discharged into Pond 3 of the IWTF;

WHEREAS, the City has requested that M1W pump the Treated IWW, a minimum of one (1) million gallons per day (MGD) monthly average, for the period of this Interim Agreement for treatment and disposal and/or beneficial reuse to assist the City’s regulatory requirements and provide the Dischargers relief from flow allotment restrictions;

WHEREAS, M1W owns and operates a Regional Treatment Plant (“RTP”), which is regulated under National Pollutant Discharge Elimination System Permit Order No. R3-2024-0045 (“NPDES Permit”) which requires the implementation of a Federally Approved Pretreatment Program, as well as the Pond 3 Pump Station (“P3PS”), which has the ability to pump Treated IWW from the IWTF to the RTP for treatment and disposal and/or beneficial reuse;

WHEREAS, Wastewater Change Petition Order No. WW0089 approved a change in the place of use, purpose of use, and quantity of the discharge related to the IWTF enabling M1W to recycle IWW;

WHEREAS, due to the Parties’ long working relationships and shared commitment to providing cooperative water solutions for their citizens, businesses, and ecosystems, several agreements between the Parties exist, including but not limited to: the 2015 Amended and

Restated Water Recycling Agreement between M1W and the Agency (“2015 ARWRA”); the 2015 Agreement for Conveyance and Treatment of Industrial Waste Water between M1W and the City (“2015 Conveyance and Treatment Agreement”); the 2020 Right of Way Agreement for the Salinas Industrial Wastewater Treatment Facility and Salinas Pump Station (“2020 ROW Agreement”); and the 2020 Amendment No. 1 to the Agreement for Operation, Maintenance, and Water Quality Monitoring Services Between the City and M1W (collectively referred to as “Existing Agreements”);

WHEREAS, entering into this Interim Agreement does not obligate any of the Parties to enter into any further agreements or business relationship, nor does it guarantee the future pending long-term agreement will have the same or similar terms, nor does it replace, modify, or terminate any of the Existing Agreements;

WHEREAS, diversions from the IWTF to the RTP, including Treated IWW pumped by the P3PS, is regulated by M1W under its Federally Approved Pretreatment Program by issuance of an Industrial Wastewater Discharge Permit to the City as a Significant Industrial User based upon the volume and character of its process discharge that, in excess, could cause RTP upset and/or permit violation;

WHEREAS, the Parties desire to enter into this Interim Agreement to allow M1W to pump Treated IWW from P3PS for treatment and disposal and/or beneficial reuse during the term of this Interim Agreement;

WHEREAS, the Parties understand and acknowledge the need to work cooperatively and collaboratively among themselves, with other regional stakeholders, and interested Parties to develop a long-term agreement that makes the best use of IWW and Salinas storm water to address the multiple water needs of Monterey County;

NOW, THEREFORE and in consideration of the foregoing recitals, the Parties hereby agree as follows:

1. **TERM.** The effective date of this Interim Agreement shall be on the date first written hereinabove (“Effective Date”). This Agreement shall terminate at 12:00 a.m. on November 1, 2025. This Interim Agreement may be extended for up to two (2) additional six-month terms upon mutual, written agreement of the Parties for a term not to exceed November 1, 2026.
2. **NOTICES.** Written notices and notifications stipulated by this Interim agreement shall, until further notice of the Parties, be addressed to and sent via United States Postal Service and email to each respective Party:
 - a. **City:**
City Manager
City of Salinas
200 Lincoln Avenue
Salinas, CA 93901

- b. **Agency:**
General Manager
Monterey County Water Resources Agency
1441 Schilling Place, North Building
Salinas, CA 93901
 - c. **M1W:**
General Manager
Monterey One Water
5 Harris Court, Building D
Monterey, CA 93940
3. **30-DAY NOTICE TO TERMINATE.** Any of the Parties may terminate this Interim Agreement without cause by providing the other Parties with thirty (30) days' written notice.
 4. **RIGHT TO USE IWW.** The Agency maintains the first right to use IWW, which it may forgo at its sole discretion, in writing, to M1W for use by Pure Water Monterey (PWM) or to provide treatment and subsequently discharge to the Outfall. Beginning at the inception of this Interim Agreement, the Agency shall provide M1W a written notice of its planned use of Treated IWW. Subsequent changes to the Agency's use of Treated IWW will be noticed 7-days in advance; except, in the case of an unplanned shutdown of the Salinas River Diversion Facility, whereafter a 24-hour notice shall be given. In the case of an emergency, M1W shall redirect Treated IWW to the Agency's projects as soon as possible but within 24-hours.
 5. **CONDITIONS.** The following conditions are applicable to the acceptance of Treated IWW to the RTP during the term of this Interim Agreement:
 - a. The City shall continue to allow M1W to operate its P3PS to convey treated IWW from Pond 3 to RTP for treatment and disposal or beneficial reuse.
 - b. M1W will monitor real-time water quality (pH, ORP, conductivity, and turbidity) and flows via M1W SCADA. Additional water quality samples may be collected by M1W to verify compliance with M1W Local Limits as per the Industrial Wastewater Discharge Permit Issued to the City by M1W. Monitoring will also be ongoing for determining how to optimize the use of IWW for additional parameters. Parameters and applicable acceptable ranges are provided in the Table 1:

Table 1. Monitored Parameters and Acceptable Ranges

Parameter	Acceptable Range	Units
Continuous Monitoring		
pH	6 – 10.5	Standard Units
ORP	20 – 700	mV
Conductivity	0 – 2,000	µS/m
Turbidity	0 – 400	NTU

- c. M1W retains authority to cease conveying IWW based on water quality or other conditions found by M1W to constitute a potential for bypass, passthrough or interference at RTP, the Salinas Valley Reclamation Project, (SVRP) or the PWM Advanced Water Purification Facility (AWPF), even if water quality is within acceptable ranges listed in Table 1 above. M1W will then notify the City and Agency as soon as possible but no later than 12 hours after diversion cessation.
- d. M1W will meter flows pumped to the M1W System via the magnetic flowmeter located at the P3PS and data will subsequently be used for billing purposes. M1W will provide the City and the Agency flowmeter verification reports at the inception of this Interim Agreement.
- e. If the Treated IWW is not used for beneficial reuse by either SVRP or AWPF, the City shall pay all conveyance and treatment costs based on M1W's Interruptible Rate which includes Variable and Fixed Costs as shown below:
 - i. \$437.81/acre-foot ("Variable" cost) which includes:
 - 1. A portion of the M1W Special User Fee (7%),
 - 2. Pumping costs to the RTP, and
 - 3. Chemical Costs (sulfuric acid); and
 - ii. \$534.74 in daily fixed costs ("Fixed" cost) which includes:
 - 1. Replacement Account,
 - 2. Insurance, and
 - 3. Operation and Maintenance.
- f. If the Treated IWW is utilized for SVRP, Agency shall pay all conveyance and treatment costs based on M1W's Interruptible Rate which includes Variable and Fixed Costs as shown below:
 - i. \$437.81/acre-foot ("Variable" cost) which includes:
 - 1. A portion of the M1W Special User Fee (7%),
 - 2. Pumping costs to the RTP, and
 - 3. Chemical Costs (sulfuric acid); and
 - ii. \$534.74 in daily fixed costs ("Fixed" cost) which includes:
 - 1. Replacement Account,
 - 2. Insurance, and
 - 3. Operation and Maintenance.

- g. If the Agency chooses to forgo its first right of IWW usage, and M1W chooses to treat it for beneficial reuse by PWM, PWM shall incur Variable and Fixed Costs as shown below:
 - i. \$437.81/acre-foot (“Variable” cost) which includes:
 - 1. A portion of the M1W Special User Fee (7%),
 - 2. Pumping costs to the RTP, and
 - 3. Chemical Costs (sulfuric acid); and
 - ii. \$534.74 in daily fixed costs (“Fixed” cost) which includes:
 - 1. Replacement Account,
 - 2. Insurance, and
 - 3. Operation and Maintenance.
- 6. MONTHLY REPORTING. M1W shall provide a monthly statement of Treated IWW pumped by the P3PS and either treated for disposal or beneficial reuse, by entity, in acre-feet, on a daily reporting basis. All reports shall be provided to the Parties by the 15th day of the following month.
- 7. MONTHLY BILLING. By the 15th day of each month, M1W shall bill each Party for its metered share of IWW treatment. Each Party shall have 15 days to review, revise, accept and/or dispute the bill. No response by a Party within 15 days of bill receipt shall be deemed bill acceptance. The Parties shall work in good faith to speedily resolve all billing questions. Upon resolution of billing questions, the bill shall be due and payable within 30 days.
- 8. NOTIFICATION OF POTENTIAL PROBLEMS. The City shall notify M1W immediately should the City become aware of any noncompliant wastewater discharged into the IWCCS from any of the Dischargers.
- 9. MISCELLANEOUS:
 - a. In entering into this Interim Agreement, the Parties represent that they have read, fully understand and voluntarily accept all terms of this Interim Agreement.
 - b. The Parties acknowledge that each Party has reviewed this Interim Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Interim Agreement.
 - c. This Interim Agreement sets forth the entire understanding of the Parties in connection with the subject matter herein. None of the Parties have made any statement or inducement for the other to enter into this Agreement except as is expressly set forth in this Interim Agreement. It is expressly understood and agreed that this Interim Agreement may not be altered, amended,

modified or otherwise changed in any respect whatsoever except by writing duly executed by authorized representatives of the Parties hereto. The Parties agree that they will make no claim at any time or place that this Interim Agreement has been orally altered or modified or otherwise changed by oral communication or any kind or character.

- d. This Interim Agreement shall be governed by the laws of the State of California. The venue shall be the County of Monterey.
- e. In the event that any portion of this Interim Agreement is deemed to not be enforceable, or is in conflict with applicable law, the remainder of this Interim Agreement shall be enforced and shall remain in full force and effect unless the portion unenforceable is a material consideration to a Party of this Interim Agreement.
- f. All Parties agree to cooperate fully and to execute any and all documents, and to take all additional actions that may be necessary or reasonably appropriate to give full force and effect to the basic terms and intent of this Interim Agreement, and which are not inconsistent with its terms.
- g. The individuals whose signatures appear below represent, warrant, and guarantee that they have the authority to execute this Interim Agreement on behalf of those entities on whose behalf they purport to execute this document.

10. INDEMNIFICATION AND HOLD HARMLESS. Each Party to this Interim Agreement hereby agrees that it shall indemnify, defend, and hold harmless the other Parties (including the other Parties, respective officers, agents, and employees) from and against any and all claims, liabilities, and losses whatsoever occurring or resulting to any person, firm, corporation or entity for foreseeable consequential damage, property damage, injury, or death arising out of or connected with that party's negligence or non-performance of its obligations under this Interim Agreement. The provisions of this Section 5 shall survive the expiration of the term or termination of this Interim Agreement.

11. DISPUTE RESOLUTION.

- a. If any dispute arises between the Parties as to proper interpretation or application of this Interim Agreement, the Parties shall first seek to resolve the dispute in accordance with this Interim Agreement. The pendency of a dispute shall not excuse M1W from full and timely performance in accordance with the terms of this Interim Agreement.
- b. Duty to meet and confer. If any dispute under this Interim Agreement arises the Parties shall first meet and confer in a good faith attempt to resolve the matter between themselves. Each of the Parties shall make all reasonable efforts to provide the other Parties all the information that the Party has in its

possession that is relevant to the dispute, so that the Parties will have ample information with which to reach a decision.

- c. If an agreement cannot be reached, the Parties agree to mediate any disagreements in good faith and share equally the costs of doing so.
- a. Should any of the Parties determine a dispute cannot be resolved in mediation, it is agreed that the dispute may be resolved in a court of law competent to hear the matter

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the Agency, the City and M1W have entered into this Agreement as of the date first entered above.

M1W

By: _____

Paul A. Sciuto

Its: Executive Officer

Approved as to Form:

James Gilpin, Legal Counsel

CITY OF SALINAS

By: _____

René Mendez

Its: City Manager

Approved as to Form:

Christopher Callihan, City Attorney

Agency

By: _____

Ara Azhderian

Its: General Manager

Approved as to Form:

Kelly L. Donlon, Chief Assistant County Counsel