



Monterey County

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: WRAG 22-031

February 22, 2022

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Consider recommending that the Monterey County Water Resources Agency Board of Supervisors:

- a. Authorize the Monterey County Water Resources Agency General Manager to begin negotiations related to use of New Source Waters for the Castroville Seawater Intrusion Project pursuant to Section 16.16 of the Amended and Restated Water Recycling Agreement with Monterey One Water; and
- b. Authorize the General Manager to negotiate a new agreement with the City of Salinas and Monterey One Water for use of Industrial Wastewater Utilizing Pond 3 in response to current drought conditions.

RECOMMENDATION:

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

- a. Authorize the Monterey County Water Resources Agency General Manager to begin negotiations related to use of New Source Waters for the Castroville Seawater Intrusion Project pursuant to Section 16.16 of the Amended and Restated Water Recycling Agreement with Monterey One Water; and
- b. Authorize the General Manager to negotiate a new agreement with the City of Salinas and Monterey One Water for use of Industrial Wastewater Utilizing Pond 3 in response to current drought conditions.

SUMMARY/DISCUSSION:

The Castroville Seawater Intrusion Project (CSIP) is part of a conjunctive use system that delivers a combination of recycled water, Salinas River water, and groundwater to farmers to reduce groundwater extraction within seawater intruded areas of the 180/400-Foot Aquifer Subbasin. When Salinas River water is not available to divert, an increase of groundwater pumping is observed in the project area. Per the United States Drought Monitor, Monterey County is experiencing severe to moderate drought conditions. This is demonstrated by third consecutive year of limited winter inflow to the Monterey County Water Resources Agency's (MCWRA) reservoirs, Nacimiento and San Antonio (Reservoirs), with current storage capacities of 29% and 11%, respectively. At times, releases are made from both Reservoirs to support groundwater recharge and diversions to the CSIP system. Due to the relatively low combined Reservoir storage levels, it is unlikely there will be much, if any opportunity to make these kind of Reservoir releases in the upcoming season. This will be determined over the next few months through a Drought Procedures approach. A Drought Operations Technical Advisory Committee (D-TAC) has been established to develop the reservoir release schedule for April through December 2022. They will also develop goals for operations during

January through March 2023, if this dry weather pattern persists.

Monterey One Water (M1W) operates the CSIP system through terms in the Amended and Restated Water Recycling Agreement (ARWRA) and amendments (Attachment 1). There are specific conditions described in Section 16.15 of the ARWRA that must be met prior to the use of New Source Waters defined in the ARWRA. If all of those conditions cannot be met, then Section 16.16 describes an alternative approach for the use of the New Source Waters. In such an instance, MCWRA would retain the right to utilize the Agricultural Wash Water, also referred to as Industrial Wastewater, from the City of Salinas. M1W will be allowed to use MCWRA's water rights for Blanco Drain, Reclamation Ditch and Tembladero Slough. Unfortunately, the Tembladero Slough water right was not permitted and is not available for use. A separate agreement would be necessary to incorporate these provisions.

Through extensive efforts from MCWRA, M1W and other agencies, Conditions 1 and 2 in Section 16.15 have been met. A letter received from the California Regional Water Quality Control Board (Attachment 2) dated June 30, 2021, states that the Regional Board cannot make the required finding to meet the terms in Condition 3 of Section 16.15. As a result, a new agreement to comply with Section 16.16 of the ARWRA and for long-term use of Industrial Wastewater is necessary. Amending the ARWRA to address the new source waters and any other components, may also be necessary.

MCWRA, M1W and the City of Salinas successfully negotiated a short-term 60-day agreement for use of the Industrial Wastewater Utilizing Pond 3 Improvements during the summer and fall of 2021. Due to the timing of final approval of the short-term agreement, the Industrial Wastewater was not utilized as source water in the CSIP because total irrigation demands were less than total wastewater flows already available to CSIP. The irrigation season in 2022 is projected to exceed available wastewater supply and it is unlikely that river diversions will be available during the season. There are water quality issues that arise from diverting Industrial Wastewater directly, which impacts the treatment processes and results in increased costs to the recycled water customers. This has identified the need for utilizing the Industrial Wastewater that is stored in Pond 3 at the City of Salinas Industrial Wastewater Facility. It would provide a steadier amount of water with higher water quality. The use of Pond 3 water requires an agreement between MCWRA, the City of Salinas, and M1W. Therefore, it is recommended that a new agreement for Industrial Wastewater Utilizing Pond 3 Improvements be negotiated prior to the commencement of the peak irrigation season. The final agreement would come back before the MCWRA Board of Directors and Board of Supervisors concurrently with M1W and City of Salinas' approval processes.

This action is related to MCWRA's Strategic Plan Goal B - Planning and New Projects; Strategy 1: Expand and optimize the Castroville Seawater Intrusion Project (CSIP) system and Strategy 5: Develop plans to enhance our critical water resources facilities and increase sustainability.

OTHER AGENCY INVOLVEMENT:

City of Salinas and Monterey One Water

FINANCING:

Staff time, contractor time and other costs associated with delivering recycled water, are included in the approved FY 22 budget

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Approved by: Brent Buche, General Manager, (831) 755-4860

Attachments:

1. Amended and Restated Water Recycling Agreement, and Amendments
2. RWQCB letter to MCWRA regarding Condition Precedent 3