



TODAY'S ACTION

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.



Committee Action

- The Planning Committee recommended this item to the BOD at the February 2022 meeting.

Prior BOD/BOS Action

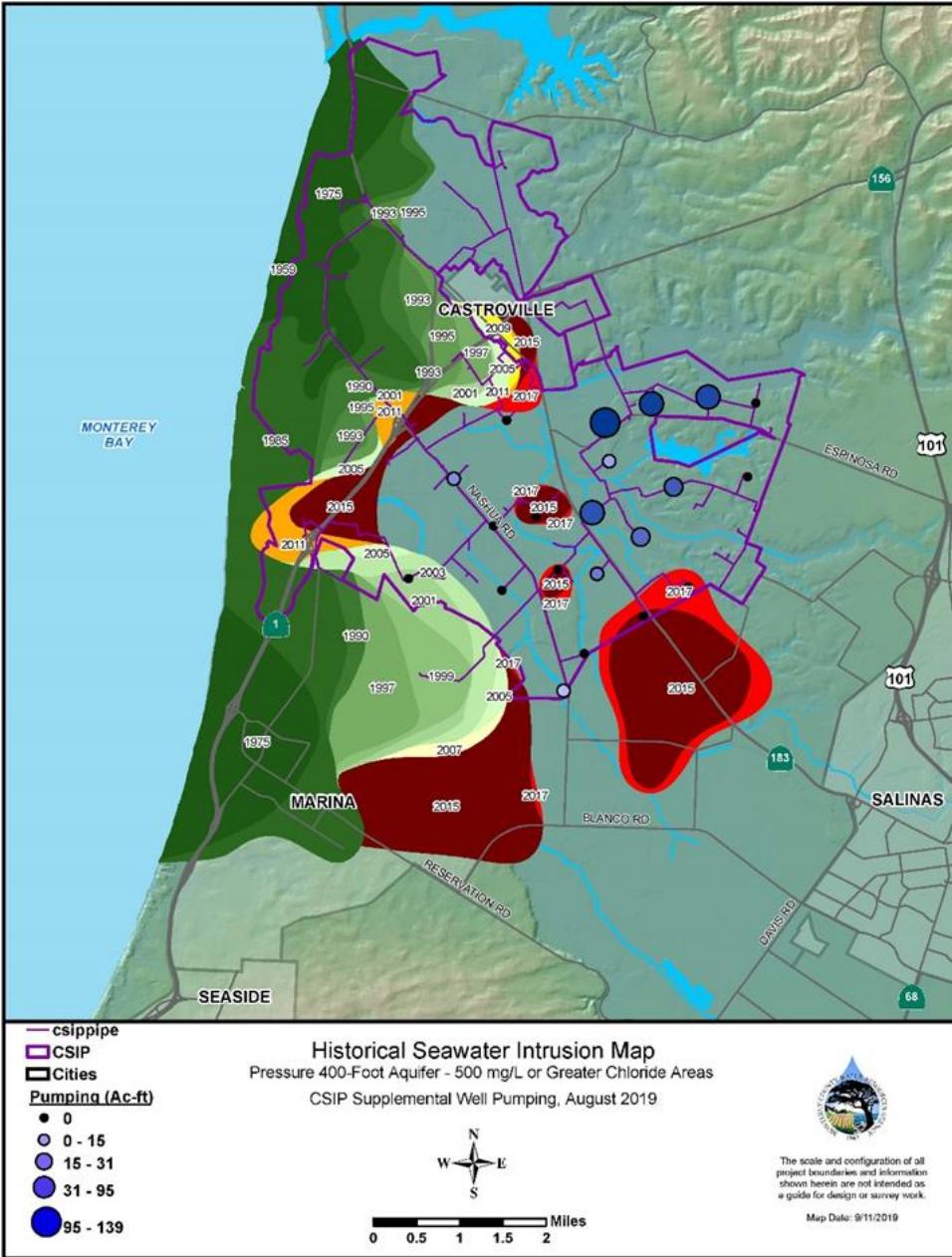
- From 2015 to 2021, MCWRA BOD and BOS approved the Amended and Restated Water Recycling Agreement and three amendments with Monterey One Water
- In August 2021, MCWRA BOD and BOS authorized the General Manager to negotiate and execute a 60-day Agreement with the City of Salinas and Monterey One Water to use industrial wastewater utilizing Pond 3 improvements in response to current drought conditions

Financial Impact

- Staff time is included in the approved FY 22 budget, Fund 131
- Costs of implementing any new agreements will need to be determined

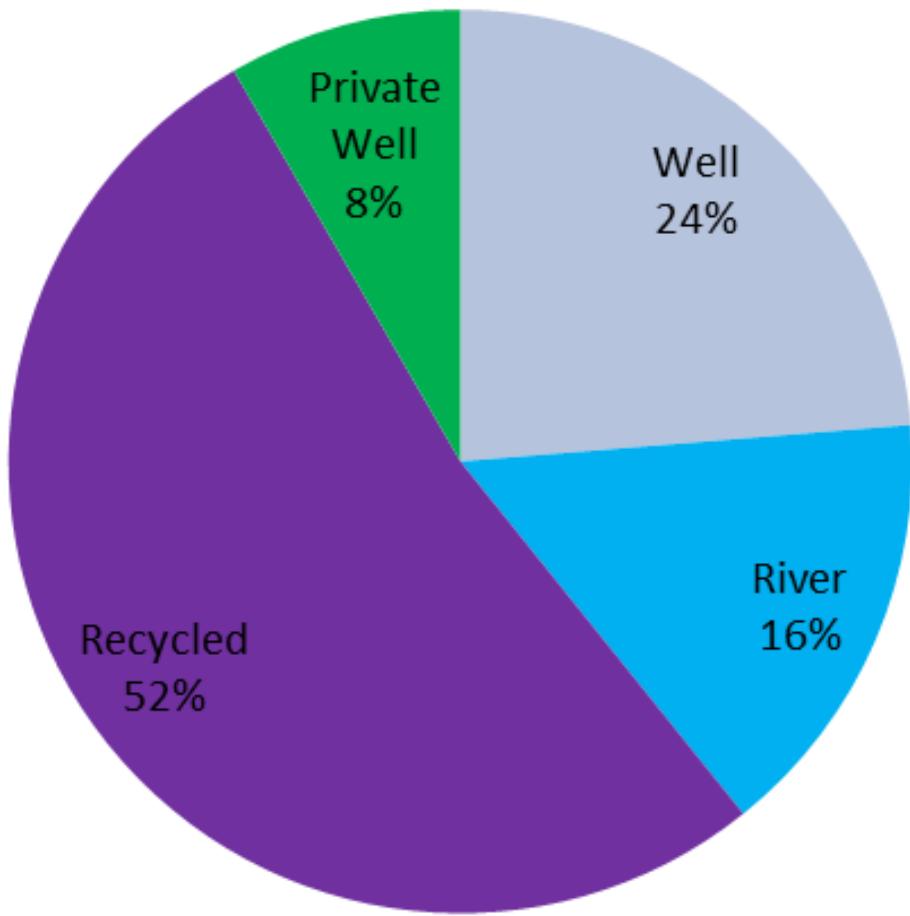
Discussion

- Castroville Seawater Intrusion Project (CSIP) is part of a conjunctive use irrigation system to reduce groundwater extraction within seawater intruded areas of the 180/400-Foot Aquifer Subbasin by delivering a mix of:
 - recycled water
 - Salinas River water
 - groundwater
- New Source Waters were considered and included in the long-term Amended and Restated Water Recycling Agreement (ARWRA) with Monterey One Water:
 - Agricultural Wash Water (aka industrial Wastewater)
 - Blanco Drain
 - Reclamation Ditch/Tembladero Slough
 - Monterey Storm Water
 - Salinas Storm Water



Average Annual Total Water Production By Source

Total annual use ~18,000 to 27,000 acre-feet



Discussion

ARWRA Section 16.15. Conditions Precedent for New Source Water Facilities.

- The portions of this Water Recycling Agreement applicable to the New Source Water Facilities (see Section I) shall not become effective until the following conditions are met:
 1. Water Rights for the Blanco Drain and Reclamation Ditch are obtained from the California State Water Resources Control Board; and
 2. A fully executed, and California Public Utilities Commission approved, Water Purchase Agreement, between PCA, Monterey Peninsula Water Management District, and California American Water is approved by the California Public Utilities Commission and executed by the parties thereto; and

3. Written findings are made by the Regional Water Quality Control Board that utilization of the Blanco Drain dry weather flows as New Source Water meets all treatment requirements for the aforesaid dry weather flows; and
4. An independent third- party review of proposed capital and operating costs and preparation of an Engineer's Report is approved by the WRA Board of Directors and Board of Supervisors. The costs of the aforesaid third party review shall be shared equally between WRA and PCA; and
5. A successful assessment or Proposition 218 process for rates and charges related to the operation and maintenance of the New Source Water Facilities and proportional primary and secondary treatment charges; and
6. Inclusion of Salinas Pond Water Return Facilities as New Source Water Facilities requires execution of a separate agreement between the Parties.

Discussion (cont.)

- Status of Conditions Precedent:
 - Conditions 1 and 2 met
 - Condition 3: RWQCB letter confirmed that water quality conditions would not be met by Pure Water Monterey Project, at this time
- Engineer's Report put on hold
- M1W continues to use these waters for PWM
- A new agreement must be negotiated to update the terms of the ARWRA related to New Source waters and to address Section 16.16

Discussion

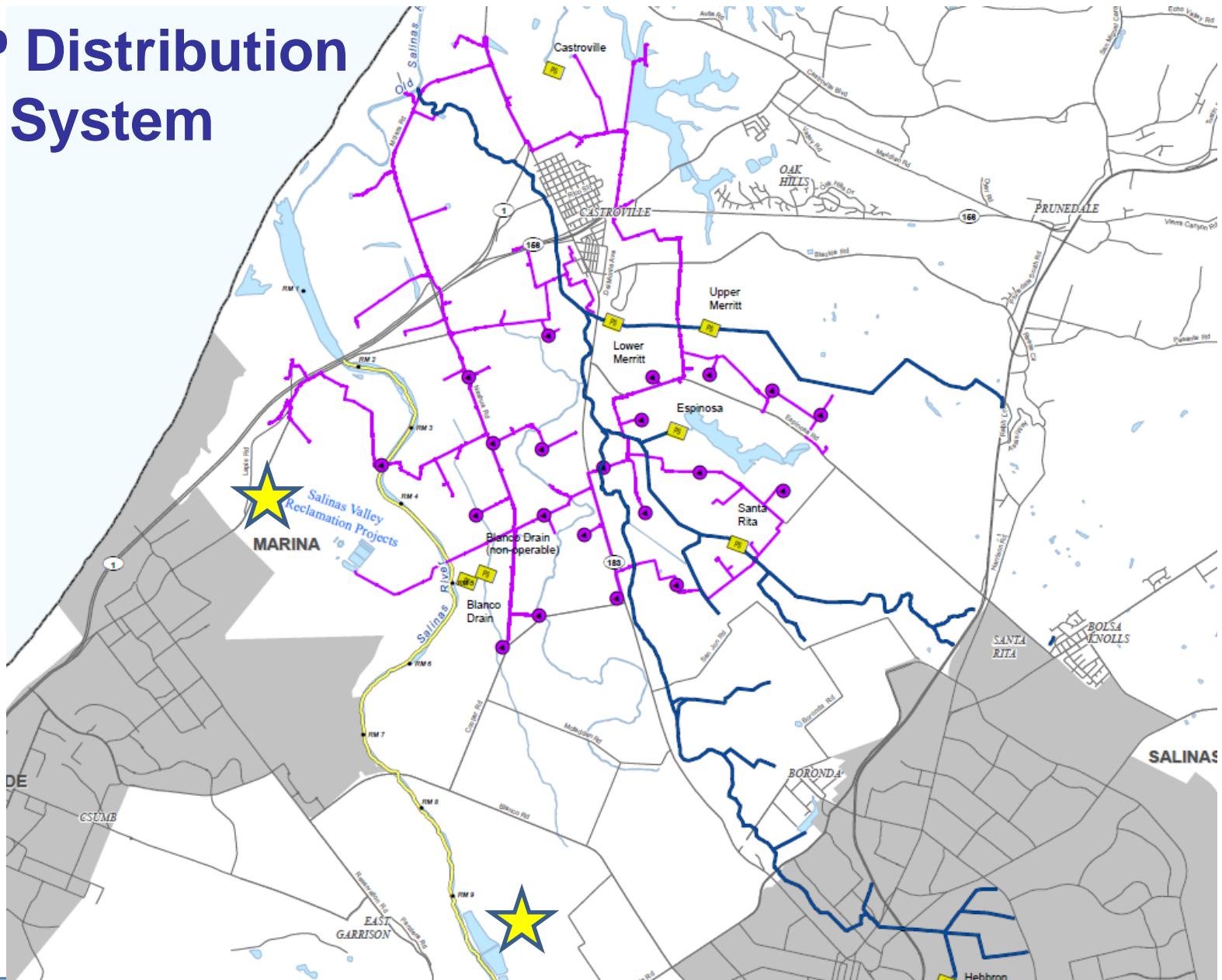
ARWRA Section 16.16. Use of New Source Water.

- If Conditions Precedent in Section 16.15 (1) and 16.15 (2) are met, but Conditions Precedent in Section 16.15 (3) and/or Section 16.15 (4) and /or Section 16.15 (5) are not met:
 1. WRA will allow use by PCA of its water rights of 6,500 acre-ft entitlement from Application Nos. 32263A, 32263B, and 32263C. PCA will pay WRA the cost of obtaining and maintaining those water rights.
 2. WRA will retain the right to utilize the Agricultural Wash Water component from the City of Salinas.
 3. WRA and PCA will incorporate the provisions of this Section 16.16 in a separate agreement should Section 16.16 become operable.

Discussion

- Blanco Drain and Reclamation Ditch are estimated to produce ~3600 AFY
 - Capital costs have been determined through the construction of all facilities
 - Fixed and variable O&M paid for by the user
- Agricultural Wash Water is estimated to produce ~3500AFY
 - Capital costs related to pond 3 facilities have been determined through the construction of all facilities
 - Fixed and variable O&M paid for by the user and still needs to be determined

CSIP Distribution System



Discussion

- Monterey County is experiencing moderate drought conditions, per the United States Drought Monitor
 - third years of limited winter inflow to reservoirs may impact the Conservation Program this year
 - Nacimiento storage capacity is 29%
 - San Antonio currently at 11%
 - Drought Operations Technical Advisory Committee (D-TAC) has been established to develop the reservoir release schedule for April through December 2022

Discussion (cont.)

- Conservation Program and SRDF diversions were halted on August 2, 2021
- Direct diversions of Industrial Wastewater from City of Salinas began August 2, 2021
 - Limited water quantity
 - Water quality concerns
- Utilizing Industrial Wastewater Treatment Facilities' Pond 3
 - Mix of Industrial wastewater and stormwater
 - Higher volume and water quality
 - Short-term agreement in 2021 was approved after peak demands ceased
 - Needs a new agreement before use

Discussion (cont.)

- Long-term Agreement needed with City of Salinas and M1W to use Industrial Wastewater and Pond 3 facilities
 - 60-day Agreement and testing period will help inform longer-term agreement and operations
 - City of Salinas currently performing a detailed cost analysis of facility usage (repair and replacement, etc.)
 - M1W has prepared fixed and variable costs that need to be reviewed.

TODAY'S ACTION

Support a recommendation by the Monterey County Water Resources Agency Board of Directors recommending that the Monterey County Water Resources Agency Board of Supervisors:

- a. Recommend that the Monterey County Water Resources Agency General Manager 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
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