



County of Monterey

Item No.

Board Report

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

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April 21, 2025

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Consider authorizing the General Manager to negotiate an *Interim City of Salinas Industrial Wastewater Treatment Facility Effluent Agreement* with the City of Salinas and Monterey One Water; and authorize the General Manager to execute the Agreement.

RECOMMENDATION:

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

- a. Authorize the General Manager to negotiate an *Interim City of Salinas Industrial Wastewater Treatment Facility Effluent Agreement* with the City of Salinas and Monterey One Water; and
- b. Authorize the General Manager to execute the Agreement.

SUMMARY/DISCUSSION:

The City of Salinas ("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 southeast area of the City. The City conveys approved flow allotments of IWW from the Dischargers to the Industrial Wastewater Treatment Facility ("IWTF") located at South Davis Road, south of the City, and immediately north of the Salinas River. The IWW is subsequently treated by aeration and disposed of by evaporation and percolation in ponds and drying beds.

Monterey One Water ("M1W") is the sewer treatment provider in northern Monterey County and owns and operates the Regional Treatment Plant ("RTP"). Per a 2020 Right of Entry Agreement, the City granted M1W the ability to divert stormwater from the City's stormwater system to the City's IWTF and to pump comingled stormwater and Treated IWW ("IWTF Effluent"), using M1W's Pond 3 Pump Station ("P3PS"), to the RTP in compliance with M1W's Storm Water Grant Agreement.

M1W, in partnership with the Monterey County Water Resources Agency ("Agency"), maintains and operates the Monterey County Water Recycling Projects, which include the Salinas Valley Reclamation Plant ("SVRP"), owned by M1W and financed by the Agency, and the Castroville Seawater Intrusion Project ("CSIP") and the Salinas River Diversion Facility ("SRDF"), wholly owned and financed by the Agency. These facilities provide recycled water to approximately 12,000 acres of agricultural land to help reduce reliance on groundwater and assist in addressing seawater intrusion. The Agency and M1W's partnership is memorialized in the November 3, 2015, Amended and Restated Water Recycling Agreement between the two entities ("2015 ARWRA"). Section

16.16.2 of the 2015 ARWRA assigns first right to usage of IWW to the Agency, which may forgo said right at its sole discretion, in writing, for use by M1W.

In 2021, M1W, the City of Salinas and Agency drafted a short-term agreement for CSIP to have the ability to use IWTF and P3PS. Unfortunately, the agreement was not approved in time for use and therefore was not executed. M1W, the City of Salinas and Agency then approved a new short-term agreement to cover the 2022 peak irrigation season, that included minor changes from 2021. The 2022 agreement was for one irrigation season and expired on November 1, 2022.

Recently, the City has requested that M1W pump a minimum of one (1) million gallons per day (“MGD”) monthly average of IWTF Effluent using M1W’s P3PS for treatment and disposal or beneficial reuse to assist the City’s regulatory requirements and provide the Dischargers relief from flow allotment restrictions. Therefore, the City, M1W and the Agency have begun discussions on how the three parties may enter into a new short-term agreement, for approximately six months, to address this recent request from the City.

Diverting, treating, and recycling these flows carry fixed annual and variable costs that depend on how much of the flow is diverted to the RTP and if any of the flow is put to beneficial reuse.

At M1W’s August 26, 2024, Board of Director’s meeting, the *Updated Interruptible Source Water Rates and Fixed Costs and Incremental Rates for Backwash Water, for September 1, 2024, through June 30, 2025*, was adopted, which includes rates for IWTF Effluent. In the proposed agreement, these rates, or an updated rate, would be charged to the customer requesting the treatment and disposal or use of the IWTF Effluent. The City is not proposing to charge rates in the proposed, short-term agreement.

For the 2025 CSIP irrigation season, the Agency does not anticipate a need for IWTF Effluent and, therefore, is willing to decline its first right with the caveat that in case of an emergency, or unforeseen changes in reservoir operations, the Agency can recall this water for use. Absent the Agency’s demand, the IWTF Effluent will either be treated for reuse by Pure Water Monterey or for disposal.

OTHER AGENCY INVOLVEMENT:

City of Salinas, Monterey One Water

FINANCING:

It is anticipated that the AGENCY will not need to utilize IWTF Effluent under this new agreement. If the situation changes, and the use of IWTF is necessary for and delivered to CSIP, then an additional \$150,000 to \$1,500,000, depending on the quantity of use and actual costs associated with treatment and facility use, could be incurred.

Prepared by: Shaunna Murray, Deputy General Manager, (831) 755-4860

Approved by: Ara Azhderian, General Manager, (831) 755-4860

Attachments:

1. DRAFT Interim City of Salinas Industrial Wastewater Treatment Facility Effluent Agreement

- with the City of Salinas and Monterey One Water
2. Board Order