



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: June 8, 2021

DATE: May 28, 2021

TO: Board of County Commissioners

FROM: Dwayne Smith, P.E., Division Director, Engineering and Capital Projects, Community Services Department, 328-2043, desmith@washoecounty.us

THROUGH: Dave Solaro, Arch., P.E., Assistant County Manager
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SUBJECT: Recommendation to approve an Interlocal Agreement for the Palomino Farms Resources Sustainability Feasibility Study (Agreement) with the Truckee Meadows Water Authority, the City of Reno, and the City of Sparks (Parties), to evaluate the technical feasibility for long-term water sustainability benefits through potential irrigation, rapid infiltration and aquifer storage and recovery using recycled water, in Warm Springs Valley (Palomino Farms and LW Land Company). The Truckee Meadows Water Authority will perform the technical analysis under the terms of the Agreement and each Party to the Agreement will be responsible for twenty-five (25%) percent of the actual project costs, each Party's contribution [not to exceed \$400,000], and if determined technically feasible, direct staff to determine recycled water sustainability options for Washoe County's Utility in the Warm Springs area including potential benefits, operational strategies, operational and capital costs. (Commission District 5.)

SUMMARY

Approximately a year ago, staff from the Truckee Meadows Water Authority (TMWA), the Cities of Reno and Sparks, and Washoe County (collectively referred to as the Parties) initiated discussions regarding the potential regional opportunities and benefits for the possible use of potable and recycled water on a privately owned agricultural property in the Warm Springs area. This agricultural area is referred to as Palomino Farms and LW Land Company (Palomino Farms). Discussions also focused on the potential passive and active recharge/storage opportunities in the Warm Springs aquifer, a basin that has experienced significant reductions to the groundwater table.

To determine the possible opportunity for the use of this site for future sustainable water management, the TMWA developed a scope of work for the potential to recharge, store and recover water from the Palomino Farms. Specifically, the analysis was developed to gain an understanding of the geology, water quality, storage, flow and geochemical characteristics of the saturated and unsaturated zones within the underground aquifer, all characteristics critical to determining the long-term viability of this site for aquifer storage and recovery (ASR).

AGENDA ITEM # _____

The Feasibility Study and associated efforts by the Parties is identified and defined by an Interlocal Agreement for the Palomino Farms Resources Sustainability Feasibility Study (Agreement). The Agreement establishes the financial obligations, establishing that each party to the Agreement is responsible for twenty-five percent (25%) of the actual costs incurred by TMWA to perform and complete the Feasibility with a not to exceed total cost of \$1.6 million. Cost share responsibility of TMWA, City of Reno, City of Sparks and Washoe County would not exceed \$400,000 each. Under the terms of the Agreement, TMWA will be responsible for all field coordination and working with the Palomino-LW Land group for access and use of the properties to accomplish the work. Jointly the parties will be responsible for public outreach, engagement and education associated with the Feasibility Study as well as analysis regarding potential permitting requirements with regulatory agencies at the State and County levels. A portion of the work includes preliminary alternative facility analyses, construction phasing and cost estimates.

It is anticipated that the Feasibility Study will take approximately 10-months to complete. The outcomes of the Feasibility Study, including regulatory and engineering outcomes, will allow for data-driven decisions to be made regarding the next steps for the potential development and implementation of future projects.

Staff recommends that the Washoe County Commission approve the Agreement with the Parties to perform the scope of work as defined above. Approval of the Agreement would also enable staff to determine recycled water sustainability options for Washoe County's sewer utility in conjunction with the findings and determinations made in the Feasibility Study as well as other planning and technical studies.

Washoe County Strategic Objective supported by this item: Safe, secure and healthy communities.

PREVIOUS ACTION

On May 18, 2021, the Board of County Commissioners (Board) approved the FY22 Budget and Capital Improvement Plan (CIP) for FY22-26.

BACKGROUND

Palomino Farms, LLC and LW Land Company, LLC (Palomino-LW) collectively own approximately 1,512 acres of farmland and 2,580 acre-feet of groundwater rights in Palomino Valley, which is an unincorporated area that is part of the larger Warm Springs Valley. A feasibility study is proposed to explore the coordinated use of surface water, groundwater and recycled water as part of a long-term sustainable water management plan.

Reno, Sparks, and Washoe County are interested in exploring long-term opportunities to use recycled water for agricultural irrigation and other uses on the Palomino-LW land. TMWA is interested in locating sites where it may bank water underground through active and passive groundwater recharge and new groundwater resources, to provide a future source of water for drought protection, water resource sustainability, and operational flexibility.

To determine if this area of Washoe County is technically acceptable for the use of recycled and potable water for these potential uses, study and analysis of the area is required. The proposed Feasibility Study would evaluate the feasibility and direct and indirect benefits of:

- Providing additional options for regional effluent management,
- Reducing the volume of treated effluent being discharged into the Truckee River from the Truckee Meadows Water Reclamation Facility,
- The long-term use of recycled water for irrigation of the Palomino-LW land,
- Increasing the sustainability of the Warm Springs groundwater basin by resting current Palomino-LW irrigation wells,
- Recharging and storing on a long-term basis potable water and potentially advanced purified water in the Warm Springs groundwater basin using Palomino-LW land, and
- Providing TMWA with a water banking site and an additional source of water for drought protection, water resource sustainability, and operational flexibility.

The Feasibility Study, along with other technical and planning studies and analyses, will be used to evaluate recycled water options for Washoe County's Utility in the Warm Springs area as well as other sewer service areas. The outcomes will aid in determining the viability of future projects and their associated benefits, enhanced operational strategies, control of operational and capital costs, as well as focusing on alternatives to provide for sustainability and resiliency.

FISCAL IMPACT

Should the Board approve the Interlocal agreement for the Palomino Farms Resources Sustainability Feasibility Study and reimbursement to TMWA for the County's 25% share of cost not to exceed \$400,000, there is sufficient budget authority in FY22 in the Utilities Fund (566), Non-Oper/R&R Construction Sewer (664950), Payments to Other Agencies (710400). Revenues in support of the project are provided from sewer rate fees.

RECOMMENDATION

It is recommended that the Board of County approve an Interlocal Agreement for the Palomino Farms Resources Sustainability Feasibility Study (Agreement) with the Truckee Meadows Water Authority, the City of Reno, and the City of Sparks (Parties), to evaluate the technical feasibility for long-term water sustainability benefits through potential irrigation, rapid infiltration and aquifer storage and recovery using recycled water, in Warm Springs Valley (Palomino Farms and LW Land Company). The Truckee Meadows Water Authority will perform the technical analysis under the terms of the Agreement and each Party to the Agreement will be responsible for twenty-five (25%) percent of the actual project costs, each Party's contribution [not to exceed \$400,000], and if determined technically feasible, direct staff to determine recycled water sustainability options for Washoe County's Utility in the Warm Springs area including potential benefits, operational strategies, operational and capital costs.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:
"Move to approve an Interlocal Agreement for the Palomino Farms Resources Sustainability Feasibility Study (Agreement) with the Truckee Meadows Water Authority, the City of Reno, and the City of Sparks (Parties), to evaluate the technical feasibility for long-term water sustainability benefits through potential irrigation, rapid infiltration and aquifer storage and recovery using recycled water, in Warm Springs Valley (Palomino Farms and LW Land Company). The Truckee Meadows Water Authority will perform the technical analysis under the terms of the Agreement and each Party to the Agreement will be responsible for twenty-five (25%) percent of the actual project costs, each Party's contribution [not to exceed \$400,000], and if determined technically feasible, direct staff to determine recycled water sustainability options for Washoe County's Utility in the Warm Springs area including potential benefits, operational strategies, operational and capital costs."