



# County of Monterey

## Item No.51

### Board Report

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

**Legistar File Number: 24-501**

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- a. Receive a report on the implementation of water and sewer infrastructure projects funded with American Rescue Plan Act (ARPA) funds and managed by the Department of Public Works, Facilities and Parks (PWFP); and
- b. Authorize the Director of PWFP to make such internal funding allocation adjustments between Laguna Seca Water, Laguna Seca Sewer, Parks & Lakes Water and Wastewater, CSD and CSA Wastewater, and Contingency project categories as may be necessary to permit obligation of all allocated ARPA funds prior to December 31.

#### RECOMMENDATION

It is recommended the Board of Supervisors:

- a. Receive a report on the implementation of water and sewer infrastructure projects funded with American Rescue Plan Act (ARPA) funds and managed by the Department of Public Works, Facilities and Parks (PWFP); and
- b. Authorize the Director of PWFP to make such internal funding allocation adjustments between Laguna Seca Water, Laguna Seca Sewer, Parks & Lakes Water and Wastewater, CSD and CSA Wastewater, and Contingency project categories as may be necessary to permit obligation of all allocated ARPA funds prior to December 31.

#### SUMMARY

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA), which provided funding to help address the impact of COVID-19 on the economy, public health, state and local governments, businesses, and individuals. Among other programs, ARPA provided direct funding aid to counties, and the County of Monterey was allocated approximately \$84.3 million. The adopted Fiscal Year (FY) 2021-22 budget contemplated using the County's allocation over several fiscal years in the following major categories: Economic Recovery, Pandemic Response, Revenue Loss Revenue Backfill, and Water, Sewer, and Broadband Infrastructure Projects. Approximately \$15.9 million was allocated toward the completion of a number of water and sewer infrastructure projects which are being managed by the Public Works, Facilities and Parks Department (PWFP).

This report provides an update on implementing these water and sewer infrastructure projects thru the third quarter (March 31, 2024) of the current Fiscal Year (FY23-2024) and outlines a recommended approach for obligation of the remaining funds prior to December 31, 2024. The Program Funding obligation deadline is December 31, 2024; however, an additional two years are allotted for projects to actually be completed (i.e. the ARPA State and Local Fiscal Recovery Funds expenditures deadline is December 31, 2026).

## DISCUSSION

Per the FY 2021-22 budget process and the Board adopted ARPA spending plan, ARPA funding was allocated for repair and improvement of water and sewer infrastructure at the following facilities:

- Lake San Antonio (South Shore)
- Lake Nacimiento
- Day Use Parks (Toro, Jack's Peak, Manzanita and Royal Oaks)
- Pajaro and Boronda County Sanitation Districts (CSDs) - to include water system improvements in San Jerardo
- Chualar Wastewater County Service Area (CSA) No. 75
- Laguna Seca Wastewater
- Laguna Seca Drinking Water

As shown in Attachment A, approximately \$15.9 million was allocated over three fiscal years to support the implementation of water and sewer infrastructure projects at the facilities listed above. Most of this funding (approximately \$13.7 million) was initially budgeted in FY 2021-22, with the remaining allocations for Laguna Seca Drinking Water Project and Project Contingency intended for FY 2022-23 and FY 2023-24. There are approximately 70 water and sewer infrastructure projects dispersed throughout the facility categories listed above. These projects are listed in Attachment B, along with the estimated project budget, assigned staff project manager, and notes on current project status through the third quarter of FY 2023-24 (March 31, 2024). The work is being completed via a combination of Job Order (JOC) contracts and self-performed (Force Account) tasks by operations staff.

Regular reports have been provided to both the Budget and Capital Improvement Committees over the last 3 years. Brief status summaries and/or updated key activities since the last reports through mid-year FY 2023-24 (December 31, 2023) include:

### *Royal Oaks Park*

- Construction of a new septic system and power line for Volunteer Sites and Restroom System is complete.
- Construction of a dedicated fill waterline from Well to Storage Tank is complete.

### *Manzanita Park*

- Existing well upgrades are complete.

### *Toro Park Water and Wastewater Systems*

- Upgraded electrical service for lift pumps at Volunteers Site is in progress. Completion date has been delayed because of long delivery time for panel and components. It is now anticipated that lift pumps and pedestals for electrical service at the user end will be completed in late summer 2024.
- Design of Youth Overnight Area (YONA) leach field and septic system is now complete (for an alternative system since the originally planned leach field area did not have sufficient

percolation capacity). Construction is underway and will be completed prior to summer 2024 event bookings.

- Phase 1 well work (recasing) has been completed. Supplemental work for Phase 2 (re-equipping) is now underway and expected to be completed in summer of 2024.
- Design for improvements to the existing water system, including new irrigation feed line and pump station upgrades (electrical, telemetry, and chlorine treatment system) is complete; however, construction (originally planned for fall 2023) is on hold as costs exceed available ARPA funding. Alternatives are being developed, to include possibly moving unexpended/unobligated funds from Laguna Seca.

#### *Jack's Peak Park*

- Upgrades of pump station and storage tank are complete.

#### *Lake San Antonio Water and Wastewater Systems*

- Sewage treatment system work has now been completed by JOC at various locations (including new septic tanks, lift stations, and upgrades at central plant). Several self-performed (Force Account) tasks are still pending - completion expected early summer 2024.
- Construction work on the first two phases of the new/upgraded water system (Intake and Storage) is progressing (Job Order contracts are underway for both). Storage tank has been ordered and is now being fabricated and erected on site. Supplemental work for a new floating platform for lake water intake/pumping has been authorized and is also underway.
- Design of the Treatment (third) phase for the upgraded water system is nearing completion; however, budgeted ARPA funds are presently insufficient to complete construction. Alternatives are being developed/evaluated. Recent Board decision to approve operating budget augmentation for interim work will be very helpful in addressing this need. The longer-term approach will likely involve pursuing a grant or loan to complete work on the treatment component.
- Safety Improvements on N Shore Sewer Catwalk have been completed.

#### *Lake Nacimiento Water and Wastewater Systems*

- Sewage treatment systems work is still progressing at various locations (primarily lift stations). JOC work at Pine Knoll Campground has been completed. Several self-performed (Force Account) tasks are still pending - completion expected early summer 2024.
- Construction of planned improvements to the water system (including main river intake pump and storage tanks) is complete. Emergency repairs to the intake line are also complete. Additional work is desirable (i.e., rehabilitation of the intake line); however, supplemental funding would be needed for that.

#### *Laguna Seca Water and Wastewater Projects*

- Construction of permanent new replacement wastewater holding tank is now complete and functional (finished in late Fall 2023). Water valve upgrades and replacement work is complete.
- Feasibility evaluation has been completed for possible potable drinking water system improvements (dispersed filtration stations). Design is substantially complete and permitting

requirements are being determined; however, there may not be sufficient time to fully obligate this project prior to December 31 program deadline.

- Possible Grant Application for a centralized water treatment system is being explored and may be a preferable long-term approach at Laguna Seca.

#### *Boronda CSD, including San Jerardo Water System*

- Equipment to upgrade San Jerardo Water System (fire pumps and permanent control panel) has now been installed and is being commissioned.
- Gutierrez service and intertie work to allow back-up from Foothills Water system has been started and is expected to be completed in Summer of 2024.
- Additional water system work is desirable in San Jerardo (e.g., storage tank and water meter upgrades); however, supplemental funding would be needed.
- New lift station pumps have been installed in Boronda; however, ARPA budgeted funds are presently insufficient for all the work originally contemplated. Additional desirable sewer repairs have also been identified; however, this work cannot proceed unless/until supplemental funds are located, as budgeted ARPA funds are insufficient to cover this work.

#### *Pajaro CSD Wastewater System*

- Phase 1 upgrades of sewer lines, lift stations, and manholes have all been completed, to include emergency spot repair of a broken sewer line in downtown Pajaro and a new line across Salinas Rd near Elkhorn; however, substantial additional manhole, lift stations, and sewer repairs have been identified and are desirable. This work cannot proceed unless/until supplemental funds are made available, as budgeted ARPA funds are insufficient to cover this work; however, a Congressional Earmark (\$1.5 million) has already been obtained and a companion Grant application has been submitted to USDA to cover additional repairs, including a complete replacement of the force main which ruptured in the 2023 Winter Storms. Staff is also planning to utilize storm damage funding for repairs at lift stations overwhelmed in those storms.
- Las Lomas Sewer Line Repair & Replacement project (in the block north of Thomas near 85 Las Lomas) has been completed. Geotechnical evaluation of adjacent landslide area is complete, and recommendations have been provided.

#### *Chualar CSA Wastewater System*

- JOC construction project to upgrade various elements of existing wastewater collection, pumping, and treatment system has been completed; however, additional desirable sewer repairs have also been identified.
- Application to State Water Board for grant to support potential consolidation of Chualar system (i.e., eliminate wastewater ponds treatment component and connect to existing regional wastewater treatment system) has been submitted and State review is in progress. A decision by State Waterboard regarding CWSRF funding is expected shortly.
- Additional desirable improvements to the treatment system (Aerators and electrical upgrades) are on hold. This work cannot proceed unless/until supplemental funds are made available; however, staff is exploring the possibility of utilizing storm damage repair funding to cover this work.

OTHER AGENCY INVOLVEMENT:

PWFP staff has coordinated this update and the associated recommendation for obligation of the remaining funds with the County Administrative Office Budget & Analysis Division.

FINANCING:

A total of approximately \$15.9 million in ARPA infrastructure funds has been allocated to repair and improve water and sewer infrastructure at various County facilities. This funding has been allocated over three fiscal years, as shown in Attachment A. As shown in Attachment C, ARPA water and sewer infrastructure expenditures/encumbrances through the 11th period of FY2023-24 (end of May 2024)) total approximately \$14.3 million. Just over \$1.6 million remains to be obligated before the program deadline of December 31, 2024.

On November 29, 2023, PWFP submitted a report to the Budget Committee regarding the financial status of the program. That report outlined a need for additional ARPA funds, if available. As part of developing last year's recommended Capital Improvement Program, the total estimated additional need in FY 2023-24 was estimated at approximately \$10.5 million. A request for supplemental allocation to the ARPA water and sewer infrastructure improvement program was included in the Unfunded CIP (reference Attachment D); however, the adopted budget for FY24 does not include any additional allocations. At this point, there is not sufficient program time to accommodate any additional ARPA fund allocations in any event.

PWFP will continue to implement and complete as much water and sewer infrastructure work as existing ARPA allocations allow. There are some identified needs which cannot be fully addressed as a result of constrained funding and/or limited remaining program time. Other funding options will need to be pursued over time (including Grant opportunities and/or through the 5 Year Capital Improvement Program).

In order to ensure that the remaining funds are successfully obligated before the program deadline, it may be necessary to internally reallocate funding across projects and/or program categories. The primary (and only major) example of a possible change to the original spending plan would involve moving unobligated funds from Laguna Seca (Water) to Toro Park to complete irrigation and pump station improvements which are already designed and ready to obligate.

RECOMMENDED APPROACH (for allocating and obligating remaining ARPA Program funding):

It is recommended that the Director of PWFP be authorized to make such internal funding allocation adjustments as may be necessary to permit obligation of **all** allocated ARPA funds prior to December 31. The final program report (mid-year FY 24-2025) will reflect any such changes.

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BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Strategic Initiative Policy Areas integrate with the Board Policy Manual. A key objective has been to find funding sources for much needed deferred maintenance to the County's infrastructure. This program and approach will help to fulfill this objective.

The recommended action supports the following Board of Supervisors' specific Strategic Initiatives below:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments:

- Attachment A - Funding Summary
- Attachment B - Project Descriptions and Status Summary
- Attachment C - Expenditure Summary
- Attachment D - Excerpt from Unfunded CIP List