



County of Monterey

Item No.

Board Report

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

Legistar File Number: PCSD RES 25-002

June 10, 2025

Introduced: 5/23/2025

Current Status: Agenda Ready

Version: 1

Matter Type: PCSD Resolution

Acting as the Board of Directors of the Pajaro County Sanitation District, adopt a Resolution to:

- a. Approve submittal of a Financial Assistance grant application in the amount of \$1,500,000 to the U.S. Environmental Protection Agency (U.S. EPA) Community Grants Program for funding of The Pajaro County Sanitation District (PCSD) Sanitary Sewer System Improvements project;
- b. Authorize the Director of Public Works, Facilities and Parks (PWFP), or designee, to act as agent for the County of Monterey and PCSD in processing all documentation to secure these funds and to sign and file the application on behalf of the County of Monterey and PCSD; and
- c. Direct PWFP staff to return to the Board of Supervisors for approval prior to acceptance of any grant award(s).

RECOMMENDATION:

Acting as the Board of Directors of the Pajaro County Sanitation District, it is recommended that the Board of Supervisors approve a Resolution to:

- a. Approve submittal of a Financial Assistance grant application to the U.S. Environmental Protection Agency (U.S. EPA) Community Grants Program for funding of The Pajaro County Sanitation District (PCSD) Sanitary Sewer System Improvements project;
- b. Authorize the Director of Public Works, Facilities and Parks (PWFP), or designee, to act as agent for the County of Monterey and PCSD in processing all documentation to secure these funds and to sign and file the application on behalf of the County of Monterey and PCSD; and
- c. Direct PWFP staff to return to the Board of Supervisors for approval prior to acceptance of any grant award(s).

SUMMARY

Former President Biden signed the Fiscal Year (FY) 2024 Consolidated Appropriations Act (P.L. 118-42) into law on March 9, 2024. The Appropriations Act for FY- 2024 identifies The Pajaro County Sanitation District Sewer System Improvements as an eligible project to be appropriated \$1,500,000 from the Community Grants Program. Submitting a grant application to the U.S. EPA is required to obtain these appropriated funds. Appropriations Acts require each Community Grant recipient to provide a cost share of 20% (\$375,000) from non-federal sources. County staff applied for and received approval for a waiver of this 20% cost share requirement.

DISCUSSION:

The Pajaro County Sanitation District (PCSD) is a dependent Special District. The PCSD Wastewater System is a County-owned system located within the northern unincorporated area of the County of Monterey. The system includes a wastewater collection system of approximately 16.5 miles of gravity sewer pipe, 6 pump stations, and 2.4 miles of force sewer main. There are approximately 1,047 sewer connections and 1,768 billing units.

The PCSD Wastewater System is a collection system only and does not provide wastewater treatment. Instead, collected sewage is pumped to the City of Watsonville (City) wastewater treatment plant (plant). Under an agreement with the City, the plant accepts and treats PCSD sewage. The PCSD is charged for its share of the plant's costs based on its fraction of the total wastewater received by the plant and the quality of the received wastewater.

In 2022, the County completed Closed-Circuit Television (CCTV) inspections of the entire PCSD sewer collection system and manhole inspections on a quarter of the system. The CCTV inspections identified deficiencies within the sewer collection system. A system condition assessment was also conducted in September 2020. Based on staff evaluations of the CCTV data, and the system condition assessment, repairs of the entire system were ranked based on priority of completion, and a detailed Capital Improvement Program (CIP) was created. Funding for most of the highest tiered priority projects is currently being requested from a separate USDA grant application. This U.S. EPA Community Grant would fund the remaining highest priority projects identified on the CIP. If there is a change to the related pending grant application, funds from the U.S. EPA Community Grant will be used to complete these highest priority projects.

On March 9, 2024, President Biden signed the FY 2024 Consolidated Appropriation Act into law. In this law, Congress continued the practice of funding specifically named community infrastructure projects, referred to by the Senate as Congressionally Directed Spending items and in the House of Representatives as Community Project Funding items, both referred to as "Community Grants Project." Community Grants projects are designated for the planning, design, and construction of drinking water, wastewater, and stormwater infrastructure and for water quality protection. Submitting a grant application to the U.S. EPA is required to obtain the appropriated funds.

The next steps for this project are:

1. Prepare and Submit Grant Application for Consideration by U.S. EPA (ASAP):
Time is of the essence, as these appropriated funds are subject to changes from the current federal administration, and the system repairs were recommended to be implemented immediately.
2. Bring the Grant to the Board for Formal Action/Approval:
Should the proposed PCSD sanitary sewer improvement projects be selected to receive U.S. EPA grant funding, staff will be bringing an item back to the Capital Improvement Committee, Budget Committee, and Board of Supervisors to accept the grant award and to add the project(s) to the Capital Improvement Plan and Annual Work Program.
3. Concurrently Investigate other Grant Possibilities:
There are other substantial near- and long- term improvements needed for the PCSD Wastewater System. The costs are significant. Staff and retained consulting engineers will also be investigating other possible grant options for further potential investment in the system.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

PWFP will use the funds for construction and other related costs to complete the highest priority projects remaining on the PCSD Capital Improvement Program. There will be no direct cost to the County to receive this grant as the request for a waiver for the 20% cost share requirement has been approved by the EPA.

BOARD OF SUPERVISORS' STRATEGIC INITIATIVES:

The Project will construct sustainable physical infrastructure that improves the quality of life for County residents and visitors. The recommended action supports the following Board of Supervisors' Strategic Initiatives:

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

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Reviewed by: Tom Moss, PG, Senior Water Resources Hydrologist

Enrique Saavedra, PE, Chief of Public Works

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

Attachments:

Attachment A - Resolution for the Pajaro County Sanitation District Grant Application