



# County of Monterey

Item No.

## Budget Committee

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

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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).

### RECOMMENDATION

It is recommended the Budget Committee 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).

### 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 mid-year FY 2024-25 (December 31, 2024). The program funding obligation deadline was 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 expenditure 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. There were approximately 70 water and sewer infrastructure projects and tasks 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 second quarter of FY 2024-25 (December 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. On July 9, 2024, the full Board authorized the Director of PWWP to make 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 necessary to permit obligation of all allocated ARPA funds prior to December 31. Those final internal adjustments, along with contingency allocations, are reflected by program categories in Attachment C.

As of December 31, all funds allocated were fully obligated, including a modest amount of capacity to cover staffing expenses for the remaining open projects as they are completed. There are 4 - JOC contracts still underway (at Toro Park, Lake San Antonio, and San Jerardo), along with professional services assignments in support of those open projects. Professional consulting work is also still in progress at Laguna Seca (regarding long term options for water treatment) and to assist with final closure of other completed ARPA projects/tasks. It is expected that most of the remaining work will be completed in the next 6 months. PWWP will prepare a Final Program Report and distribute that to the Board when all work/tasks are completed.

Brief status summaries and/or updated key activities since the last report on July 9 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 future 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 a new pedestal for electrical service at the user end will be completed in spring 2025.
- ☐ Youth Overnight Area (YONA) leach field and septic system: Construction was

completed prior to summer 2024 event bookings.

- ☐ Phase 1 well work (recasing) has been completed. Supplemental work for Phase 2 (re-equipping) was also 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. A JOC contract was awarded on December 18, 2024 for construction of the new Irrigation system. Construction is expected to be complete in the Spring of 2025.

#### *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 were completed in 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 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 were insufficient to complete construction. Alternatives are being developed/evaluated. Recent Board decision to approve operating budget augmentation in FY 2024-25 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 North Shore Sewer Catwalk have been completed.

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

- ☐ Sewage treatment systems work was completed at various locations (primarily lift stations). JOC work at Pine Knoll Campground has been completed. Several self-performed (Force Account) tasks were completed in the summer of 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 was completed for possible potable drinking water system improvements (dispersed filtration stations). Design for that is now substantially complete; however, there was not sufficient time or funding to fully obligate this project prior to the December 31 program deadline. Remaining funds were moved to Toro Park to help construct

a new irrigation system.

- Possible Grant Application for a centralized water treatment system is presently being explored and may be a preferable long-term approach at Laguna Seca. ARPA funding was used to evaluate options and prepare a preliminary design for either a new centralized water treatment system or a connection to a permitted Public Water system nearby (across SR-68). That work is in progress and expected to be completed in Spring 2025. This longer-term approach will likely involve pursuing a grant or loan to complete work on the treatment component.

#### *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 commissioned.
- Gutierrez service and intertie work to allow back-up from Foothills Water system has been started and is expected to be completed in Spring of 2025.
- Additional water system work is desirable in San Jerardo (e.g., storage tank and water meter upgrades); however, supplemental funding would be needed for that.
- New lift station pumps have been installed in Boronda; however, ARPA budgeted funds were 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 were 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 were 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 the United States Department of Agriculture (USDA) to cover additional repairs, including a complete replacement of the force main which ruptured in the 2023 Winter Storms. If successful, this grant will also provide 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 Clean Water State Revolving Fund (CWSRF) funding is

expected shortly.

OTHER AGENCY INVOLVEMENT:

PWFP staff has coordinated this update and the previous 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 was allocated to repair and improve water and sewer infrastructure at various County facilities. This funding was allocated over three fiscal years, as shown in Attachment A.

Attachment C reflects ARPA water and sewer infrastructure expenditures/encumbrances through mid-year of FY 2024-25 (end of December 2024), which total approximately \$15.9 million. The second column reflects final internal program funding by categories after internal shifts and allocation of contingency funds.

**As of December 31, all funds allocated were fully obligated.**

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

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 help to fulfill this objective, and also supports the following Board of Supervisors' specific Strategic Initiatives:

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

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Attachments:

Attachment A - Funding Summary

Attachment B - Project Descriptions and Status Summary

Attachment C - Expenditure and Obligations Summary

