



# County of Monterey

Item No.

## Board Report

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

Legistar File Number: A 25-361

August 26, 2025

Introduced: 8/14/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve Professional Services Agreement with Wallace Group, a California Corporation to provide professional engineering services for the Chualar Wastewater Consolidation Project, Project No. C-06-8676-110, Request for Proposals #10951, for an initial term of three years from August 26, 2025 to August 25, 2028, with the option to extend the Agreement for two additional years, for an amount not to exceed \$571,942 and
- b. Authorize the Contracts & Purchasing Officer or their designee to execute the Professional Services Agreement and future amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the amount by more than 10% (\$57,194) of the original approved Agreement amount of \$571,942 bringing the potential overall aggregate not to exceed amount to \$629,136 subject to review and approval as to form by the Office of the County Counsel and as to fiscal provisions by the Auditor-Controller's Office.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve Professional Services Agreement with Wallace Group, a California Corporation to provide professional engineering services for the Chualar Wastewater Consolidation Project, Project No. C-06-8676-110, Request for Proposals #10951, for an initial term of three years from August 26, 2025 to August 25, 2028, with the option to extend the Agreement for two additional years, for an amount not to exceed \$571,942 and
- b. Authorize the Contracts & Purchasing Officer or their designee to execute the Professional Services Agreement and future amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the amount by more than 10% (\$57,194) of the original approved Agreement amount of \$571,942 bringing the potential overall aggregate not to exceed amount to \$629,136 subject to review and approval as to form by the Office of the County Counsel and as to fiscal provisions by the Auditor-Controller's Office.

### SUMMARY/DISCUSSION:

On February 18, 2025, the Board of Supervisors (Board) approved acceptance of a \$2.5 million planning grant from the State of California, Clean Water State Revolving Fund (CWSRF) grant program for preliminary design and environmental work for County Service Area (CSA) 75 - Chualar Wastewater Consolidation Project (Project). For several years, the County of Monterey, Department of Public Works, Facilities and Parks (PWFP) has been interested in assessing the feasibility of connecting the Chualar Wastewater Collection System (Chualar System) to the Monterey One Water (M1W) Regional Sewer System through a potentially cost-effective, regulatory compliant, environmentally superior and sustainable process (consolidation). Consolidation would involve conveying wastewater in a new sewer pipeline from Chualar to the City of Salinas' Sewer Collection

System where it can then be delivered to M1W's treatment facility in Marina for potential re-use. Consolidation with M1W's treatment system allows the existing treatment component of the Chualar System to be eliminated and could allow other disconnected users along the new pipeline route to also connect to the regional treatment system.

The CWSRF grant will be used to evaluate two general options for the Chualar System. Option 1 is to Consolidate wastewater flows with the M1W system through the Salinas Sewer Collection System as described above. The evaluation will analyze several routes for the location of a new pipeline, assessing communities and properties that could connect to the M1W system in the future. Option 2 is to repair/upgrade the existing Chualar treatment plant. The evaluation for this option will also investigate constructing a new treatment plant in Chualar to replace the existing plant.

On March 27, 2025, PWFP solicited proposals from qualified consultants through RFP #10951 (Attachments D and E). On April 25, 2025, proposals were received from two consultants. The competitive selection process was conducted in accordance with County policies and State and Federal laws under RFP #10951. As a result of this competitive process, Wallace Group, a California Corporation, (Wallace Group) was selected to provide professional engineering services to complete Phase 1 of the Project to prepare the Project Report and Preliminary Design. Award of future tasks under Phase 2 of the CWSRF grant will be initiated upon completion of the Project Report, selection of the preferred construction project, and authorization by CWSRF to proceed with the chosen alternative.

Request for Proposals (RFP) #10951 for this Project addressed Phase 1 of the Project only. Wallace Group will prepare a Project Report and Preliminary Design (Phase 1) which will analyze Project Options 1 and 2 presented above and include sufficient information to identify a preferred Project Option.

#### Future Project Phases

Upon authorization by CWSRF for the preferred Project Option identified in Phase 1, the remaining planning and preliminary design (30%) Project tasks (Phase 2) will be completed under separate contract and funded by the \$2.5 million CWSRF Planning Grant. The Project Report (Phase 1) and preliminary 30% design (Phase 2) will be used to submit a subsequent application to the State Water Resources Control Board (SWRCB) Division of Financial Assistance to request approximately \$15 to \$25 million to fund the construction of the Project.

#### \$ 2.5 M Planning Grant

Phase 1 - Project Report and Preliminary Design (10%)

Phase 2 - Planning and Preliminary Design (30%) of Preferred Alternative

#### \$ t.b.d. Construction Grant

Final Project Design (100%) and Construction

CWSRF Grant Agreement No. D2401012 (Attachment F) stipulates that the planning, environmental and preliminary design components of the Project shall be completed by June 30, 2027, with final reimbursement requests completed by September 30, 2028. After completion of the Planning Grant, a Construction Grant application will be submitted to CWSRF for final design and construction of the selected project.

PWFP staff recommends the Board approve the Professional Services Agreement (PSA) with Wallace Group (Attachment A) for professional engineering services for an initial term of three years effective August 26, 2025 to August 25, 2028, with the option to extend the PSA two additional years, for an amount not to exceed \$571,942.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel and the Auditor-Controller's Office have reviewed and approved the PSA as to form and fiscal provisions, respectively. The City of Salinas and M1W are essential partners in this effort and will be involved in coordination of the consolidation project option. Intergovernmental Agreements with both agencies will be required if the consolidation project is the preferred alternative. The SWRCB Division of Financial Assistance is also involved in implementing and processing the CWSRF Grant Agreement.

Other agencies such as Caltrans, Union Pacific Railroad, the United States Environmental Protection Agency, the United States Army Corps of Engineers, the California Central Coast Regional Water Quality Control Board, Local Agency Formation Commission, and the County of Monterey Water Resources Agency may also be involved, depending upon the preferred project and recommended alignment.

FINANCING:

The total preliminary estimated cost of the Project, including design engineering, environmental, right of way, utilities and construction is \$27,500,000. The County has secured funds in the amount of \$2,500,000 from CWSRF to fund the Project Environmental Planning/Design and develop/submit a CWSRF Financial Assistance Application for Construction grant program to request potentially \$25,000,000 to fund the construction and construction management portion of the Project. Please refer to Attachment B, Project Budget, for further details.

This Project is included in the County's current 5-Year Capital Improvement Program. Work on Phase 1 of the Project will begin immediately upon execution of the PSA, continuing potentially through August, 2028. The subject PSA (Attachment A) is fully funded by the CWSRF grant; matching funds are not required from the County. Should changes on expected funding occur as the Project progresses, staff will return to the Board for direction as necessary.

Because the grant is structured to reimburse the County after expenses have been incurred, a temporary loan from the General Fund may be needed to cover costs until reimbursements have been received. Should this become necessary, staff will seek support of the Budget Committee and return to the Board to request approval of a temporary loan.

Prepared by: Thomas Harty, PE, Senior Civil Engineer, (831) 759-6603

Reviewed by: Benny Young, PE, Management Specialist

Enrique Saavedra, PE, Chief of Public Works

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

The following attachments are on file with the Clerk of the Board:

Attachment A - Proposed PSA

Attachment B - Project Budget

Attachment C - Location Map

Attachment D - RFP #10951

Attachment E - Addendums No. 1-2 to RFP #10951

Attachment F - CWSRF Grant Agreement No. D2401012