



STAFF REPORT

Meeting Type: Board of Directors
Title: Capital Program Update
From: Alex Anaya, Director of Engineering
Through: Shaun Horne, General Manager
Meeting Date: October 6, 2026

TYPE OF ITEM: Action X Information

RECOMMENDATION: Receive a staff update on Fiscal Year 2027 (FY27) first quarter Capital Improvement Program

SUMMARY: Staff have been working to advance capital projects identified in the District's adopted FY27 Budget since the last Capital Program Update to the Board on June 16, 2026. Projects identified in the adopted budget include tank, pump station, treatment plant and pipeline projects as well as unplanned capital projects. Over the past four years, the District has been able to make substantial headway on larger capital projects that have historically been backlogged since they were too costly to address with prior capital budgets.

DISCUSSION: At the June 3, 2025, Board of Directors' meeting, the Board adopted the Capital and Operating Budget for FY 2025-26 and FY 2026-27. Since that time, staff have been working to deliver capital projects identified in the District's adopted budget for FY27 ranging from treatment plant to pipeline projects. To support delivery of these projects, the District has hired consulting firms for design assistance on some of the pump station, tank, treatment plant and dam projects. Many projects identified in the current budget cycle span across multiple years due to the size and timing of the projects. Some of the projects currently underway in construction include highly visible pipeline projects such as the Bolinas Road Pipeline Replacement Project, where construction is currently paused due to unforeseen circumstances encountered during construction, Miracle Mile East Pipeline Replacement Project that will replace a total of 8,700 feet of pipe when completed, and Hillside Avenue Pipeline Replacement Project that will replace 7,900 feet of fire flow deficient pipe in the Town of San Anselmo and Fairfax. The first phase of the North Marin Line Creek Crossing project is in construction and will relocate isolation valves at Shafter Bridge and install approximately 200 feet of 24-inch pipe in preparation for the second phase of the project that will include the relocation of approximately 1,700 feet of 36-inch pipe and the replacement of one creek crossing.

The District is starting the fourth year of construction on the Gibson Tank Project, which will involve constructing both tank foundations, tank pads and tank walls. Once completed in 2029, the Gibson

Tanks will provide seismically resilient water storage with increased capacity to the Ross Valley Area which is approximately 23% of the District's service area. The Scenic Avenue Tank Replacement Project is currently in construction and will replace one of the four remaining redwood storage tanks with a new 20,000-gallon bolted steel tank. Staff continue working out an easement conflict that was identified during the completion of the 60% design of the Hind Tanks Replacement Project. Staff are working to resolve the easement conflict over the next couple of months, complete the design and advertise the project by Spring 2027. Staff will continue developing the design to replace the last remaining redwood storage tank by 2028.

The Kastania Pump Station Phase 2 Project and Tocaloma Pump Station Rehabilitation Project are both currently in construction and the review and procurement of electrical and mechanical equipment by the respective contractors is underway. Once completed, both projects will improve system reliability and ensure the District's continued ability to provide water for its customers. These complex projects will span a two-year construction window, where this first year involves the procurement of electrical and mechanical equipment before demolition and construction begins.

The District continues to work on unplanned projects including the replacement of the Fairfax Manor Pump Station. In addition to the Fairfax Manor Pump Station, other capital work has risen in priority due to water main breaks since the last Capital Update. Hilary Drive in Tiburon had a recent main break and staff evaluated the main break history and found a high break history in recent years causing staff to prioritize replacement of approximately 4,500 feet of mainline to remove this leak prone cast iron pipe. Oak Manor Drive in Sleepy Hollow also had a significant main break with a history of multiple breaks as well causing staff to prioritize design for replacement of approximately 2,600 feet of leaky mainline pipe.

Staff have also awarded a design contract for the Seeger Dam Spillway Modernization Project that came as a result of the notification from the Division of Safety of Dams (DSOD) on the downgrade of Seeger Dam. Staff are working with the consultant firm to develop and prepare a work plan to submit to DSOD by the December 1, 2026 deadline. Staff will continue to provide updates to the Board on this project.

Since the adoption of the current rates, the District has been able to target larger capital projects. These projects had historically been placed on a project backlog list as they were considered too large of a capital expense to address. Key among these projects is the Gibson Tank Project to replace Pine Mountain Tunnel that will have an estimated cost of \$30 million over seven years once completed in 2029. Tocaloma Pump Station and Kastania Pump Station will have a cost of \$12 million and \$4 million respectively over the next two years with anticipated completion in 2028 and 2027. The Miracle Mile Pipeline Replacement Project that will replace a total of 8,700 feet of some of the oldest pipe in the distribution system installed in 1883 (143 years) at a total estimated cost of \$6.6 million over the next two years. The Soulajule Electrification Project is also currently in design and once in place it will allow the District the ability to pump up to 6 MGD using PG&E power. The budgeting for construction of this project will be going into the next two-year Capital Budget cycle at an estimated cost of \$5 million.

While substantial progress has been made on these large, backlogged projects, the District still has a substantial amount of large capital work remaining to address in addition to the core capital work. Staff is developing prioritization and timing on future capital work such as the Ross Reservoir Replacement Project, San Geronimo Treatment Plant Clarifiers, Smith Saddle Tanks Replacement,

Federal Works Pump Station, Lagunitas Booster Pump Station and Sky Oaks Road Widening to name a few. These capital projects represent a significant capital investment that needs to be sequenced over the next 20-30 years.

ENVIRONMENTAL REVIEW: Not Applicable.

FISCAL IMPACT: None.

ATTACHMENT(S): None.

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Engineering	 Alex Anaya Engineering Director	 Shaun Horne General Manager