



STAFF REPORT

Meeting Type: Board of Directors
Title: Capital Program Update
From: Alex Anaya, Director of Engineering
Through: Ben Horenstein, General Manager
Meeting Date: October 1, 2024

AA
BH

TYPE OF ACTION: Action X Information Review and Refer

RECOMMENDATION: Receive a staff update on the third quarter Capital Improvement Program

SUMMARY: Staff have been working on various capital projects identified in the District’s adopted FY24-25 Budget since the last Capital Program Update to the Board on June 4, 2024. Most projects identified in the adopted budget will take place over two years and completion for these projects are on track within the two or more year timeframe. The District has a variety of capital projects underway including dam condition assessments, tank, pump station and pipeline projects. Staff have also begun working on the Nicasio Dam Spillway Modifications project since the last Capital Program update in June.

DISCUSSION: During this past year, staff have been diligently working on various capital projects identified in the District’s adopted budget for FY24-25. The various capital projects range from dams to pump stations. To help execute some of the more complicated work, staff hired consulting firms for design assistance on a number of pump station, tank, treatment plant and dam projects. The majority of projects identified in the two year adopted budget cycle span a two-year period due to the size and timing of the projects. Most identified projects in the two year capital program budget are on track as projected with the exception of the Phoenix Bon Tempe Connection project, which had unanticipated delays this fiscal year. Unanticipated delays on projects do occur from time to time and it is therefore necessary for staff to pivot and focus on other CIP projects to continue moving the overall CIP effort forward while working to resolve issues leading to delays. The District was able to pivot from the Phoenix Bon Tempe Connection Project to focus on the Nicasio Spillway Modifications project, which provides a significantly larger water supply benefit to the District. The Nicasio Spillway Modifications project was identified during the Local Storage evaluation process and staff have expedited this project by hiring a consultant firm to start the predesign process as well as bringing in an expert team to guide the District through the complex environmental process. The consultant team will focus on the Nicasio Spillway Modifications project first and will also be evaluating the spillways at Soulajule, Kent and Alpine for possible spillway modifications for additional storage.

The expedited effort on the Nicasio Spillway project means that staff are re-prioritize existing tasks in order to focus on this project. This fluid nature of the CIP is expected and staff will keep the Board apprised on shifting priorities within the capital program.

Some of the current capital projects underway this fiscal year include large, highly visible pipeline projects such as the Granada Drive Pipeline Replacement Project and the Sir Francis Drake Pipeline Replacement Project. The second year of the Pine Mountain Tunnel Tanks Replacement Project started August 1 and will be completed by January 31, 2025, which will be followed by the second phase of tank construction starting August 1, 2025. Tocaloma Pump Station and the San Geronimo Roof Project are both currently in design with construction of the roof project anticipated in the spring of 2025 with considerations to weather. Large key projects such as the Soulajule Discharge Pipeline are currently being designed by the consultant team.

On occasion, unplanned projects not identified in the adopted capital budget do come up that require the District's immediate attention. One such project did arise this past fiscal year. In late May, PG&E was conducting pavement restoration in the Town of Fairfax on a road above the Districts Fairfax Manor Pump Station. During the pavement grinding operation, a portion of a retaining wall supporting the road failed, causing the large asphalt grinder to rotate and fall onto the pump station. Staff responded by installing a temporary pump station at a different location to continue feeding the tanks. Staff recently executed a design contract with a consultant team for the design and construction engineering support to replace the destroyed pump station. This incident lead to an unplanned pump station replacement ahead of its end of useful life along with staffing resources needs to manage this project. The pump station is anticipated to be rebuilt by December 2025.

ENVIRONMENTAL REVIEW: Not Applicable.

FISCAL IMPACT: None.

ATTACHMENT(S): None.