



STAFF REPORT

Meeting Type: Board of Directors
Title: Capital Program Update
From: Alex Anaya, Director of Engineering
Through: Ben Horenstein, General Manager
Meeting Date: June 16, 2026

Two handwritten signatures in blue ink. The first signature is a stylized 'AA' for Alex Anaya, and the second is a stylized 'BH' for Ben Horenstein.

TYPE OF ITEM: Action X Information

RECOMMENDATION: Receive a staff update on Fiscal Year 2026 (FY26) third quarter Capital Improvement Program

SUMMARY: Staff has been working on various capital projects identified in the District’s adopted FY26 Budget since the last Capital Program Update to the Board on February 3, 2026. Staff continue to make progress on the variety of capital projects identified in the adopted budget, which includes tank, pump station, treatment plant and pipeline projects as well as unplanned capital projects. To ensure continued capital project delivery, staff has hired on-call consultants and will continue to use this strategy of leveraging staff resources to maintain the pace of the capital program. Staff is also starting to develop the next two year capital budget and priority project list to help inform the upcoming rate setting process for future Board consideration.

DISCUSSION: Staff has been diligently working on various capital projects identified in the District’s adopted budget for FY26 ranging from treatment plant to pipeline projects. To help execute some of the more complicated work, the District has hired consulting firms for design assistance on pump station, tank, treatment plant and dam projects. Many projects identified in the current budget cycle span a two-year period due to the size and timing of the projects. Some of those projects currently underway in construction include highly visible pipeline projects such as the Bolinas Road Pipeline Replacement Project, Miracle Mile East Pipeline Replacement Project along with the completion of the Marin City and Sleepy Hollow Pipeline project. Staff is also completing the designs on the Palm Avenue Pipeline Replacement Project that will replace 1,430 feet of cast iron pipe installed in 1937 in the unincorporated Marin County and Hillside Avenue Pipeline Replacement Project that will replace 7,000 feet of fire flow deficient pipe in the Town of San Anselmo. Both projects are components of the Districts Fire Flow Improvement Program. In addition, staff is finalizing the first phase of the North Marin Line Creek Crossing Replacement Project. This first phase 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. Advertisement of these projects is anticipated in the next two months.

The District is starting on 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 identified an easement conflict during the completion of the 60% project design of the Hind Tanks Replacement Project and is working to resolve the matter this summer 2026 to finalize the design of this project. The updated schedule now shows advertising this project in Winter 2026 for the Spring 2027 start of construction. Once completed, the Hind Tanks Replacement Project will replace two of the four remaining redwood tanks in the system with steel tanks improving seismic resiliency to the system. Staff will be working on 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 to 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.

Staff continues to work on the unplanned Fairfax Manor Pump Station Project to replace the damaged pump station that occurred from an unfortunate paving accident in May 2024. Complicated site issues have caused this project to take longer than expected. Staff recently received correspondence from the Division of Safety of Dams regarding condition assessment findings on Seeger Dam Spillway. Staff will be meeting with DSOD to discuss the letter and plan to provide a more detailed update to the Board at an upcoming Board meeting.

As the District enters into its second year of the approved capital budget, staff is developing the next two year capital program budget and projects priorities. While budgets are developed and projects identified through the Capital Steering Committee, additional capital work outside of the projected two-year budget will be provided for future Board consideration and to provide guidance during the upcoming rate setting process.

ENVIRONMENTAL REVIEW: Not Applicable.

FISCAL IMPACT: None.

ATTACHMENT(S): None.