CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: December 1, 2026

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To: Honorable Mayor and City Councilmembers
From: Oriana Hart, Public Works Director
Department: Public Works
Subject: FY 2026-27 Capital Improvement Program Amendment – Water System Repairs and Replacement Program and Pleasant Hill Road Water System Connection Loop

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RECOMMENDATIONS:
That the City Council adopt a resolution amending the FY 2026-27 Capital Improvement Program (CIP) to:

1. Establish a new Water System Repairs and Replacement Program, funded through Water Capital Fund 501, with an appropriation of $175,000 to address aging water infrastructure and coordinate water system improvements with planned roadway reconstruction; and
2. Reallocate $76,690 from Project 0826-26.06, Automated Flow Meter at the Corporation Yard Water Tower, to Project 0827-26.07, Pleasant Hill Road Water System Connection Loop, to initiate design of the Pleasant Hill Loop during FY 2026-27.

PROCESS OF AGENDA ITEM:

- Presentation by staff
- Council questions and discussion
- Public comment
- Council deliberation and action

EXECUTIVE SUMMARY:
Staff recommends two amendments to the adopted FY 2026-27 Capital Improvement Program to address aging water infrastructure and advance a high-priority water system reliability project. (1) The establishment of a Water System Repairs and Replacement Program (CIP 0833-26.13) with $175,000 to support water infrastructure improvements coordinated with planned roadway reconstruction. Initial work would include replacement of the Strout Street water main and associated services, extension of the main to West Street to create a looped connection, and targeted repairs to water service connections on Eastside Avenue and South Avenue. (2) Reallocation of programmed CIP funds transferring $76,690 from the Automated Flow Meter (CIP 0826-06) to the Pleasant Hill Road Water System Connection Loop (CIP0827-26.07). This would allow design to begin during FY 2026-27 and advance the project to approximately 50 percent design this fiscal year. The $122,710 already programmed for design and pre-construction in FY 2027-28 would remain unchanged and be used to bring the engineer and design to 100%.

BACKGROUND:
The City's water distribution system includes aging infrastructure that requires ongoing maintenance, repair, and replacement. The City has identified opportunities to address these needs in coordination with planned roadway reconstruction. The adopted FY 2026-27 CIP includes a Wastewater System Replacement Program (CIP 0616-24.08), which provides for ongoing replacement of sewer lines and related appurtenances. Establishing a similar program for water infrastructure would allow the City to coordinate water and sewer improvements when streets are scheduled for reconstruction. The proposed Water System Repairs and Replacement Program would initially support replacement of the aging water main on Strout Street in conjunction with planned roadway reconstruction, including extension of the main to West Street to create a looped connection. It would also provide funding for targeted repairs to water service connections on Eastside Avenue and South Avenue.

In addition to the proposed water system repairs and replacement program, staff is recommending advancing the Pleasant Hill Road Water System Connection Loop, a long standing priority identified in City planning documents. The 2005 Water Master Plan identified a water main loop extending from the intersection of Lynch Road and Pleasant Hill

Road through Meadowlark Drive, Jewell Avenue, First Street, Robinson Road, and Bodega Avenue. This was identified as the highest priority distribution improvement under existing system conditions in that plan.

The City's 2026 Water System Master Plan Update continued to identify the need for improved distribution system connections and ranked the Pleasant Hill Road Water System Connection Loop as the second highest priority water distribution improvement, just behind replacing the City's largest producing well site. The current project consists of approximately 1,052 feet of new 16-inch water main connecting the Pleasant Hill tanks at Lynch Road to Pleasant Hill Road at Mitchell Court. The connection would provide an additional route for water to reach the Zone 2 distribution system, improving redundancy and reliability. The project is particularly important given previous water main failures on Lynch Road that have significantly affected the City's ability to supply large portions of the distribution system.

Although this improvement has been identified as a priority for many years, the project has not advanced to construction. The City has been working to build reserves within the Water Enterprise Fund to accumulate sufficient funding for this significant capital improvement. The adopted FY 2026-27 CIP includes $122,710 for design and pre-construction activities in FY 2027-28 and $858,950 for construction in FY 2028-29, for a total project budget of $981,660. Staff recommends reallocating the $76,690 currently programmed for the Automated Flow Meter at the Corporation Yard Water Tower to begin design of the Pleasant Hill Loop during FY 2026-27, rather than waiting until the following fiscal year. This would allow the City to advance the project to approximately 50 percent design while continuing to build reserves for future construction. The Automated Flow Meter project would remain in the CIP but be deferred to a future fiscal year.

DISCUSSION:

1. Water System Repairs and Replacement Program: The proposed program would allow the City to address priority water system needs in coordination with planned roadway improvements. The intent is to complete underground utility improvements before new pavement is installed, reducing the potential for future excavation of reconstructed streets.

The Strout Street Rehabilitation Project includes reconstruction of the roadway between West Street and Pitt Avenue. The existing water main is a 4-inch line extending from Pitt Avenue to approximately the midpoint of the block. The planned water improvements would replace the existing line and extend a new water main connection between Pitt Avenue and West Street. The replacement main is anticipated to be either 6 or 8 inches in diameter, subject to final design. Associated water services would also be addressed. The existing water lines were installed in 1975 and are aging. Construction activities and vibration associated with full street reconstruction may increase the risk of failure, potentially requiring the City to excavate newly paved roadway to make repairs. Completing the water improvements in advance of paving would reduce this risk and avoid additional excavation and pavement restoration costs. Extending the water main to West Street would also create a looped connection in the distribution system, improving water circulation and helping address water quality concerns associated with limited circulation.

For Eastside Avenue and South Avenue, full water main replacement would be beneficial; however, current Water Enterprise Fund resources do not allow the City to undertake all of these improvements while maintaining sufficient reserves for other planned capital projects. Staff therefore recommends prioritizing full water main replacement on Strout Street. On Eastside Avenue and South Avenue, staff proposes using a portion of the program funding to reinforce existing water service saddles and related connections where needed before roadway reconstruction. Staff will also use this funding to address additional water service connection repairs as opportunities arise when water lines are exposed during the roadway work.

2. Pleasant Hill Road Water System Connection Loop: The Pleasant Hill Road Water System Connection Loop consists of approximately 1,052 feet of new 16-inch water main connecting the Pleasant Hill tanks at Lynch Road to Pleasant Hill Road at Mitchell Court. The project would provide an additional connection between the City's storage tanks and the Zone 2 distribution system. The City has experienced previous water main failures on Lynch Road. During previous water main breaks and maintenance activities, approximately 75 percent of the City's water network has been

without supply. The proposed loop would provide a second route for water to reach the Zone 2 area, reducing the potential impact of a failure and providing greater flexibility for future maintenance and emergency repairs.

The adopted CIP currently includes $122,710 for design and pre-construction activities in FY 2027-28 and $858,950 for construction in FY 2028-29. Staff recommends moving $76,690 currently programmed for the Automated Flow Meter at the Corporation Yard Water Tower to the Pleasant Hill Loop project. This would allow staff to initiate design during the current fiscal year and advance the project to approximately 50 percent design. The existing FY 2027-28 funding would remain available to complete design, permitting, bid documents, and other pre-construction activities. The Automated Flow Meter remains a beneficial project for improving water use monitoring at the Corporation Yard; however, it can be deferred and reconsidered through a future CIP or budget process.

STAFF ANALYSIS:

These amendments reflect a strategic approach to managing the City's water infrastructure investments by addressing immediate maintenance needs while continuing to advance major capital improvements identified in the City's Water System Master Plan. The proposed Water System Repairs and Replacement Program establishes a more consistent approach to managing aging water infrastructure and coordinating utility work with the City's roadway and wastewater improvement programs. The City is already investing in sewer line replacements through its Wastewater System Replacement Program (CIP 0616-24.08). Coordinating water and sewer work with planned street reconstruction allows the City to make better use of construction mobilization, reduce repeated disruption to neighborhoods, and protect its investment in newly reconstructed pavement. In particular, completing water repairs before paving reduces the risk of having to excavate a newly improved street later, which can result in substantially higher costs for excavation, traffic control, utility repairs, and pavement restoration.

The Pleasant Hill Road Water System Connection Loop represents a different but equally important investment. This project has been identified in City water planning documents for more than two decades and remains one of the highest priority distribution system improvements in the 2026 Water System Master Plan. The City has been working to rebuild Water Enterprise Fund reserves to support the eventual construction of this significant project. However, waiting until sufficient construction funding has accumulated before advancing design would delay project development and limit the City's ability to pursue future funding opportunities. Reallocating existing CIP funding to begin design of the Pleasant Hill Loop this fiscal year is a practical step toward advancing the project while continuing to build reserves for construction. Moving the project toward design completion will provide a more refined construction cost estimate, establish the project scope, and identify permitting and implementation requirements. This level of project development will better position the City to pursue future grant opportunities and consider the project as part of a broader infrastructure financing strategy as the City evaluates its long term capital needs and available funding options.

These amendments support a proactive approach to infrastructure planning. Rather than addressing water, sewer, and roadway needs independently or waiting until a funding source is identified before developing projects, the City can coordinate improvements, prioritize investments, and maintain a portfolio of projects that are sufficiently developed to take advantage of funding opportunities when they become available.

CITY COUNCIL GOALS/PRIORITIES/AND OR GENERAL PLAN CONSISTENCY:

This agenda item represents the City Council goals/priorities as follows:

- Goal 3 – Infrastructure: Maintain high-quality infrastructure, facilities, and services.
  - Task 3.4 – Water, Sewer & Stormwater Infrastructure: Complete Well 4 updates and secure funding.
  - Task 3.5 – Project Readiness for Grants & Funding: Advance projects to at least 50% design and maintain a portfolio of projects ready for state and federal funding opportunities.
  - Task 3.7 – Capital Improvement Program Delivery: Successfully deliver FY 2026–27 Capital Improvement Program projects on schedule and within budget.

PUBLIC COMMENT:
This agenda item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

COMMUNITY OUTREACH:
This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date. As of the writing of this staff report, the City has not received any public comment on this item. However, if staff receives public comment from interested parties following the publication and distribution of this staff report, such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of this item.

FISCAL IMPACT:
The proposed amendments affect the Water Capital Fund (Fund 501) in two ways. The first amendment establishes a new Water System Repairs and Replacement Program with an appropriation of $175,000. Based on the current projections provided by staff, the FY 2026-27 Water Enterprise reserve balance is $1,703,411, or 51% of operating expenses. Following the proposed $175,000 appropriation, the projected reserve balance would be $1,528,411, or 46% of operating expenses. The stated reserve policy minimum is $833,925, equivalent to 25% of operating expenses.

The second amendment reallocates $76,690 from the Automated Flow Meter at the Corporation Yard Water Tower to the Pleasant Hill Road Water System Connection Loop. This is a transfer of existing FY 2026-27 CIP funding and does not increase the overall Water Capital Fund budget. The $122,710 already programmed for the Pleasant Hill Loop in FY 2027-28 would remain unchanged. The proposed FY 2026-27 funding changes are summarized below:

Project	Current FY 2026-27	Proposed Change	Revised FY 2026-27
Automated Flow Meter – Corporation Yard Water Tower (0826-26.06)	$76,690	($76,690)	$0
Pleasant Hill Road Water System Connection Loop – Design (0827-26.07)	$0	$76,690	$76,690
Water System Repairs and Replacement Program (new CIP project)	$0	$175,000	$175,000
Net Change to FY 2026-27 CIP		**$175,000**	

RESTATED RECOMMENDATION:
That the City Council adopt a resolution amending the FY 2026-27 Capital Improvement Program to establish a Water System Repairs and Replacement Program with $175,000 in funding from Water Capital Fund 501 and transfer $76,690 from Project 0826-26.06, Automated Flow Meter at the Corporation Yard Water Tower, to Project 0827-26.07, Pleasant Hill Road Water System Connection Loop, to initiate design during FY 2026-27.

CITY COUNCIL OPTION(S):

1. **Approve the Water System Repairs and Replacement Program Only:** Approve the addition of the $175,000 Water System Repairs and Replacement Program but retain the existing FY 2026-27 funding allocation for the Automated Flow Meter at the Corporation Yard Water Tower.
2. **Approve the Pleasant Hill Loop Funding Transfer Only:** Approve the transfer of $76,690 to the Pleasant Hill Road Water System Connection Loop to initiate design during FY 2026-27 but defer establishment of the Water System Repairs and Replacement Program.

3. **Approve with Modifications:** Provide direction to staff regarding alternative project scopes, funding allocations, or implementation priorities.

ATTACHMENT(S):
1 – Resolution
2 – CIP Sheets
3 – Presentation

APPROVALS:

Department Head Approval:	Approval Date: 11/23/26
CEQA Determination (Planning):	Approval Date: N/A
Administrative Services (Financial)	Approval Date: 11/24/26
Costs authorized in City Approved Budget:	☑ Yes ☐ No ☐ N/A
Account Code (If applicable)	Funds 501
City Attorney Approval:	Approval Date: 11/24/26
City Manager Approval:	Approval Date: 11/24/26

CITY OF SEBASTOPOL
RESOLUTION NO. XXXX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AMENDING THE FISCAL YEAR 2026-27 CAPITAL IMPROVEMENT PROGRAM TO ESTABLISH A WATER SYSTEM REPAIRS AND REPLACEMENT PROGRAM AND REALLOCATE FUNDING TO THE PLEASANT HILL ROAD WATER SYSTEM CONNECTION LOOP PROJECT

WHEREAS, The City Council of the City of Sebastopol adopted the Fiscal Year 2026-27 Capital Improvement Program as part of the City's five-year Capital Improvement Program; and

WHEREAS, The adopted Fiscal Year 2026-27 Capital Improvement Program includes various water system improvements funded through Water Capital Fund 501; and

WHEREAS, The City's water distribution system includes aging infrastructure requiring ongoing maintenance, repair, and replacement, and the City has identified opportunities to coordinate water system improvements with planned roadway reconstruction; and

WHEREAS, The City's adopted Capital Improvement Program includes the Wastewater System Replacement Program (CIP 0616-24.08), which provides for ongoing replacement of sewer lines and related appurtenances, and establishing a similar Water System Repairs and Replacement Program would provide a systematic approach to addressing aging water infrastructure and coordinating utility improvements with roadway projects; and

WHEREAS, The proposed Water System Repairs and Replacement Program would provide $175,000 to address priority water infrastructure needs, initially including replacement of the existing water main on Strout Street and extension of the main to West Street to create a looped connection, as well as targeted water service connection repairs on Eastside Avenue and South Avenue; and

WHEREAS, Completing water system improvements in coordination with planned roadway reconstruction would reduce the potential for future water main or service connection failures requiring excavation of newly reconstructed streets, avoiding additional excavation and pavement restoration costs; and

WHEREAS, The adopted Fiscal Year 2026-27 Capital Improvement Program includes Project 0826-26.06, Automated Flow Meter at the Corporation Yard Water Tower, with $76,690 programmed in Fiscal Year 2026-27; and

WHEREAS, The adopted Capital Improvement Program also includes Project 0827-26.07, Pleasant Hill Road Water System Connection Loop, with $122,710 programmed in Fiscal Year 2027-28 for design and pre-construction activities; and

WHEREAS, The City's 2026 Water System Master Plan identified the Pleasant Hill Road Water System Connection Loop as the second-highest priority water distribution improvement and recommended initiating the project in 2027; and

WHEREAS, The Pleasant Hill Road Water System Connection Loop will provide an additional connection between the Pleasant Hill tanks and the Zone 2 distribution system, improving water system reliability and redundancy; and

WHEREAS, Reallocating the $76,690 currently programmed for the Automated Flow Meter at the Corporation Yard Water Tower will allow the City to initiate design of the Pleasant Hill Road Water System Connection Loop during Fiscal Year 2026-27 and advance the project to approximately 50 percent design; and

WHEREAS, The $122,710 already programmed for the Pleasant Hill Road Water System Connection Loop in Fiscal Year 2027-28 will remain available to complete design, permitting, bid documents, and other pre-construction activities; and

WHEREAS, Advancing design of the Pleasant Hill Road Water System Connection Loop will better position the City to pursue future grant funding and consider the project as part of broader infrastructure financing opportunities as the City evaluates its long-term capital needs; and

WHEREAS, The proposed transfer of $76,690 from the Automated Flow Meter at the Corporation Yard Water Tower to the Pleasant Hill Road Water System Connection Loop reallocates existing Fiscal Year 2026-27 funding and does not increase the overall Water Capital Fund budget; and

WHEREAS, The proposed establishment of the Water System Repairs and Replacement Program provides an additional $175,000 appropriation from Water Capital Fund 501.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol hereby approves an amendment to the Fiscal Year 2026-27 Capital Improvement Program as follows:

1. Establish a new Water System Repairs and Replacement Program with an appropriation of $175,000 from Water Capital Fund 501.
2. Transfer $76,690 from Project 0826-26.06, Automated Flow Meter at the Corporation Yard Water Tower, to Project 0827-26.07, Pleasant Hill Road Water System Connection Loop, to initiate design during Fiscal Year 2026-27.
3. Retain the existing $122,710 programmed in Fiscal Year 2027-28 for the Pleasant Hill Road Water System Connection Loop for completion of design and pre-construction activities.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 1st day of December 2026.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:
Ayes:
Noes:
Abstain:
Absent:

APPROVED: _____
Mayor

ATTEST: _____
Mary Gourley, City Manager

APPROVED AS TO FORM: _____

Alex Mog, City Attorney

Project No: 0826-26.06

Category Water Projects

Project Location: Corporation Yard, 714 Johnson Street



DESCRIPTION: Installation of automated flow meter for water tower at the Corporation Yard that supplies water truck haulers who supply portable water to local customers outside the City's water service areas, and water haulers who use the water for construction activities.

JUSTIFICATION: The automatic flow meter at the water tower is need to accurately measure, monitor, and manage water used by truck haulers. The automatic flow meter will enable real-time monitoring, improve operational control, and support data-driven decision-making for water resource allocation.

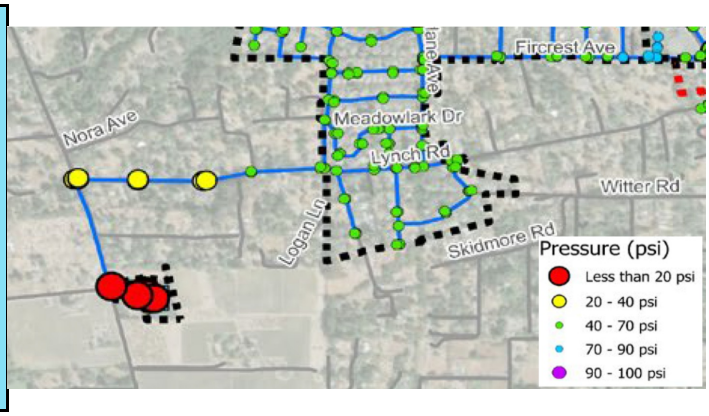
GENERAL PLAN Goals and Policies: Community Services and Facilities CSF 1-5: Require development, infrastructure, and long-term planning projects to be consistent with all applicable City infrastructure plans, including the Water Master Plan, and the Capital Improvement Program.

EXPENDITURES	FY25-26 Estimated	2026-27	2027-28	2028-29	2029-30	2030-31	PROJECT TOTAL
9100 - Pre-construction (design, ROW, Environ)		9,590					9,590
9200 - Construction		67,100					67,100
EXPENDITURE TOTALS		76,690					76,690
FUNDING SOURCES							
501-Water Capital Fund		76,690					76,690
FUNDING TOTALS		76,690					76,690

Project No: 0827-26.07

Category Water Projects

Project Location: Pleasant Hill Road



DESCRIPTION: Water system connection loop consisting of a new 16-inch water main from Pleasant Hill tanks at Lynch Road to intersection at Pleasant Hill Road at Mitchell Court.

JUSTIFICATION: The City has experienced some failure on Lynch Road in the past and the maintenance of the water line has caused 75% of the City's water network without supply during the water breaks. This highlights the importance of water reliability and water security issue in this area.

GENERAL PLAN Goals and Policies: Community Services and Facilities CSF 1-5: Require development, infrastructure, and long-term planning projects to be consistent with all applicable City infrastructure plans, including the Water Master Plan, and the Capital Improvement Program.

EXPENDITURES	FY25-26 Estimated	2026-27	2027-28	2028-29	2029-30	2030-31	PROJECT TOTAL
9100 - Pre-construction (design, ROW, Environ)			122,710				122,710
9200 - Construction				858,950			858,950
EXPENDITURE TOTALS			122,710	858,950			981,660
FUNDING SOURCES							
501-Water Capital Fund			122,710	858,950			981,660
FUNDING TOTALS			122,710	858,950			981,660

FY 2026-27 Capital Improvement Program Amendment No. 2

Water System Amendments

City Council Meeting • December 1, 2026

Today’s decision

Water System Projects

1. FY2026-27 Capital Improvement Program Amendments
2. Fiscal impact and Enterprise Reserve
3. Council direction

Two amendments target aging infrastructure and system reliability.

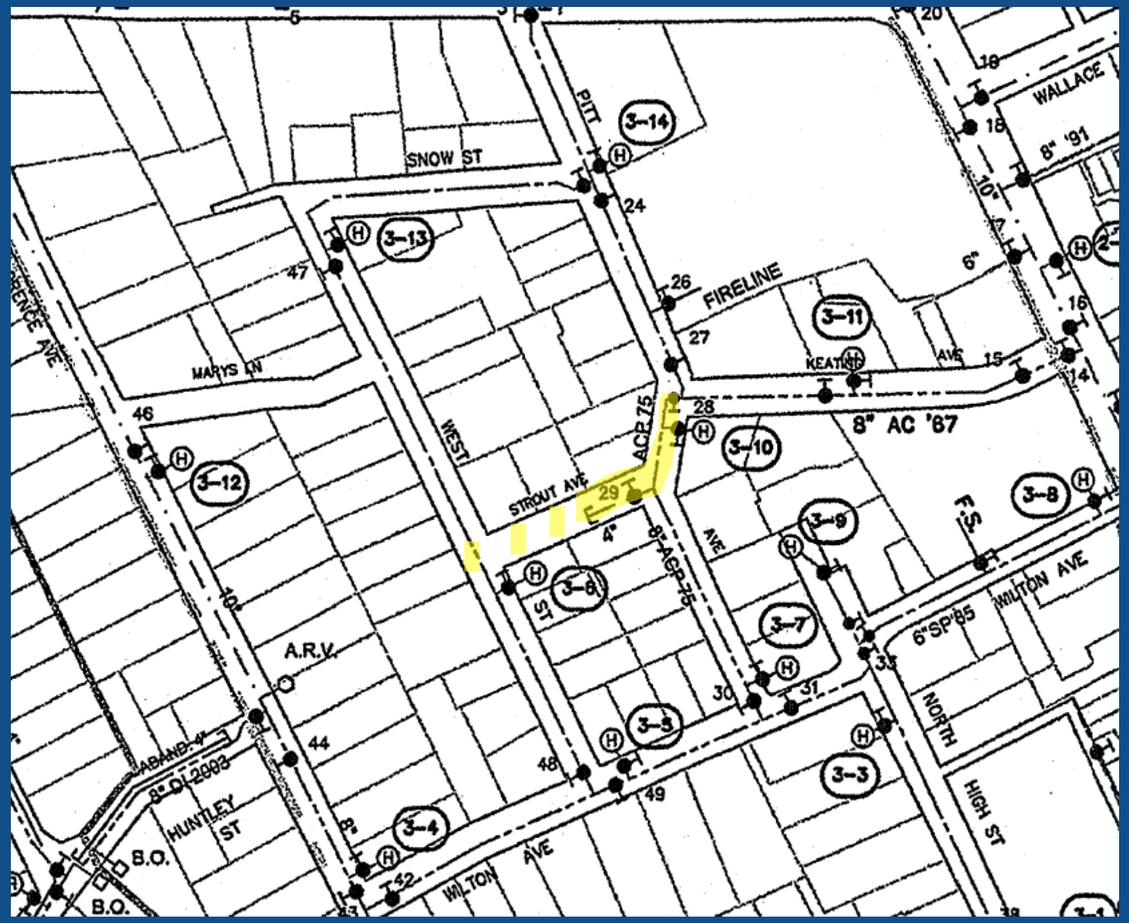
Water System Repairs and Replacement Program (CIP 0833-26.13)

$175,000

Redirected to Pleasant Hill Road Water System connection Loop (CIP 0827-26.07)

$76,690

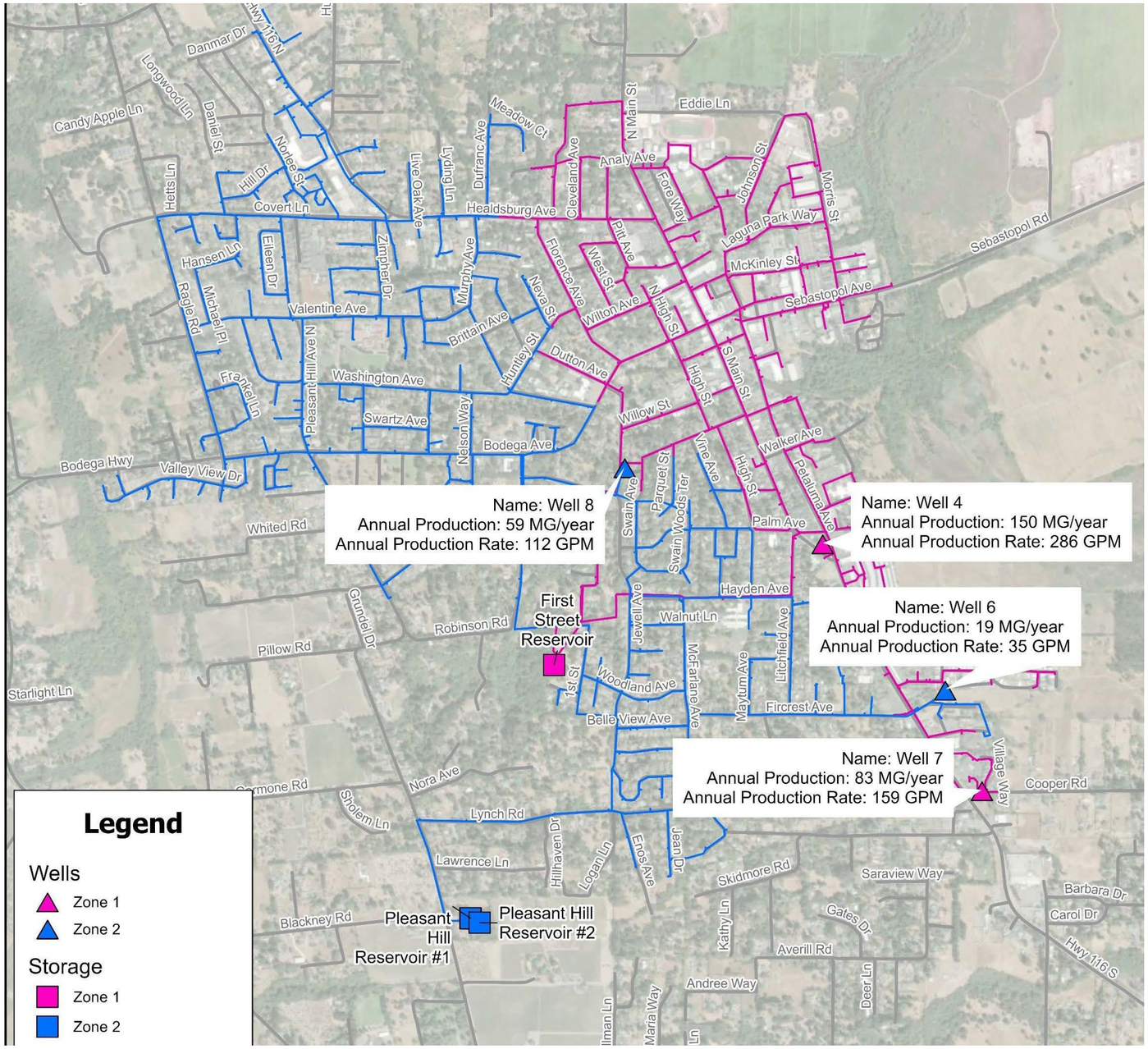
Water System Repairs & Replacement Program (CIP 0833-26.13)



Strout Street - Replace the aging main and services while the street is reconstructed.

West Street loop - Extend the new main to connect with West Street.

Targeted service repairs - Reinforce connections on Eastside Avenue and South Avenue.



Pleasant Hill Road Water System connection Loop (CIP 0827-26.07)

- Connects the Pleasant Hill tanks to Pleasant Hill Road at Mitchell Court with 1,052-LF of 16-in water main.
- Adds another route into the Zone 2 distribution system.

Table 6-1: Prioritized Recommended Distribution Main Improvements

Priority	Zone	Area	Description
1	2	14 inch DIP Loop	Install a 14" main to loop and parallel the existing distribution main from the intersection of Lynch Road and Pleasant Hill Road along Meadowlark Drive, Jewell Avenue, First Street, Robinson Road and within Bodega Avenue to the intersection of the 8" DI main that services the condominiums at 8100 to 8130 Bodega Ave.
2	1	Northeast Area	Replace the existing 6" main in McKinley Street with 8" DI from Brown Street to Sebastopol Avenue. Replace the existing 8" main in Morris Street with 10" DI from Sebastopol Avenue to the intersection with the existing 8" DI south of hydrant 2-9. Replace the existing 8" main in Sebastopol Avenue with 10" DI from Petaluma Avenue to Morris Street. Replace the existing 6" main in Sebastopol Avenue with 8" DI from Morris Street, west to the existing blow off.
3	1	Gravenstein Highway South	Replace the existing 8" main in Gravenstein Hwy South with 10" DI from Palm Avenue to Fircrest and a 12" DI from Fircrest to Cooper Road.
4	2	West Hills	Replace the 6" main in West Hills Circle with 8" DI.
5	2	Pleasant Hill Condos	Replace the existing 4" main servicing the Pleasant Hill Condominiums with 6" DI.
6	1	Abbot Avenue	Replace the existing 6" main in Abbott Avenue with 8" DI.
7	1	Edman Way	Replace the existing 4" main in Edman Way with 6" DI.
8	1	Lillian Way	Replace the existing 4" main in Lillian Way with 6" DI.

Water Master Plan 2005

Water Master Plan 2026

Table 1 *Estimated Costs of Recommended Projects*

Project No./ Priority	Ranking of Importance	Description	Start Year	Construction Cost [1]	Project Cost [2]
1	High	Well 4 Replacement	2027	$2,912,410	$3,352,000
2	High	Pleasant Hill Loop	2027	$750,680	$952,780
3	High	Structural Assessment of Existing Water Tanks	2027	N/A	$126,000
4	High	Seismic Retrofit Study for Existing Water Tanks	2027	N/A	$141,750
5	High	Gwendolyn Place Water Service Connection Replacement	2027	$57,690	$73,240
6	High	Installation of Automated Flow Meter	2027	$58,640	$74,430
7	High	500 South Main Street Watermain Replacement	2027	$120,110	$152,460
8	High	Replacement of Existing Pressure Reducing Valves	2027	$202,350	$256,830
9	Medium	Well 6 Water Treatment System	2030	$3,323,570	$3,635,700
10	Medium	Valley View Drive Water Service Connection Replacement	2030	$605,200	$682,870
11	Medium	Covert Lane CI Watermain Replacement	2030	$210,190	$237,190
12	Medium	Ellis Court CI Watermain Replacement	2030	$125,440	$141,550
13	Low	Installation of Isolation Valves	2032	$148,500	$154,930
14	Low	Painting and Relining of Existing Water Tanks	2032	$894,900	$827,490
			Total	**$9,409,680**	**$10,809,220**

Notes:
[1] Considered construction cost with inflation or 4% annual escalation.
[2] Included soft cost and construction cost without inflation or 4% annual escalation

Pleasant Hill Road Water System connection Loop (CIP 0827-26.07) Move design forward

FY 2026–27

Transfer $76,690 from the Automated Flow Meter project to start Pleasant Hill Loop design, targeting approximately 50% design.

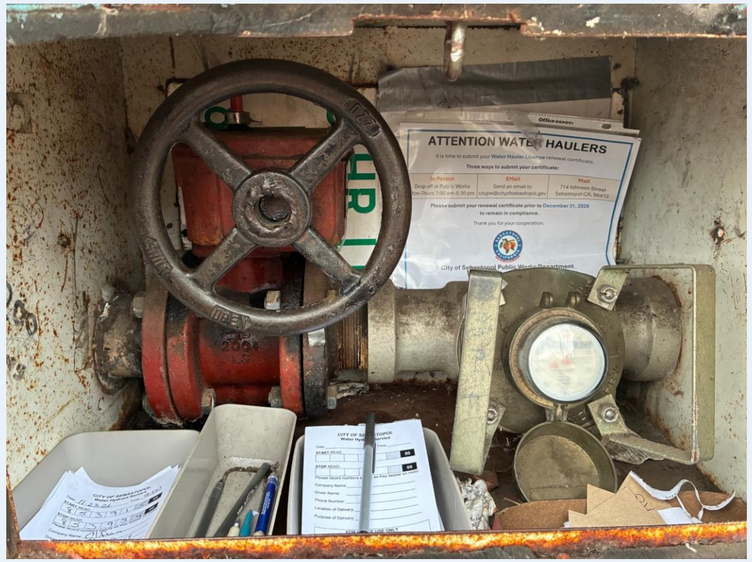
FY 2027–28

Keep the planned $122,710 available for design completion and pre-construction activities.

Automated Flow Meter at the Corporation Yard Water Tower (CIP 0826-26.06)



- Automated meter to measure water dispensed to commercial water haulers.
- Automates usage tracking and billing to improve accuracy, operational efficiency.
- Provides real-time usage data to support water resource management.
- All water dispensed is currently metered and paid for; this project supports efficiency.



FY 2026-27 Capital Improvement Program Amendment No. 2 Budget

Project	Current FY 2026-27	Proposed Change
Automated Flow Meter – Corporation Yard Water Tower (0826-26.06)	$76,690	($76,690)
Pleasant Hill Road Water System Connection Loop – Design (0827-26.07)	$0	$76,690
Water System Repairs and Replacement Program (0833-26.13)	$0	$175,000
Net Change to FY 2026-27 CIP		$175,000

$1.53M

Projected reserve after appropriation

Reserve context

Before the $175,000 appropriation, projected reserves are $1,703,411, or 51% of operating expenses.

Afterward, projected reserves are $1,528,411, or 46% of operating expenses.

The stated policy minimum is $833,925, equal to 25% of operating expenses.

CY 2026-27 CIP Budget – Water Project

Category Summary Report

8 - Water Projects

		FY25-26 Estimated	2026-27	2027-28	2028-29	2029-30	2030-31	TOTALS
PROJECT TITLE								
0821-23.09	Water System Master Plan Update	113,600						
0822-24.06	Well 4 Replacement	301,500	389,000	2,600,000				2,989,000
0824-26.04	NEW: First Street Tank and Pleasant Hill Tanks Structural Upgrades Phase 1 - Assessment		154,350					154,350
0825-26.05	NEW: Seismic Retrofit and Upgrades of First Street Tank and Pleasant Hill Tanks Phase 1-Study		171,810					171,810
0826-26.06	NEW: Automated Flow Meter at Corporation Yard Water Tower		76,690					76,690
0827-26.07	NEW: Pleasant Hill Road Water System Connection Loop			122,710	858,950			981,660
0828-26.08	NEW: Gwendolyn Place Water Services Replacement					105,580		105,580
0829-26.09	NEW: 500 South Main Street Watermain Replacement					157,080		157,080
0830-26.10	NEW: Valley View Drive Service Connection Replacement					850,880		850,880
0831-26.11	NEW: Repair/Replace Existing Pressure Reducing Valves					32,670	228,630	261,300
0832-26.12	NEW: Well 6 Water Treatment System						10,000	10,000
		415,100	791,850	2,722,710	858,950	1,146,210	238,630	5,758,350
PROJECT FUNDING SOURCES								
000	Loans and other Financing			2,600,000				2,600,000
501	Water Capital Fund	415,100	791,850	122,710	858,950	1,146,210	238,630	3,158,350
		415,100	791,850	2,722,710	858,950	1,146,210	238,630	5,758,350

COUNCIL RECOMMENDATION

Approve Amendment No. 2 to FY26-27 Capital Improvement Program

01 Approve the addition of the Water System Repairs and Replacement Program (CIP 0833-26.13) with $175,000 in funding from Water Capital Fund 501.

02 Approve the transfer of $76,690 from the Automated Flow Meter at the Corporation Yard Water Tower (CIP 0826-26.06) to the Pleasant Hill Road Water System Connection Loop (CIP 0827-26.07).

Questions & discussion