



Stinson Water

October 2023 Newsletter

**CAPITAL
IMPROVEMENT
PROJECTS
ARE WORTH
THE INVESTMENT**



Capital improvement planning

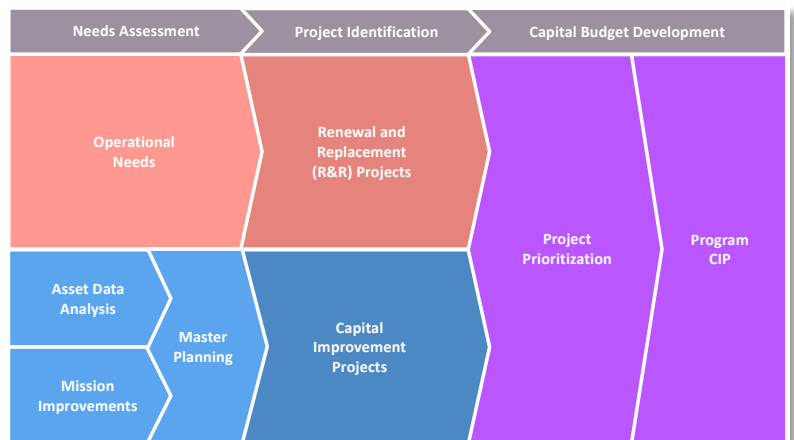
The American Society of Civil Engineers (ASCE) evaluates the state of America's infrastructure in 17 categories, applying a school report card style "A" to "F" grading system. The latest report for California, in 2019, rates the State's overall drinking water infrastructure as a "C" (*mediocre condition and requires attention*).

One of the biggest challenges we face here at Stinson Water is capital planning. As our surface assets (e.g. treatment plant, wells, storage

tanks, etc.) and underground assets (pipes, valves, meters, etc.) continue to wear and age, we must plan for their replacement *before* catastrophic failure occurs. The old saying: "An ounce of prevention is worth a pound of cure!" perfectly describes what this effort is all about – in essence, we are reducing overall risk by identifying and mitigating potential failures before they occur. In the long run, this is much more cost efficient and maintains a high level of service to our customers.

Back in March 2023, the Stinson Water Board of Directors adopted its first Capital Improvement Plan (CIP) consisting of **46 capital projects** totalling **\$50M** over the next **15 years**. These projects were identified by our operations and engineering staff through multiple workshops where various operational needs and critical mission improvements were defined and assessed, current asset data was analyzed, and a master planning exercise was performed to evaluate impacts due to climate change, potential changes in the regulatory landscape, and development of emerging technology. Next, the identified projects were prioritized and programmed across the planning horizon.

This CIP is now our guiding document with respect to capital planning; however, it is not static. On an annual basis, our operations and



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Capital improvement planning (cont.)

engineering staff sit down to update our needs assessment, review all currently identified capital projects, add new projects as necessary and both reprioritize and reprogram the entire CIP.

The next logical question you may have is, “How are we going to pay for this?” The adopted budget for FY23-24 currently identifies funding of about \$525K to start a new well project, a pipeline replacement project, and an ongoing meter/endpoint replacement project. Part of this is grant-funded and the rest is paid from a combination of annual rate revenue, property tax revenue from the County, and cash reserves. Unfortunately, this approach will not generate enough funds to cover all the project expenses identified in our CIP. The ultimate solution will require a combination of potential funding tools that include Federal and/or State grants, low-interest Federal and/or State loans, bonds, and/or measured rate increases.



Cost of service rate study

The Stinson Water Board of Directors historically has been judicious about maintaining our current rate structure and as a result, our rates have remained unchanged since 2009. While this approach has served us well over the last 14 years, development of our new CIP shows that moving forward, this approach is unfortunately is no longer sustainable.

Back in May 2023, the Board approved a new cost of service rate study be conducted to evaluate anticipated revenue, current and projected operational expenses, and anticipated CIP project costs. Once analyzed, a variety of options will be developed to identify what other sources of revenue are required to support both our ongoing operation as well as our current 15-year CIP. That effort is now getting started and will likely take a several months to complete. Once a draft version of this report is available, the Board plans to share it while hosting public hearings to solicit feedback

from our customers before deciding on a path forward. Stay tuned as these meetings will be informative as well as allow you to provide input into the process.

Drought-resistant gardening

The Marin Master Gardeners is a dedicated, trained group of volunteers with a shared love of gardening and horticulture. Through community service and educational outreach, we provide home gardeners and community organizations the knowledge and skills to create a healthy environment for Marin County. Marin Master Gardeners work as non-paid staff members of the University of California Cooperative Extension (UCCE), answering public inquiries and providing information on all areas of plant health and gardening practices.



For more information, visit the new Master Gardener website at: www.marinmg.org



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