

June 11, 2014

The Strategic Planning and New Facilities Committee of the Novato Sanitary District held a meeting at 10:10 a.m., Wednesday, June 11, 2014, at the District Offices, 500 Davidson Street, Novato.

COMMITTEE MEMBERS PRESENT: Members Gary Butler and William Long.

STAFF PRESENT: Manager-Engineer-Secretary Sandeep Karkal and Administrative Services Specialist June Brown.

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

MINUTES: The composition of the committee has changed since the last meeting; however, there were no objections to the minutes of the December 16, 2013 committee meeting and the minutes were approved as written.

STRATEGIC ISSUES, FY 14-16:

- a. Hamilton Wetlands/Outfall Study: Manager-Engineer Sandeep Karkal gave a Power Point presentation focusing on the Hamilton Wetlands/Outfall Study. He reported that the District is working with the State Coastal Conservancy in developing studies to examine alternatives for long-term integration of the District's outfall into the Coastal Conservancy's Hamilton Wetlands project. The potential for using the District's effluent as a long-term fresh water source to supply and maintain a brackish marsh habitat with the Wetlands project is one of the alternatives under consideration.
- b. North Bay Water Reuse Authority (NBWRA): The committee discussed potential District-related NBWRA projects and associated funding opportunities. Also discussed was the relationship between the NBWRA and Hamilton Wetlands projects.
- c. Novato Creek Watershed Study: The committee discussed the Novato Creek Watershed Study and its funding possibilities. The Novato Watershed Program is working with the City of Novato, Novato Sanitary District, and North Marin Water District to determine the most beneficial projects if a bond issue is considered. It was noted that the Watershed Study is still in preliminary stages.
- d. Old plant demolition and new Maintenance Building construction: Manager-Engineer Sandeep Karkal reported that it is proposed to bid the demolition of existing plant elements as a separate project, followed by construction of the new building at a later date. At the next Board meeting of June 23, 2014, a contract for RMC for the

design and demolition work will be presented. Member Long stressed the importance of consideration for District neighbors during the project.

CAPITAL IMPROVEMENTS PROGRAM (CIP) BUDGET:

- a. Preliminary CIP expenditure projection 2011-16: The committee reviewed 5-year (2011-16) projections for Capital Improvement Projects. The 5-year projection, including loan principal and interest payments, is \$63,579,914.
- b. FY 14-15 and FY 15-16 proposed preliminary CIP budget: Committee Members noted that more than \$1.4 million has been budgeted for 2014-15 for Collection System Improvements and only \$30,000 for the Lateral Replacement Program. Manager-Engineer Sandeep Karkal indicated that \$20,000 will be added to the Lateral Replacement Program budget, for a total of \$50,000. The adjustment will be made prior to adoption of the final budget in August.

Member Long asked about account no. 72708 – Cogeneration project. Manager-Engineer Sandeep Karkal responded that funds are not available at this time to undertake a co-generation project. He elaborated that the District produces enough gas to meet about 40% of power needs, but that facilities run solely on digester gas do not operate very efficiently. Further discussion followed, and it was suggested that staff explore the possibility of a joint project with Veolia Water who is experienced in setting up co-generation facilities, as part of a longer-term effort. In response to a question by Member Butler, the Manager-Engineer responded that without a full study, it is would be difficult to predict how many years it would take to realize payback on investment for co-generation facilities.

ADJOURNMENT: The meeting was adjourned at 11:45 a.m.

Respectfully submitted,

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Sandeep Karkal  
Secretary

June Brown, Recording