

NOVATO SANITARY DISTRICT

June 11, 2014

The Strategic Planning and New Facilities Committee of Novato Sanitary District will hold a meeting at 10:00 AM, Wednesday, June 11, 2014, at the District offices, 500 Davidson Street, Novato.

AGENDA

1. AGENDA APPROVAL:

2. PUBLIC COMMENT (PLEASE OBSERVE A THREE-MINUTE TIME LIMIT):

This item is to allow anyone present to comment on any subject not on the agenda, or to request consideration to place an item on a future agenda. Individuals will be limited to a three-minute presentation. No action will be taken by the Board at this time as a result of any public comments made.

3. MINUTES:

- a. Review minutes from the December 16, 2013 committee meeting.

4. STRATEGIC ISSUES, FY14-16

- a. Hamilton Wetlands/Outfall study.
- b. North Bay Recycled Water Authority (NBWRA).
- c. Novato Creek Watershed study.
- d. Old plant demolition and new Maintenance Building construction.

5. CAPITAL IMPROVEMENTS PROGRAM (CIP) BUDGET:

- a. Preliminary CIP expenditure projection 2011-16.
- b. FY14-15 and FY15-16 proposed preliminary CIP budget.

6. ADJOURNMENT:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District at (415) 892-1694 at least 24 hours prior to the meeting. Notification prior to the meeting will enable the District to make reasonable accommodation to help ensure accessibility to this meeting.

Materials that are public records and that relate to an open session agenda item will be made available for public inspection at the District office, 500 Davidson Street, Novato, during normal business hours.

December 16, 2013

The Strategic Planning and New Facilities Committee of the Novato Sanitary District held a meeting at 4:00 p.m., Monday, December 16, 2013, at the District offices, 500 Davidson Street, Novato.

COMMITTEE MEMBERS PRESENT: Members Michael Di Giorgio and Jean Mariani.

STAFF PRESENT: Manager-Engineer-Secretary Beverly James, Deputy Manager-Engineer Sandeep Karkal and Administrative Secretary Julie Swoboda.

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

MINUTES: The minutes of the July 30, 2013 Committee meeting were approved as presented.

STRATEGIC PLAN 2013 UPDATE:

- Review the 2013 Strategic Plan Work Plan. The Manager stated that the 2013 Strategic Plan was adopted by the Board in August, along with the Strategic Work Plan. She discussed in detail the District's five goals as well as the implementation progress of these goals. The District's five main goals are as follows:

- ❖ Operational excellence.
- ❖ Build and maintain facilities that are reliable, environmental and efficient.
- ❖ Board, District and Community, alignment and communications.
- ❖ Well-planned finances with a long-range outlook.
- ❖ Effective Governance and Administration.

The Committee members expressed their appreciation for the clarity and detail provided in the Strategic Plan. The Manager requested that any comments be provided to her in early January so that they can be incorporated into the final draft which will be reviewed at the January 13th Board meeting .

CAPITAL PROJECTS:

- Staff report on capital projects. The Deputy Manager-Engineer discussed details of the District's major maintenance projects and provided time-frames for completion. He discussed outstanding issues and change orders for the following projects:

- Center Road Project, #72706
- Wastewater Treatment Facility Upgrade, Contract C, #73001

- Annual Collection Systems Projects
- Pump Station Rehabilitation, #72403
- Olive Street Force Main Project (redesign)
- Wastewater Treatment Facility Upgrade, Contract E, #73003

ADJOURNMENT: The meeting was adjourned at 5:47 p.m.

Respectfully submitted,



Beverly B. James
Secretary

Julie Swoboda, Recording

MEMORANDUM

TO: District Board of Directors

FROM: Sandeep Karkal, Manager-Engineer
Steve Krauthem, Field Services Superintendent

DATE: May 22, 2014

SUBJECT: FY14-16 Preliminary Capital Improvement Program (CIP) Budget –
Summary of Anticipated Project Work

This memo presents a summary of the potential or anticipated scope of work for projects and project work included within the various Accounts of the Capital Improvements Program (CIP) budget for FY14-16. A copy of the table which provides the FY14-15 Preliminary CIP Expenditure Projection for the 5-year period encompassing FY2011-16 is attached. This table also provides preliminary budget information for proposed CIP expenditures for FY14-15 and FY15-16.

Account No. 72110: Drainage Pump Station No. 3 & 7 Outfall Rehabilitation

FY14-15 project work in this Account includes rehabilitation of the outfall pipelines support structures; replacing failing wood girders with galvanized steel girders, replacing the corroded flap gates and piping outboard of the levee on Novato Creek at both pump stations, and replacing the debris barriers around the pump station piling.

Account No. 72403: Pump Station Rehabilitation

This ongoing, long term account provides for replacing the District's underground type pump stations with submersible pump type pump stations. FY14-15 project work includes: completing the ongoing rehabilitation/replacement of the Digital Drive & Los Robles Pump Stations, and provisions for further design work on the remaining pump stations.

Account No. 72508: North Bay Water Recycling Authority

The District is a member agency of the North Bay Water Reuse Authority (NBWRA), which is a consortium of North Bay water and wastewater agencies in Marin, Napa and Sonoma counties formed to explore and develop recycled water opportunities throughout the service areas of its member agencies.

The District has participated in NBWRA since its inception, including the successful Phase 1 project which saw the District receive grants of approximately \$1.36 million through the US Bureau of Reclamation (USBR) Title XVI program, as well as \$325,000 through the State's Proposition 84 Integrated Regional Water Management (IRWM) grant program.

NBWRA and its member agencies are now moving into a Phase 2 project which will further expand the recycling opportunities for its member agencies. FY14-15 will be the first year of a 3-year Phase 2 Feasibility Study for over \$136 million in recycled water projects across all NBWRA agencies.

The District has identified three projects for itself with a total estimated cost of about \$36 million. The scoping study is estimated to cost all of the NBWRA agencies a total of about \$5 million over a three year period. The District's corresponding share is estimated at about \$1.14 million over these three years under a pre-determined formula, to be paid in approximately equal annual installments at the beginning of each fiscal year. NBWRA is pursuing funding various funding options to fund these projects, the most likely of which is the USBR Title XVI program. If the USBR funding effort is successful, it is anticipated that up to \$430,000 of the District's Phase 2 feasibility study costs would be recovered under a grant from the USBR Title XVI program.

If the projects move out into the design and construction phases, it is anticipated that further grant funding from USBR could pay for up to 50% of design and construction costs for recycled water storage projects, and up to 25% of other recycled water projects (tertiary treatment, pipelines, pumping, etc.).

Note that the District would be required to come up with its share (local share) of the project costs, i.e. 50% of design and construction costs for storage projects, and 75% of the design and construction costs for additional tertiary treatment facilities, etc.

Project 72609: Waste Water Treatment Plant Upgrade – Contract B

The budget in this account includes provisions for minor improvements, including further odor control testing and validation, and landscape improvements at the Novato plant site.

Account No. 72706: Collection System Improvements

This account includes costs for rehabilitating the District's collection system. This fiscal year's project work includes a parallel force main in Railroad Avenue for the Olive Street Pump Station.

It also includes the following: (a) An allowance for opportunistic improvements to the Scown Lane sewer between Machin Ave and Redwood Blvd., in the neighborhood of the Downtown Novato Theater restoration project, if the restoration project and its attendant utilities improvement component were to proceed to construction in FY14-15, and (b) An allowance for a scoping study to update or revise the District's Collection System Master Plan which was originally prepared in 2008.

Account No. 72706-1: Lateral Replacement Program

This account was established as a grant program to incentivize homeowners, and assist them financially to replace the entire sewer lateral between their residence and the District's sewer main in the right-of-way, up to and including the point of connection to the District's sewer main. This program is part of the District's long term approach to reducing infiltration and inflow from laterals into the District's collection system.

Account No. 72707: Hamilton Wetlands/Outfall

The project work for FY14-15 in this account includes a joint study funded 50-50 by the District and the California State Coastal Conservancy (SCC) to examine alternatives for long term integration of the District's outfall into the SCC's Hamilton Wetlands project.

The study will also examine the potential for utilizing the District's effluent as a reliable, long term fresh water source to supply and maintain a brackish marsh habitat within the Wetlands project, including identifying and resolving water quality related regulatory issues identified during the process.

Account No. 72708: Cogeneration

This account and its FY14-16 budget is established for preliminary work to explore strategies and scope out potential alternatives to utilize the digester gas produced in the anaerobic digestion process to produce power and reduce or offset the District's utility power purchases.

Account No. 72802: Annual Sewer Adjustment for City Projects

The budget in this account is established annually to compensate the City of Novato or County of Marin for work performed on District facilities on City or County Capital Improvement Projects such as raising manholes to grade on street paving projects.

Account No. 72803: Annual Collection System Repairs

This account is established annually to fund small projects to repair District collection system facilities, primarily point and spot repairs, or short reaches of sewer main.

The repair list is generated by collection system staff during routine maintenance activities.

Account 72804: Annual Reclamation Facilities Improvements

The budget in this account is established annually to fund small projects to repair District facilities at the Reclamation Area. The work typically includes irrigation system repairs for lines larger than 4" in diameter, parcel rehabilitation work and other miscellaneous repairs.

Account No. 72805: Annual Treatment Plant & Pump Station Repairs

This budget is established annually to fund small projects to repair District facilities at the various pump stations throughout the District and at the Novato Treatment Plant. This work includes minor mechanical & electrical work, water line repairs, pavement repairs, painting, and any other small repairs or improvements.

Account No. 72809: Novato Creek Watershed

This budget was established as a result of an agreement with the Marin County Flood Control District whereby the District participates in a program with the County of Marin, the City of Novato, and the North Marin Water District to explore alternatives to reduce flooding potential in the lower Novato Creek portion where all of these agencies have facilities that are prone to damage from flooding.

Account No. 73001: Waste Water Treatment Plant Facility Upgrade – Contract C

This project includes completing of the project work on improvements to Digester No. 1 (Solids Handling), and initiating and completing corrosion control improvements to the flow channels in the headworks and primary clarifiers. The work was initiated in the FY13-14 budget year and is expected to reach completion in FY14-15.

There is also an allowance to complete the corrosion protection work that was deleted from the current project construction contractor's scope. This work will be re-packaged, bid separately, and completed in FY14-15.

Account No. 73002: Waste Water Treatment Plant Facility Upgrade – Contract D

This budget provides for unanticipated miscellaneous improvements to the Recycled Water Facility. No specific items are anticipated at this time, however, an allowance has been provided to address minor issues if they were to occur.

Account No. 73090: Administration Building Upgrades/Maintenance Building

This project includes minor improvements to the Administration Building, demolition of the abandoned Aeration Basins and ancillary equipment from the "old" Novato treatment plant, and construction of a new maintenance building. The work is expected to proceed in two phases, and over the FY14-15, FY15-16, and potentially FY16-17 budget periods.

Account No. 73090: Vehicle Replacement

This account includes budget amounts to pay for purchase of the mechanical rodding unit that the Board authorized in FY2013-14, and replacement of two light trucks in the FY14-16 timeframe.

Table 1: PRELIMINARY CAPITAL IMPROVEMENTS PROGRAM EXPENDITURE PROJECTION 2011-2016

vers. 5/22/2014

Project No.	Project Name	Final FY13-14 Budget	Projected Expenditures FY13-14	Estimated Carryover to FY14-15	Proposed FY2014-15	Proposed FY2015-16	5-Year Total 2011-16*
72110	Drainage PS #3 & #7 Outfall Rehab.	150,000	26,324	123,676	275,000	-	302,163
72111	SCADA Phase II & IIA	-	-	-	-	-	17,179
72403	Pump Station Rehab.	1,440,000	757,815	682,185	1,082,185	100,000	4,968,706
72508	N. Bay Water Reuse Authority	150,000	122,595	27,405	370,000	403,000	1,341,367
72509	NTP Soil & Groundwater Invest.	-	-	-	-	-	-
72604	Laboratory Improvements	-	-	-	-	-	2,033
72607	WWTP Upgrade - Contract A1	-	-	-	-	-	13,138
72608	WWTP Upgrade - Contract A2	-	-	-	-	-	-
72609	WWTP Upgrade - Contract B	100,000	35,000	65,000	45,000	-	691,206
72611	Bayside Sewer	3,000	2,000	1,000	-	-	2,305
72612	Southgate Sewer	1,000	-	1,000	-	-	458
72706	Collection System Improvements	1,730,000	904,679	825,321	1,435,321	900,000	4,522,175
72706-1	Lateral Replacement Program	30,000	-	30,000	30,000	30,000	82,500
72707	Hamilton Wetlands/Outfall monitoring	90,000	54,458	35,542	36,542	2,500	93,848
72708	Cogeneration	50,000	-	50,000	40,000	10,000	50,534
72801	Annual Minor Projects	-	-	-	-	-	1,040
72802	Annual Sewer Adj. for City Projects	10,000	10,000	-	10,000	10,000	39,358
72803	Annual Coll. Sys. Repairs (Spot Repairs)	275,000	210,089	64,911	200,000	200,000	1,051,930
72804	Annual Recl. Facilities Improvements	250,000	238,668	11,332	150,000	150,000	1,169,459
72805	Annual TP & PS Improvements	275,000	186,836	88,164	200,000	150,000	1,226,637
72808	Strategic Plan Update	-	-	-	-	-	21,849
72809	Novato Creek Watershed	50,000	50,000	-	50,000	-	100,000
73001	WWTP Fac. Upgr. - Contract C (Solids)	2,858,377	2,858,377	-	461,396	10,000	4,128,079
73002	WWTP Fac. Upgrade - Contract D - RWF	150,000	84,899	65,101	10,000	5,000	6,994,665
73003	Admin Bldg. Upgrades/Maintenance Bldg.	400,000	19,099	380,901	1,000,000	1,730,901	2,771,620
73090	Vehicle Replacement	64,000	-	64,000	180,000	20,000	200,000
	Sub-total (w/o P&I for Capital Projects)	8,076,377	5,560,839	2,515,538	5,575,444	3,721,401	29,792,249
78500	P&I - Capital Projects	7,070,654	7,070,654	(Carryover)	7,070,754	7,075,104	33,787,665
	TOTALS (incl. P&I on Capital Projects)	15,147,031	12,631,493		12,646,198	10,796,505	63,579,914

*Includes expenditures beginning FY11-12.
P&I = Principal and Interest

**Novato Sanitary District
2014-2016 Preliminary Budget
Capital Improvement Budget - CIP Expenditures**

				Preliminary	Preliminary
		Expenditures	Est Exp	Budget	Budget
	Budget 13/14	thru April 2014	2013-14	2014-15	2015-16
72110 · Drainage PS 3&7 Outfall Rehab	150,000	26,324	26,324	275,000	0
72111 · SCADA Phase II	0	0	0	0	0
72403 · Pump Station Rehabilitation	1,440,000	174,277	757,815	1,082,185	100,000
72508 · N. Bay Water Recycling Auth	150,000	97,595	122,595	370,000	403,000
72509 · NTP Soil & Groundwater Inv	0	0	0	0	0
72604 · Laboratory Improvements	0	0	0	0	0
72609 · WWTP Upgrade - Contract B	100,000	26,714	35,000	45,000	0
72611 · Bayside Sewer	3,000	0	2,000	0	0
72612 · Southgate Sewer-	1,000	0	0	0	0
72706 · Collection System Improv	1,730,000	799,220	904,679	1,435,321	900,000
72706-1 · Lateral Replacemnt Program	30,000	13,500	0	30,000	30,000
72707 · Hamilton Wetlands/Outfall Monit	90,000	38,759	54,458	36,542	2,500
72708 · Cogeneration	50,000	0		40,000	10,000
72801 · Annual Minor Projects	0	0	0	0	0
72802 · Annual Sewer Adj. for City Proj	10,000	10,000	10,000	10,000	10,000
72803 · Annual Collection Sys Repairs	275,000	149,008	210,089	200,000	200,000
72804 · Annual Reclamation Fac Imp	250,000	208,668	238,668	150,000	150,000
72805 · Annual Trtmt Plnt/Pump St Impr	275,000	203,010	203,010	200,000	150,000
72808 · Strategic Plan Update	0	0	0	0	0
72809 · Novato Creek Watershed	50,000	50,000	50,000	50,000	0
73001 · WWTP Upgrade - Contract C (Solids handling)	2,858,377	2,586,475	2,858,377	461,396	10,000
73002 · WWTP Up-Contract D-Recycled Water	150,000	80,956	84,899	10,000	5,000
73003 · Admin Building Upgrade/Maint. Building	400,000	9,100	19,099	1,000,000	1,730,901
73090 · Vehicle Replacement	64,000	0	0	180,000	20,000
78500 · Interest - SRF/COP Bond	2,730,721	2,730,721	2,730,721	2,621,583	2,509,673
78500 · Principal	4,339,933	4,339,933	4,339,933	4,449,171	4,565,431
Totals	15,147,031	11,544,260	12,647,667	12,646,198	10,796,505