

Corinne W. Wiley, President  
Catharine Benediktsson, Vice President

V. William Brady, Secretary  
Casey Kawamoto, Director  
Claire McAuliffe, Director

**Sanitary District No. 5 of Marin County  
Capital Improvement Program Committee Meeting  
at Sanitary District No. 5 of Marin County Meeting Room  
2001 Paradise Drive, Tiburon, California  
Friday, March 13, 2009 10:00 a.m.**

**CALL TO ORDER** at 10:00 a.m.

- I. ROLL CALL:**
- |                    |  |
|--------------------|--|
| Directors present: | V. William Brady, Secretary<br>Corinne W. Wiley, President                             |
| Staff present:     | Robert L. Lynch, District Manager<br>Samantha Miller, Office/Finance Manager           |
| Others present:    | Pamela Rice<br>Bill Teiser, President Point Tiburon Bayside<br>Condominium Association |

**II. PUBLIC COMMENTS:** None

**III. NEW BUSINESS:**

The Committee moved Item C, as described on the agenda, to this time.

**c. Potential Grant Projects**

**1. Recycled Water Program**

Mgr. Lynch reviewed the 14 steps necessary to implement a recycled water system (see attached list). The first six steps would have to be completed before the District could begin the application process for a grant from the Small Communities Wastewater Grant Program. Mgr. Lynch estimated the District would have to expend approximately \$30,000.00 to \$40,000.00 before being able to start applying for a grant. Additionally, Mgr. Lynch is concerned the District might not be qualified for any grant money because the grant program takes into consideration the average income and the average home value in our District.

Mr. Bill Teiser, President of the Point Tiburon Bayside Condominium Association, suggested the possibility of the Point Tiburon Bayside Condominium Association, the Town of Tiburon, and the District sharing the costs of the initial water reuse study.

Mgr. Lynch noted that, although the District is not allowed to make a profit on a recycled water program, it would like to be able to recoup its costs to avoid incurring a loss. He added it appears to be cheaper for the District to fund this project with cash, since the grant path is much slower and has many prerequisites. For example, if the District were to apply for a grant, it would need an Environmental Impact Report, which costs \$200,000.00 to \$300,000.00. However, if the District were to fund this project with cash, it might only need to do an initial study, which would cost \$15,000.00 to \$20,000.00. Mgr. Lynch believes private funding would be faster and less expensive.

Mgr. Lynch would like to have Bob Smith of Larry Walker Associates make a presentation to the Board about the next steps involved in implementing a recycled water program. Pres. Wiley would like Peggy Curran, the Town Manager of Tiburon, to attend this presentation, as well.

Mgr. Lynch explained that, if the District is able to implement this water recycling program, it would provide reclaimed water along the shoreline, serving the Point Tiburon condominiums, and down to the Dynasty, which would serve the Town of Tiburon. Additionally, members of the public would be able to fill up trucks with reclaimed water from a spout with a meter at the main plant. The District would also be able to use the reclaimed water for certain purposes within the main plant. Unfortunately, the Tiburon Fire Protection District is not allowed to use reclaimed water in their engines.

Pres. Wiley said the Board is very anxious to implement this recycled water program, but money is always an issue. Mr. Teiser replied the Point Tiburon Bayside Condominium Association is very interested in working with the District on this project by helping to fund the program and/or by making a commitment to use a certain amount of the reclaimed water. He agreed to provide the District with their monthly irrigation water usage.

Mgr. Lynch informed the Committee he would prepare a timeline for the two different schedules of relying on grant funding versus private funding.

## **2. Solar Panel System**

Mgr. Lynch informed the Committee the District does not have enough space for wind turbines or solar panels. A small amount of solar panels would fit on the roof of the tool shed at the main plant, but Mgr. Lynch recently learned this would not produce enough energy to make much of a difference and be worth the cost. Sec. Brady would like to investigate the possibility of leasing the hillside behind the main plant for solar panels.

Sec. Brady added that Andy Pineda, an interested citizen, has been working on an energy reduction program for the District. In particular, he will be looking into the District's potential cost savings if we were to replace our blowers and diffusers with new, energy-saving technology. Sec. Brady suggested there might be a possibility PG&E would consider helping to subsidize this new technology since it would help the District significantly reduce its energy usage. Mr. Pineda is also an entrepreneur who has built an energy monitoring product; he would like to gauge the District's interest and ability in helping him test this product out at our facilities, to our mutual benefit.

### **a. Current CIP Priorities**

#### **1. Budget/Contingency Reserve**

Mgr. Lynch informed the Committee that the digester cover and the Paradise Cove package plant projects are both officially completed now. The 32 Eucalyptus 6" sewer main replacement project has been completed, as well, and the entire length of that sewer main has been completely replaced. Pacific Liner will start putting the CIPP liners in on March 16, 2009, for the full line replacement project.

The Committee discussed the capital improvement plans listed in the current 2008-2009 Budget for the 2009-2010 fiscal year. Mgr. Lynch noted he will work on updating this list as District staff prepares the 2009-2010 Budget.

### **b. Asset Management Project**

Sec. Brady started by saying the District currently does a good job with its capital improvement and maintenance programs. Pres. Wiley agreed that Mgr. Lynch has been doing great work in regards to this. However, Sec. Brady explained there is a big push from the Environmental Protection Agency to take a more disciplined approach to asset management. Mgr. Lynch added that our plant was built on federal grant money 25

years ago, and plants are only supposed to last about 20 years. The District will not be able to get federal grant money to rebuild the plant again. Therefore, the District's reserves need to be a lot higher than they are, in order to replace all the aging equipment we have.

Mgr. Lynch continued to say the District currently has a 10 year capital improvement plan, but the Sales Force approach Sec. Brady is proposing is more intense. Sec. Brady explained the Sales Force software would allow us to take a look at when we need to replace equipment based on economics, instead of intuition. The goal of using Sales Force for asset management is to be able to make better decisions using cost-benefit analyses and break-even curves (for continuing to make repairs versus replacing the equipment).

Furthermore, Sec. Brady is working on developing an application that would tie in an automated maintenance coordinator and QuickBooks with the Sales Force asset management application. To go along with this, the District could purchase a transcription service for maintenance and condition assessment reporting.

After much discussion, the Committee decided to move forward with purchasing the licenses from Sales Force for the asset management software, and hold off on implementing the maintenance coordinator application for now. The Committee would like to move one step at a time, especially since this was not a budgeted item for the 2008-2009 fiscal year.

**IV. ADJOURNMENT** at 9:55 a.m.

Recorded by Samantha Miller