

Claire McAuliffe, President
Corinne Wiley, Vice President

Catharine Benediktsson, Secretary
Casey Kawamoto, Director
Bill Brady, 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
Thursday, October 23, 2008 9:00 a.m.**

CALL TO ORDER at 9:01 a.m.

- I. ROLL CALL:** Directors, present: Claire McAuliffe, President
Casey Kawamoto, Director
- Staff, present: Robert L. Lynch, District Manager
Samantha Miller, Office/Finance Manager

II. PUBLIC COMMENTS: None

III. UNFINISHED BUSINESS:

a. Status Report on the following:

1. Paradise Cove Treatment Plant

Mgr. Lynch informed the committee that Team Ghilotti is currently putting in the outfall pipe. They are at 350 feet now, and the outfall pipe will ultimately go out 450 feet total. No part of the pipe will lie above the water. Team Ghilotti had to take part of the retaining wall down to get all the equipment down to put the outfall pipe in. Once that is completed, they will add the three feet to the retaining wall. Mgr. Lynch expects to be able to switch everything over at the end of November.

2. Digester Cleaning and Cover Replacement

Mgr. Lynch informed the committee that Redwood Painting had a short delay, so they will be coming on Monday, October 27th to put a tarp over the digester cover, and then sandblast, prime, and paint it. After it is painted, it needs to be tested to make sure there are no leaks. Redwood Painting estimated it will take two weeks to complete, but Mgr. Lynch thinks they can get it done in eight days. They are still a little ahead of schedule, and Mgr. Lynch expects the cover to be done in December.

The committee asked why the old digester cover failed. Mgr. Lynch thinks the problem was that it was a floating cover, so it kept getting wet, then dry, then wet, and so forth as it floated up and down in the digester. The atmosphere in the digester is very corrosive, and it is easier for a floating digester cover to fail. The new cover, however, is fixed and will always stay dry (unless it rains).

Mgr. Lynch advised the Board that we may have been able to prevent this cover replacement if we had had more preventative maintenance, enabling us to fix the leaks by adding more coatings to the old cover. We need to inspect the new cover more thoroughly and more often. Another advantage of a non-floating cover is that additional coatings can be added more easily, since it is not under water.

Mgr. Lynch added that our secondary digester cover is still a floating cover. We will inspect it next summer when it gets warm.

3. C.I.P. Matrix

The committee would like the CIP Matrix to include maintenance, as well as capital investments. Mgr. Lynch told the committee he has not had time to work on the CIP Matrix. He started looking at the software he would like to use, and he discovered it is only a sample. Jason Dow at Central Marin Sanitation Agency is the only one in the area that Mgr. Lynch knows is using this software; Jason Dow started working with it six months ago.

IV. NEW BUSINESS:

1. Pump Station No. 3 Tiburon – Generator Replacement

Mgr. Lynch explained to the Committee that the generator at Pump Station No. 3 in Tiburon is severely damaged. On October 17th, District maintenance staff found the generator to be making strange noises while in test mode, and on October 20th, Peterson Power & Generators surveyed the damage to the unit and discovered the windings (electrical wires) in the generator were burnt up. The engine and generator at Pump Station No. 3 are over 25 years old. The generators at the pump stations are serviced every other year, and the Main Treatment Plant Generator is serviced every year.

The committee asked whether the generator is repairable, or if it has to be replaced. Mgr. Lynch responded that the cost of repairing the generator would be about \$12,000, but then the engine could die in a couple years, as well, since it is also over 25 years old. If we replace the generator, the engine would be replaced, too. Mgr. Lynch estimated the cost of replacing the generator and engine to be about \$34,842.88. This exceeds the District Manager's \$25,000 spending authority of unbudgeted funds for emergency

purposes (as stated in the Board Policy and Procedure Finance Management Plan, adopted August 5, 2002 – Section 7: Emergency Expenditures). The Board Policy and Procedure also states the President of the Board is authorized to make emergency expenditures up to \$100,000. Mgr. Lynch requested the President of the Board's authorization and approval to replace the generator at the committee meeting so work could begin immediately and would not have to wait until the Board of Directors Meeting on November 3, 2008.

Mgr. Lynch explained that the generator at Pump Station No. 3 in Tiburon is a standby generator, so it runs the station if the power goes out. The Maintenance Manager has a contingency plan in place in case the power goes out before this generator is replaced. It will take about two to four weeks to replace the generator.

The Committee asked whether Peterson Power & Generators could check the District's other generators, as well. Mgr. Lynch confirmed this to be true. He explained that most all the other generators, engines, and control panels were done at the same time, more than 25 years ago. There are about 11 other pump station generators that are very old and could fail at any time. These would each cost about \$35,000 to \$40,000 to replace. Mgr. Lynch advised the Committee that the District should think about saving some money in reserves in case other pump station generators fail soon.

The Committee emphasized this is exactly why the District needs to take a good look at all capital expenditures and be prepared for them ahead of time. Capital expenditures are the District's largest expenses, and we need a proactive approach to capital improvement matters. The committee wants to see a solid strategy for all capital improvement matters that includes setting aside reserves. Mgr. Lynch added that no other small districts in Marin County put money away for future capital expenditures, but he agreed it is imperative. The committee explained the District could work on its capital improvement strategy slowly, starting with the Paradise Cove Treatment Plant, the Digester Cover, and now the Pump Station No. 3 generator that needs to be replaced. Life expectancy and scheduled routine maintenance should be included in this strategy.

The Committee agreed with Mgr. Lynch that the generator at Pump Station No. 3 should be replaced, rather than repaired. Pres. McAuliffe authorized and approved the District Manager to purchase a new standby generator for Pump Station No. 3 in the Tiburon Zone for an amount not to exceed \$35,000.

V. ADJOURNMENT at 9:54 a.m.

Recorded by Samantha Miller