

COASTAL CONSERVANCY

Staff Recommendation  
March 10, 2005

**Hamilton Wetland Restoration Project  
Novato Sanitary District Relocation**

File No 94-003  
Project Manager: Tom Gandesbery

**RECOMMENDED ACTION:**

Authorization to disburse up to \$1,300,000 to the Novato Sanitary District (NSD) for construction of relocated de-chlorination facilities, necessary to carry out the Hamilton Bel Marin Keys-Wetland Restoration Project.

**LOCATION:**

The site of the existing plant is on the Hamilton site in southeast Novato, along the western margin of the San Pablo Bay, Marin County. The new facilities will be at a new location, inland of the site, along Bel Marin Keys Boulevard (Exhibit 1).

**PROGRAM CATEGORY:** San Francisco Bay Area Conservancy

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**EXHIBITS**

Exhibit 1: Project Location and Site Maps

Exhibit 2: Previous Staff Recommendation, September 15, 2004

Exhibit 3: NSD Board Resolution and Mitigated Negative Declaration

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**RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes:

The disbursement of up to one million, three hundred thousand dollars (\$1,300,000) from funds encumbered under the Hamilton Wetland Restoration Project Cooperation Agreement (“PCA”), in accordance with the PCA, to the Novato Sanitary District

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(NSD) for the construction of replacement dechlorination facilities, subject to the following conditions:

1. Work may not commence until NSD has received written approval by the Executive Officer of the work program, including the project schedule, budget and selection of contractors.
2. All necessary permits are obtained.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

3. The proposed authorization is consistent with and will help carry out the Hamilton Wetlands Restoration Plan / Feasibility Report and its Environmental Impact Report/Environmental Impact Study, adopted and certified by the Conservancy on April 22, 1999, pursuant to Chapter 6 of Division 21 of the Public Resources Code, concerning the enhancement of coastal resources, and with the Project Cooperation Agreement; and with the final SEIR/EIS for the Bel Marin Keys Unit V Expansion of the Hamilton Wetland Restoration Project.
4. The proposed authorization is consistent with Chapter 4.5 of Division 21 of the Public Resources Code, establishing the San Francisco Bay Area Conservancy Program.
5. The proposed authorization is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
6. The Conservancy has independently reviewed and considered the Initial Study and Mitigated Negative Declaration adopted by the NSD on January 24, 2005 and attached as Exhibit 4 to the accompanying staff recommendation and finds that the project, as mitigated, avoids, reduces or mitigates any potential significant environmental effects such that there is no substantial evidence that the project will have a significant effect on the environment, as defined in 14 California Code of Regulations Section 15382.”

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### **PROJECT SUMMARY:**

The purpose of the project is to relocate the dechlorination plant that is located on the Hamilton Wetland Restoration Project Site. The purpose of the dechlorination plant is to remove chlorine from treated waste-water prior to discharge into San Pablo Bay. The plant, which is owned and operated by the Novato Sanitary District (NSD) is located on State Lands Property, a part of the restoration project. The plant is only operational in the wet season; otherwise in the dry season waste-water is disposed on spray fields located north of Novato Creek. The dechlorination plant

is located along the present bay shore, an area that one day will be restored wetland habitat (Exhibit 1-A).

### **Background**

The Hamilton Wetland Restoration Project is a nationally significant multiple-objective restoration project. When implemented, it will create over 1,000 acres of high functioning wetlands, provide habitat for endangered species and bridge a gap in the “ring of wetlands” planned for the North Bay, running between the Marin County shoreline eastward to Mare Island. The Hamilton project will also be a key step in implementation of a regional solution to the dredge disposal problem. Rather than being disposed of in the Bay, clean sediments will be used beneficially to construct the wetlands, thereby benefiting both the environment and the maritime and trade economy.

The Hamilton project was established to make use of sediments from various bay area dredging projects including the minus 50-foot navigation channel deepening at the Port of Oakland, also a project of the Corps of Engineers. As the non-federal sponsor of the wetland project, the Conservancy entered into a Project Cooperation Agreement (PCA) with the US Army Corps of Engineers spelling out cost sharing requirements for project implementation. The recommended action would provide for payment of a portion of the Conservancy’s share of project costs.

The Hamilton Wetland Restoration Project, as authorized by Congress in 1999, includes the 633 acre Hamilton Army Airfield, the 12.5 acre former Navy Ball Field site, and the 344-acre North Antenna Field site. The adjacent 1,600 acre Bel Marin Keys Unit V property is now under consideration by Congress for addition to the federally authorized Hamilton Wetland Restoration Project. With the addition of the Bel Marin Keyes parcel, the project will total 2,500 acres in size.

These properties were historically part of a large expanse of tidal salt marsh bordered by extensive mudflats along the western edge of San Pablo Bay in Marin County. The salt marsh habitat was drained when farmers constructed levees to permit agricultural use of the land. The airfield site was developed with runways, support structures, and a perimeter drainage collection ditch.

All three parcels are under state ownership; the Conservancy acquired the airfield in October 2003 and the Bel Marin Keys V in 2001. The design, feasibility and environmental compliance documents for the addition of the Bel Marin parcel to the project have been completed and approved by the Army Corps and are awaiting Congressional approval. When authorized by Congress, the combined project will result in creation of 2,500 acres of tidal and non-tidal wetlands, and will provide a beneficial reuse of up to 24,000,000 cubic yards of dredge material.

A summary of the project history is attached as Exhibit 3.

### **Proposed Project**

Staff recommends the Conservancy authorize a grant to the Novato Sanitary District to construct a new dechlorination facility to serve two existing sewage treatment facilities owned and operated by the NSD. As part of a large-scale infrastructure planning effort, the NSD concluded that it is more cost effective to replace the one dechlorination facility, currently located at

Hamilton, with one at each treatment plant. However, subsequent engineering and design work carried out by NSD this past fall (under a Conservancy grant; see previous Staff Recommendation attached as Exhibit 2) identified a more cost-effective approach. The new approach would entail construction of one facility where the wastewater lines from the two plants meet (Exhibit 1-B). The NSD plans to implement this design in the coming months. It is critical that the project begin construction in March in order to stay on schedule, as delays in this schedule could adversely impact construction activities of the Army Corps at the Hamilton Airfield. The project consists of building new facilities, and switching over the operation during the dry season when the plant is not operational. The plan is predicated on the existing plant becoming decommissioned by October of this year. NSD would then salvage any equipment left in the building and the Army Corps, as part the Hamilton wetland project, would demolish the building and remove the debris from the site.

Relocation of the dechlorination plant is a feature of the authorized Hamilton Wetland Restoration Project. Pursuant to federal law and Corps policy, relocations such as this are the sole responsibility of the nonfederal sponsor. The project cooperative agreement (PCA) allows the Conservancy to use project funds to carryout the relocation. The proposed authorization would authorize the NSD to draw from funds provided under the PCA to carry out the construction of new facilities.

**Site Description:**

A description of the wetlands project site is contained in the previous Staff Recommendation (Exhibit 2).

The approved Hamilton Wetland Restoration Plan calls for the removal of structures, the construction of perimeter levees around the landward boundary of the site, protection and/or relocation of the Novato Sanitary District's wastewater pipeline and dechlorination facility, importing clean dredge material to raise site elevations, constructing interior berms and peninsulas and finally, excavating a breach in the bayfront levee to restore tidal action to the site.

The dechlorination plant, owned and operated by the Novato Sanitary District, is located within the perimeter levee and is operated by the District. Pursuant to an NPDES permit, NSD pumps treated waste water from two treatment plants to the dechlorination facility before discharging it into San Pablo Bay. The proposed relocation of the dechlorination facilities to the treatment plants is necessary to allow wetland restoration construction to proceed. Once the equipment has been relocated, the current facility will be decommissioned and the small concrete building demolished as part of the project.

**PROJECT FINANCING:**

**Existing State Funding under the PCA for Hamilton Wetland Restoration Project:**  
(Previous Conservancy Authorization)

**\$14,648,406**

**Anticipated Expenditures this Year**

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*HAMILTON WETLANDS RESTORATION PROJECT-NSD RELOCATION*

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Nonfederal Cost Share [to Corps] <sup>1</sup>	\$1,666,000
<b>New Funding;</b> this Authorization	\$1,300,000
Previous Authorization (Sept.2004):	<b>\$0400,000</b>
<b>Total</b>	<b>\$3,366,000</b>

The expected source of funding for this project is the General Fund Appropriation for the Hamilton Wetland Restoration Project, Fiscal Year 2000.

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**CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:**

Implementation of the proposed project would advance the purposes of Division 21 of the Public Resources Code, by implementing a resource enhancement plan approved pursuant to Chapter 6, and by protecting and enhancing natural habitats within the San Francisco Bay Area pursuant to Chapter 4.5.

In its action to adopt the Hamilton Wetland Restoration Plan on April 22, 1999, the Conservancy found the project to be consistent with Chapter 6 of Division 21, including specifically sections 31252, 31258.5, and 31263.5. The Conservancy also determined the Hamilton Wetland Restoration Project to be consistent with Chapter 4.5 of the Division 21, establishing the San Francisco Bay Area Conservancy Program to address resource and recreational goals of the San Francisco Bay Area, in its action of June 25, 2001, pursuant to which the Conservancy has entered into a Project Cooperation Agreement with the Army Corps of Engineers for implementation of the wetland restoration project. The project remains consistent with the authority, purposes and objectives of Chapter 4.5 and Chapter 6 of Division 21.

**CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 5 Objective A**, the project would preserve, restore and enhance coastal wetlands critical to the San Francisco Bay region, both by acquiring interests in land and by facilitating the resolution of conflicts that impede efforts to conserve resources.

Consistent with **Goal 10 Objectives A and B** of the Conservancy's Strategic Plan, the proposed project will protect, restore and enhance natural habitats and connecting corridors, watersheds, and other open space resources of regional importance

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<sup>1</sup> The non-federal share was reported in the previous staff recommendation (September 2004) as \$1,250,000, based upon the draft federal budget. The project has since been appropriated more than the draft budget (6 million instead of 5 million) with a corresponding increase in the non-federal cost share. Additionally, pursuant to previous Board authorization for an amendment to the Conservancy's agreement with the Corps, the Conservancy may advance additional funds to the Corps this federal fiscal year in order to ensure that the Corps is able to meet the schedule for the project.

**CONSISTENCY WITH CONSERVANCY'S  
PROJECT SELECTION CRITERIA & GUIDELINES:**

In its June 25, 2001 authorization, the Conservancy found the Hamilton Wetland Restoration Project to be consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001. The present recommendation is also consistent with those Criteria and Guidelines, in the following respects:

**Required Criteria**

**Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.

**Consistency with purposes of the funding source:** See the "Project Financing" section above.

**Support of the public:** The project enjoys broad support from environmental, labor and industry [see previous Staff Recommendation, Exhibit 2]

**Need:** Relocation of the NSD dechlorination facility is a critical component of the approved Hamilton wetland project and the sole responsibility of the Conservancy as the project's non-federal sponsor.

**Additional Criteria**

**Urgency:** Relocation must occur this year in order to reduce liabilities to the Army Corps and Conservancy. The dechlorination plant requires weekly delivery of chemical via a tanker truck operated by the NSD. The route taken across the Hamilton site will become difficult to navigate and maintain. Additionally, the plant requires an uninterrupted electrical supply, currently provided by a buried line located in the outboard levee of Hamilton. It will become very difficult to ensure that the line remains functional as the Army Corps progresses in the construction and flooding of the site.

**Leverage:** Under the PCA, the Conservancy is responsible for paying the cost of dechlorination facility relocations, which costs are credited to its 25% nonfederal share of total project costs. The Army Corps of Engineers will pay 75% of total project costs.

**Readiness:** The District has completed the design and CEQA documents and is ready to begin construction. The District has bid the construction work, contingent upon the Conservancy's grant.

**Cooperation:** The District has been very responsive to the Conservancy during the previous grant.

**CONSISTENCY WITH SAN FRANCISCO BAY PLAN:**

The project will assist in the implementation of BCDC's San Francisco Bay Plan which contains policies to protect and restore marshes and mudflats (pages 9 and 1012): "Marshes and mudflats should be maintained to the fullest possible extent to conserve fish and wildlife and to abate air and water pollution." And ". . . the quality of existing marshes should be improved by appropriate measures wherever possible." And Fish and Wildlife policy (Page 7, Policy 1) ". . . to the greatest extent possible, the remaining marshes and mudflats around the Bay . . . should be maintained." The project would also be consistent with the Bay Plan dredging policies (pages

21-22) that promote the use of dredged material as a resource and specifically policy 4 that states: "To ensure adequate capacity for necessary Bay dredging projects and to protect Bay natural resources, acceptable non-tidal disposal sites should be secured and designated. Further, disposal projects should maximize use of dredged material as a resource, such as creating, enhancing, or restoring tidal and managed wetlands. . . ."

**COMPLIANCE WITH CEQA:**

The Novato Sanitary District is the lead agency under CEQA for the relocation. The dechlorination relocation project is not expected to have any negative impacts on the environment. The NSD Board of Directors adopted a mitigated negative declaration for the new facility on January 24, 2005. The NSD Board's resolution adopting the CEQA document as well as a the Initial Study and Mitigated Negative Declaration are attached as Exhibit 4. The NSD has adopted mitigation measures for the project that concern possible impacts from construction activities. The activities at issue are temporary in nature, as this will be a small-scale construction project carried out in an undeveloped area. The recommended mitigation is described in the attached Mitigated Negative Declaration. Staff recommends that the Conservancy concur in finding there is no substantial evidence that the project, as mitigated, will have an adverse impact on the environment. Staff will file a Notice of Determination upon approval.