AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 24-0003

AUTHORIZATION TO ACCEPT AND EXPEND FEDERAL AVIATION ADMINISTRATION AIRPORT INFRASTRUCTURE GRANT FUNDS IN THE AMOUNT OF UP TO $90,972,120 FOR THE RECYCLED WATER SYSTEM PROJECT, PLUS ADDITIONAL AMOUNTS UP TO 15% OF THE ORIGINAL GRANT AMOUNT THAT MAY BE OFFERED

WHEREAS, the Bipartisan Infrastructure Law, enacted on November 15, 2021, provides approximately $25 billion in federal funding for the National Aerospace System over a five-year period; and

WHEREAS, approximately $15 billion has been provided for grants for airport infrastructure projects; and

WHEREAS, the Federal Aviation Administration (FAA) has established the Airport Infrastructure Grants (AIG) program to administer this funding; and

WHEREAS, an airport improvement project to be implemented at San Francisco International Airport (Airport) is eligible for federal assistance under the FAA AIG; and

WHEREAS, the proposed project is the Recycled Water System Project; and

WHEREAS, the AIG reimburses up to 75% of the eligible airport infrastructure project costs; and

WHEREAS, the Airport Director filed a grant application to seek federal assistance, in an amount up to $90,972,120, under the AIG for the proposed project; now, therefore, be it

RESOLVED, that upon receipt by the Airport of an AIG Grant Offer from the FAA for the Recycled Water System Project, the Airport Commission authorizes the Airport Director to accept and expend the grant funds in an amount of up to $90,972,120 during Federal Fiscal Year 2024 or such later Federal Fiscal Year, plus additional amounts up to 15% of the original grant amount that may be offered, as determined by the Airport Director based on the project implementation schedule, and to execute the related grant agreement; and, be it further

RESOLVED, that the Commission Secretary, for and on behalf of and in the name of the Airport Commission, is authorized and directed to seek approval from the San Francisco Board of Supervisors to accept and expend the grant funds under Section 10.170-1 of the San Francisco Administrative Code.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of JAN 16 2024

Secretary

SFO

San Francisco International Airport

MEMORANDUM

January 16, 2024

TO: AIRPORT COMMISSION
Hon. Malcolm Yeung, President
Hon. Everett A. Hewlett, Jr., Vice President
Hon. Jane Natoli
Hon. Jose F. Almanza
Hon. Mark Buell

24-0003
JAN 16 2024

FROM: Airport Director

SUBJECT: Authorization to Accept and Expend Federal Aviation Administration Airport Infrastructure Grant Funding in an Amount up to $90,972,120 for the Recycled Water System Project

DIRECTOR'S RECOMMENDATION: AUTHORIZE THE ACCEPTANCE AND EXPENDITURE OF FEDERAL AVIATION ADMINISTRATION AIRPORT INFRASTRUCTURE GRANT FUNDS IN THE AMOUNT OF UP TO $90,972,120 FOR THE RECYCLED WATER SYSTEM PROJECT, PLUS ADDITIONAL AMOUNTS UP TO 15% OF THE ORIGINAL AMOUNT THAT MAY BE OFFERED.

Executive Summary

In Federal Fiscal Year (FFY) 2024, the San Francisco International Airport (Airport) applied for Federal Aviation Administration (FAA) Bipartisan Infrastructure Law (BIL) Airport Infrastructure Grant (AIG) funds for the Recycled Water System Project (Project). The proposed resolution authorizes the acceptance and expenditure of AIG grant funds of up to $90,972,120 for the Project, plus additional amounts up to 15% of the original grant amount that may be offered.

Background

The BIL, enacted on November 15, 2021, provides approximately $25 billion in federal funding for the National Aerospace System, of which approximately $15 billion has been provided for grants for airport infrastructure projects, including runways, taxiways, safety, sustainability, terminals, airport-transit connections, and roadway projects. The FAA has established the AIG to administer this funding over a five-year period with approximately $3 billion in AIG funds available annually to eligible U.S. airports. The BIL allocates the available funding into two programs: formula allocations (AIG Allocated) and competitive grants for sponsor-owned contract towers (FAA Contract Tower Competitive).

The AIG reimburses up to 75% of eligible airport infrastructure project costs.

THIS PRINT COVERS CALENDAR ITEM NO. 3

Scope of Work

The Project would construct a new Advanced Water Treatment Plant (AWTP) at the Airport's Mel Leong Treatment Plant capable of treating effluent from both the existing industrial waste treatment plant and the sanitary waste treatment plant to standards required for non-potable water reuse. These uses include landscape irrigation, toilets, car washes, and industrial applications. The AWTP capacity will be scalable to meet current and future demands for recycled water. In addition, the Project will provide advanced treatment to remove polyfluoroalkyl substances (PFAS).

The Project would also construct a distribution system consisting of a 200,000-gallon storage tank at the AWTP to collect the recycled water, a pump station, approximately three miles of underground pipeline, and valved connections to buildings piped with dedicated non-potable water pipe, i.e. purple pipe. The Project would also make connections to industrial and landscaping facilities equipped with purple pipe. For future expansion of the Airport campus, the Project would provide connection points to the recycled water system.

Additional Authorization

Approval of the San Francisco Board of Supervisors (Board) is required to accept and expend grants of this type in an amount of $100,000 or more.

The Airport has not yet received Board approval to accept and expend the AIG funding. If approved by the Commission, the Airport will seek the approval of the Board to accept and expend federal grant funds in the amount of up to $90,972,120 for the Project.

Recommendation

I recommend the Commission adopt the attached resolution authorizing the acceptance and expenditure of FAA Airport Infrastructure Grants funds in the amount of up to $90,972,120 for the Recycled Water System Project, plus additional amounts up to 15% of the original grant amount that may be offered. Staff will return to the Commission if the final grant offer exceeds 15% of the original grant amount. I further recommend that the Commission authorize the Commission Secretary to seek approval from the Board of Supervisors to accept and expend the grant under Section 10.170-1 of the San Francisco Administrative Code.

Ivar C. Satero
Airport Director

Prepared by: Kevin Bumen
Chief Financial and Commercial Officer

Attachment