

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 14-0252

AUTHORIZATION TO ACCEPT AND EXPEND CALIFORNIA DEPARTMENT OF WATER RESOURCES PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT GRANT IN THE AMOUNT OF \$750,000 AND TO ENTER INTO A LOCAL PROJECT SPONSOR AGREEMENT WITH THE ASSOCIATION OF BAY AREA GOVERNMENTS FOR USE AND ADMINISTRATION OF THE GRANT FUNDS

WHEREAS, the Airport's Contract No.8427C.66, Design-Build Services for the Mel Leong Treatment Plant Upgrades Project, which will provide for improvements to the Industrial Wastewater Treatment Facility and build a new recycled water facility, will be competitively bid in early 2015; and

WHEREAS, the Airport and several of the participating municipalities in the San Francisco Bay Area jointly submitted a grant application through the Association of Bay Area Governments (ABAG) for consideration in a California Department of Water Resources (DWR) Proposition 84 Integrated Regional Water Management (IRWM) Grant; and

WHEREAS, on February 4, 2014, DWR conditionally awarded to ABAG a grant of \$20,000,000 in state funding to 18 local project sponsors, of which \$750,000 was awarded to the San Francisco International Airport for the Mel Leong Treatment Plant (MLTP) Reclaimed Water Facility; and

WHEREAS, on July 22, 2014, by Resolution 14-0152, the Commission adopted the 2013 San Francisco Bay Area IRWMP to fulfill the prerequisite requirement for receiving California DWR Grant Funding for the MLTP Reclaimed Water Facility; and

WHEREAS, on July 16, 2014, DWR and ABAG entered into Agreement No. 4600010575 for implementation of the \$20,000,000 in state Proposition 84 Round 2 IRWM grant funding to ABAG for 18 local projects, including the Airport's MLTP Reclaimed Water Facility; and

WHEREAS, this grant will partially fund a portion of the work associated with the MLTP Reclaimed Water Facility, and would enable the future distribution and use of recycled water throughout the Airport; and

WHEREAS, ABAG will administer the grant and enter into Local Sponsor Agreements with each sub-recipient, including the Airport Commission; now, therefore, be it

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RESOLVED, that this Commission hereby authorizes the Director to accept the California Department of Water Resources Proposition 84 Integrated Regional Water Management Grant funds in the amount of \$750,000 and expend these grant funds on the San Francisco International Airport Mel Leong Treatment Plant Reclaimed Water Facility in compliance with DWR's agreement with the Association of Bay Area Governments and, upon execution, the Local Project Sponsor Agreement between the Commission and the Association of Bay Area Governments, and in accordance with the Commission's established procedures; and, be it further

RESOLVED, that this Commission hereby authorizes the Director to enter into a Local Project Sponsor Agreement with the Association of Bay Area Governments for use and administration of the grant funds; and, be it further

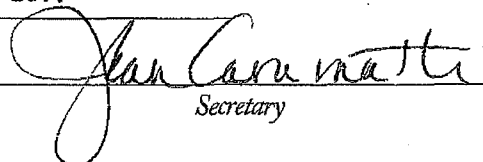
RESOLVED, that this Commission directs the Commission Secretary to seek Board of Supervisors' approval for the Airport to accept and expend the California Department of Water Resources Grant of \$750,000, in conformance with San Francisco Administrative Code Section 10.170-1.

Page 2 of 2

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

at its meeting of _____

DEC 16 2014


Secretary



San Francisco International Airport

MEMORANDUM

December 16, 2014

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenlime
Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Authorization to Accept and Expend the California Department of Water Resources Proposition 84 Integrated Regional Water Management Grant in the Amount of \$750,000 and to enter into a Local Project Sponsor Agreement with the Association of Bay Area Governments for Use and Administration of the Grant Funds

DIRECTOR'S RECOMMENDATION: AUTHORIZE THE DIRECTOR TO ACCEPT AND EXPEND THE CALIFORNIA DEPARTMENT OF WATER RESOURCES PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT GRANT IN THE AMOUNT OF \$750,000 AND ENTER INTO A LOCAL PROJECT SPONSOR AGREEMENT WITH THE ASSOCIATION OF BAY AREA GOVERNMENTS FOR USE AND ADMINISTRATION OF THE GRANT FUNDS

Executive Summary

Transmitted herewith for your approval is a proposed Resolution authorizing the Director to accept and expend a grant in the amount of \$750,000 from the California Department of Water Resources (DWR) and enter into a Local Project Sponsor Agreement with the Association of Bay Area Governments (ABAG) for use and administration of the grant funds for the San Francisco International Airport (Airport) Reclaimed Water Facility.

The Airport was awarded a grant from DWR under the Integrated Regional Water Management Program (IRWMP) to construct a recycled water facility at the Airport's Mel Leong Treatment Plant (MLTP) that would enable the future distribution and use of recycled water throughout the Airport. DWR awarded grant funds in the amount of \$750,000. These funds will assist with funding the construction of the recycled water facility at the MLTP. The Airport is one of 18 other agencies (public entities, cities and municipalities) that received funding under this grant. The grant will be administered by ABAG.

Background

In 2013, the Airport jointly submitted a grant application to the Proposition 84 Round 2 Implementation Grant Solicitation committee to attain funds for the recycled water facility improvements at the MLTP. The grant application, San Francisco Bay Regional Enhancement Program, was submitted to the DWR along with 18 other local projects from various municipalities in nine counties, by ABAG. On July 16, 2014, DWR and ABAG entered into

THIS PRINT COVERS CALENDAR ITEM NO. 3

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE LARRY MAZZOLA LINDA S. CRAYTON ELEANOR JOHNS RICHARD J. GUGGENHIME PETER A. STERN JOHN L. MARTIN
MAYOR PRESIDENT VICE PRESIDENT AIRPORT DIRECTOR

Agreement No. 4600010575, awarding ABAG a grant for \$20,000,000 in state funding to 18 local project sponsors, of which \$750,000 was awarded to the Airport's MLTP Recycled Water Facility. ABAG will be administering the grant and entering into Local Project Sponsor agreements with each subrecipient, including the Airport.

On July 22, 2014, by Resolution No. 14-0152, the Commission adopted the 2013 San Francisco Bay Area Integrated Regional Water Management Plan as a prerequisite requirement for receiving California DWR Grant funding.

Staff has reviewed the Agreement between DWR and ABAG (DWR-ABAG Agreement) and the Local Project Sponsor (LPS) Agreement between ABAG and the Airport (LPS Agreement). The obligations under the DWR-ABAG Agreement relating to the projects are passed through to the subrecipients in the local project sponsor agreements with ABAG. The LPS Agreement will require, among other obligations, the following:

- The Airport will be responsible for implementing the Project and will require the Airport to continue the operation and maintenance of the Project.
- The Airport will be required to adhere to specific reporting and monitoring provisions pre-, during and post-construction. These requirements will be executed by the Project team.
- The Airport will be required to fund the difference between the total project cost and the grant amount, for a total cost share of \$5,285,847 (required matching funds of \$1,964,847 and \$3,321,000 additional cost share) by the Airport to be expended over the period of September 30, 2008 until December 31, 2018 when the lengthiest project is expected to be completed. The amount allocated in the Airport's Capital Plan exceeds this amount.
- ABAG administrative costs are included in the grant; however, in the event that there are exceedences in this amount, the Airport may be required to contribute up to and no more than \$2,812.50 for its share of exceedences.
- Eligibility to receive grant funding requires the Adoption of the Integrated Regional Water Management Plan which the Commission adopted on July 22, 2014.
- Since the DWR-ABAG Grant Agreement covers all 18 projects receiving grant funding, each sponsor will be a beneficiary of every other local project sponsor agreement entered into between ABAG and the individual subrecipients under the DWR-ABAG Agreement. Each party also will agree to indemnify and hold harmless all of the others from liability resulting from that party's acts or omissions relating to their respective project and in the case of ABAG, also from its grant administration.

Pursuant to the San Francisco Administrative Code Section 10.170-1, The San Francisco Board of Supervisors must approve by Resolution the acceptance and expenditure of state grant funds in the amount of \$100,000 or more.

The Airport intends to make major improvements at the MLTP under Airport contract 8427C.66, Design-Build Services for the MLTP Upgrades Project, which will be bid in early 2015. The scope of work for this project includes replacing a failing industrial waste treatment facility, as well as construction of a new recycled water facility. The existing facility has been used solely for irrigation and wash water. This new recycled water facility will produce Title 22 recycled water that can be used at multiple locations throughout the Airport, for such uses including car

washing, cooling tower make-up water and lavatory flushing in the terminals. The scope of work related specifically to constructing a new recycled water facility is estimated to cost \$6,000,000. The \$750,000 State Grant will partially fund the portion of work associated with the new recycled water facility.

Recommendation

Based on the above, I recommend that the Commission approve the proposed Resolution and authorize the Director to accept and expend California DWR Grant Funds in the amount of \$750,000 for the new Recycled Water Facility at the Mel Leong Treatment Plant and to enter into a Local Project Sponsor Agreement with the Association of Bay Area Governments. I further recommend that the Commission direct the Commission Secretary to seek the approval of the Board of Supervisors pursuant to San Francisco Administrative Code Section 10.170-1 for acceptance and expenditure of the grant funds.



John L. Martin
Airport Director

Prepared by: Geoffrey W. Neumayr
Deputy Airport Director
Design and Construction

Attachment

Mel Leong Treatment Plant

Recycle Water Facility



MEL LEONG TREATMENT PLANT