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Title: Actions pertaining to the WaterSMART Grant Application for the Airport Satellite Water Reclamation Project (Council District 4 and Fresno County):

1. ***RESOLUTION - Authorizing an application to the United States Department of Interior, Bureau of Reclamation for a Title XVI Water Recycling Projects under the WIIN Act grant funding opportunity for FY18 for the Airport Satellite Water Reclamation Plant (Subject to Mayor's veto)
2. Authorize the Director of Public Utilities or designee(s) to execute all application documents on behalf of the City

Sponsors: Department of Public Utilities

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Attachments: 1. Reso SRWF Grant.pdf

Date	Ver.	Action By	Action	Result
8/31/2017	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

August 31, 2017

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

THROUGH: MICHAEL CARBAJAL, Planning Manager
Department of Public Utilities - Utilities Planning & Engineering

BY: KEVIN L. NORGAARD, PE, Supervising Professional Engineer
Department of Public Utilities - Utilities Planning & Engineering

SUBJECT

Actions pertaining to the WaterSMART Grant Application for the Airport Satellite Water Reclamation Project (Council District 4 and Fresno County):

1. ***RESOLUTION - Authorizing an application to the United States Department of Interior, Bureau of Reclamation for a Title XVI Water Recycling Projects under the WIIN Act grant funding opportunity for FY18 for the Airport Satellite Water Reclamation Plant (Subject to Mayor's veto)
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RECOMMENDATION

Adopt a resolution authorizing an application to the Department of the Interior, Bureau of Reclamation (USBR), for a WaterSMART: Water and Energy Efficiency Grant in the amount of \$2,404.150 towards the planning and design of the Airport Satellite Water Reclamation Project; and Authorize the Director of Public Utilities or designee(s) to execute all application documents on behalf of the City of Fresno.

EXECUTIVE SUMMARY

The 2013 Recycled Water Master Plan (RWMP) and Sewer System Management Plan (SSMP), identify the needs for recycled water and sewer system capacity upgrades in the vicinity of the Fresno Yosemite International (FYI) Airport. Department of Public Utilities (DPU) completed a feasibility study for the Airport Satellite Water Reclamation Project in May of 2016. To help reduce project planning and design costs, a WaterSMART grant is being pursued. Adoption of the resolution is needed to demonstrate to the Bureau of Reclamation the application is authorized by City Council and authorizes the Director of Public Utilities to execute application documents.

BACKGROUND

The RWMP and SSMP identify the needs for recycled water and sewer system capacity upgrades in the vicinity of the FYI Airport. The RWMP set a goal of recycling 25,000 acre-feet of water by the year 2025. In addition to the need for potable water offsets with recycled water, the sewer collection system has identified capacity deficiencies that will be eliminated by the construction of a scalping plant in the vicinity of the Airport. By relieving the capacity constraint in the contributory areas future development will not require the installation of additional larger sewer pipelines.

DPU completed a feasibility study for the Airport Satellite Water Reclamation Project in May of 2016. Based upon the feasibility study, DPU is currently negotiating a contract for planning and design of the project which is estimated to cost approximately \$10.2 million. The project will consist of a water reclamation facility located on the eastern boundary of the FYI Airport, as well as sewer diversion structures, sewer forced mains, recycled water distribution mains and recycled water pump stations. This project will have the potential to provide over 5,000 acre-feet of recycled water per year. A site for the Airport Satellite Water Reclamation Facility has been identified and DPU has negotiated a property lease with the FYI Airport subject to Council approval.

There are numerous identified potential users for recycled water in this area including California State University Fresno, golf courses, schools, City owned recharge basins, and farm land. If this project does not move forward to supply the Airport area users with recycled water, the City would need to pump recycled water from the RWRF which is more than 15 miles away with an elevation gain of just over 85 feet. It is economically advantageous to capture, treat, and distribute the water in the Airport area.

On July 17, 2017, the USBR published a funding opportunity announcement for water recycling projects. The grant application deadline was on August 17, 2017. This WaterSMART federal grant does have a requirement that the City provide qualified matching funds in the amount of 75%. The grant application has been submitted and will not be deemed complete unless the subject Resolution is approved. The Resolution must be approved no more than 30 days after the grant application

deadline. The City Attorney's Office has reviewed the proposed resolution and approved it as to form.

ENVIRONMENTAL FINDINGS

The submission of a grant application is not a project for the purposes of the California Environmental Quality Act.

LOCAL PREFERENCE

Local Preference is not applicable since this action does not pertain to a bid or an award of a City contract as defined in the Fresno Municipal Code Sections 4-108 and 4-109.

FISCAL IMPACT

This project, which is located in Council District 4 and portions of Fresno County, will have no financial impact on the General Fund. This project is identified in the Wastewater Management Division Capital Improvement Budget and current rate structure. The Sewer Enterprise Fund FY18 budgeted amount, \$10,513,000, is sufficient for the 75% matching funds required by the USBR grant. Future project construction costs may come from a combination of Sewer Enterprise Funds, State Revolving Fund Low Interest Loans, issuance of revenue bonds, and potential grants funds.

Attachment: Resolution