



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 8/11/2020

Agenda Placement: 6E

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Airport

REPORT BY: Kathy Wagenknecht, Staff Services Analyst II - 259-8683

SUBJECT: Approval of Budget Transfer relating to the Non-Federal Reimbursable Agreement with the Federal Aviation Administration

RECOMMENDATION

Director of Public Works requests approval of Budget Transfer No. AIR001 increasing appropriations by \$273,604 in the Airport CIP budget (Program 18014 - Runway 18R/36L Rehabilitation Project) with use of its available fund balance to reimburse the Federal Aviation Administration (\$100,051) and to transfer remaining project funds to the Airport Operations budget in order to close out the runway rehabilitation project (\$173,553). (4/5 vote required)

EXECUTIVE SUMMARY

On June 12, 2018, the Board approved Amendment No. 1 to the Reimbursable Agreement with the Federal Aviation Administration (FAA) to enable the FAA to perform required engineering activities, technical consultation (flight checks), and construction oversight in support of the Airport's runway rehabilitation project. Although it was necessary for the airport to make advance payments totaling \$178,501 to the FAA for this project, 90% the final costs were to be reimbursed through an FAA Grant.

On August 16, 2018, a grant offer (AIP No. 39) was received for \$160,650 which was 90% of the total projected project cost of \$178,501. The airport received grant payments from October, 2018 through September, 2019 in the amount of \$144,585 through Delphi, the FAA's electronic payment system.

In April, 2020 the Airport received the final statement from FAA Engineering Services showing that the total project cost was only \$49,483.33 instead of the original estimated amount of \$178,501 and the Airport received a refund of \$129,017.67 from the FAA's Reimbursable Project Team.

Approval of the requested budget transfer will allow the airport to return the unused portion of AIP No. 39

grant funds to the FAA that were drawn down through the Delphi system. The amount to reimburse the FAA (\$100,051) is comprised of \$144,585 previously received by the airport less 90% of the actual project cost, or \$44,534. It will also allow the airport to return remaining CIP funds in the amount of \$173,553 to the Airport's Operation subdivision so that the project can be closed out.

The proposed budget transfer does not result in any additional costs to the airport that were not already contemplated within the Board approved Reimbursable Agreement with the FAA.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	The total projected project cost of the original agreement combined with Amendment No. 1 was \$178,501. Grant Agreement 3-06-01621-039-2018 for \$160,650 (90% of the total project cost) was received on August 16, 2018. From October 26, 2018 through September 3, 2019, the Airport received a total of \$144,585 through the FAA grant. During the close-out phase of the project, a statement from the FAA was received showing that the total cost of the project was only \$49,483.34. The Airport is eligible to receive 90% of the total project cost (\$44,534). Therefore, the Airport is now requesting to reimburse the FAA \$100,051 which represents the difference between the amount previously received (\$144,585) and the actual eligible amount (\$44,534) that the Airport is entitled to receive. The budget transfer will also transfer \$173,553 from the project to the Airport's Operation subdivision, thus allowing the project to be closed out.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This project was required by the Federal Aviation Administration to provide required construction oversight, inspection, and technical consultation including flight checks for FAA owned and maintained facilities, equipment, and infrastructure impacted by the Runway 18R/36L rehabilitation project.
Is the general fund affected?	No
Future fiscal impact:	None
Consequences if not approved:	The County would be in violation of the grant agreement with the FAA and would not be able to close out the project, which is complete.
County Strategic Plan pillar addressed:	Effective and Open Government
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of

Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

On May 22, 2018 the Board awarded a construction contract contingent upon a FAA grant to accomplish the Runway 18R/36L rehabilitation project. On October 24, 2017, Airport staff obtained Board approval for an agreement and pre-payment to allow the FAA to perform preliminary engineering support of the project design (drawings, plans, specifications), with respect to FAA owned and maintained facilities. That first phase of work was completed and on June 12, 2018. Amendment No. 1 was approved for the FAA to perform the necessary field work such as required construction oversight, inspection, and testing (including actual flights to test affected navigational aides) for infrastructure owned by the FAA. In order for the FAA's Engineering and Technical Operations Staff to perform the necessary work in support of the project, payment of the entire cost estimate was made in advance of their work. On August 16, 2018 the FAA issued AIP Grant 39 to fund 90% of the final costs associated with the Reimbursable Agreement.

The original project cost provided by the FAA was \$178,501 and the corresponding grant offer was \$160,650 which is 90% of the total projected cost. Funds were made available on Delphi, the FAA's electronic payment system. From October, 2018 through September, 2019 the Airport received payments totaling \$144,585. Later, a statement received from the FAA showed that the final project cost was only \$49,483. The amount eligible for reimbursement was 90% of the total cost, or \$44,534. This budget transfer is a reconciliation of grant funds and does not result in any additional costs to the Airport that were not already contemplated within the 2018 Board approved Reimbursable Agreement with the FAA.

Approval of the requested budget transfer will allow the Airport to reimburse the FAA in the amount of \$100,051 which is the difference between the amount previously received in 2019 (\$144,585) less the updated eligible amount (\$44,534) in order to complete the project close-out process with the FAA. It will also allow the Airport to transfer remaining project funds in the amount of \$173,553 to the Airport's operating subdivision and close out the project.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Mary Booher