LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 6.21**

DATE: September 14, 2026

TO: Honorable Mayor and City Council

FROM: Benny Stuth, Airport Manager

SUBJECT: Resolution authorizing the City Manager to execute a Grant Agreement with the Federal Aviation Administration (FAA) accepting $301,550 to update the Electric Master Utility Plan (Utility Plan) and appropriate the necessary funds to complete the project.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution to:

1. Authorize the City Manager, or designee, to accept and execute the FAA Airport Infrastructure Grant Agreement, in substantial conformance with the sample grant agreement;
2. Appropriate $301,550 in FAA grant funds to Capital Improvement Project AR202720 for the Electric Master Utility Plan;
3. Appropriate $30,874 from the Livermore Municipal Airport Enterprise Fund to Capital Improvement Project AR202720 to satisfy the required local match and provide for additional project budget flexibility; and,
4. Authorizes the City Manager to take whatever actions are necessary and appropriate to carry out the purpose and intent of this resolution, including making minor changes to the grant funding documents.

SUMMARY

The Livermore Municipal Airport (Airport) is a public-use airport owned and operated by the City of Livermore (the Airport Sponsor). The City of Livermore undertakes routine capital infrastructure and planning projects to maintain the airport and keep it operational, and the FAA regularly provides grant monies to local airports for such infrastructure and planning projects. Completing the Utility Plan will assist the Airport in understanding its electrical needs for the next 10 years by assessing the Airport's existing electrical infrastructure, projecting future demand based on a series of potential development considerations and operational conditions, and identifying what improvements may be needed. The FAA has awarded the City $301,550 to complete the Utility Plan, but requires the City to enter into a Grant Agreement and provide matching funds. Staff proposes to meet the matching requirement through Airport Enterprise Fund appropriations. The FAA grant would cover 95% of Utility Plan costs, while local match would cover five percent plus additional funding if necessary to complete the project. If the grant is

accepted by the anticipated September 15 deadline, the City will remain eligible to receive the awarded funds. The Grant Agreement is not a project under CEQA, would not cause any significant fiscal or administrative impacts.

DISCUSSION

Airport Infrastructure Grant Program and Utility Plan

The Livermore Municipal Airport is a public-use airport owned and operated by the City of Livermore (the Airport Sponsor). The City of Livermore undertakes routine capital infrastructure and planning projects to maintain the Airport and plan for future development. The FAA provides grant monies to eligible airports for infrastructure and planning projects through the Airport Infrastructure Grant (AIG) program.

The Utility Plan will assess the Airport's existing electrical infrastructure and project future electrical demand over the next 10 years based on a series of potential development considerations and operational conditions. The project will identify improvements necessary to meet anticipated future demand and develop a 10-year strategy identifying what electrical utility improvements may be needed, when they should occur, and how they might be funded.

The Utility Plan will include coordination with the City of Livermore, Airport users and tenants, the electric utility, parties that have expressed interest in making improvements or developing at the Airport, and the surrounding community. The project will consider the Airport's grant obligations, existing FAA investments and assets on Airport property, FAA design standards, relevant FAA orders and policy, and land use compatibility guidance associated with planning for infrastructure improvements.

Selection and Grant Requirements

Airport capital projects are identified and prioritized annually through the FAA's Airport Capital Improvement Program (ACIP) process and must be approved by the FAA before becoming eligible for AIG funding. On May 28, 2026, the FAA notified the City that funding for the Utility Plan could be available during the current funding cycle if a complete grant application was submitted by July 20, 2026. Due to the limited application window, staff expedited preparation and submittal of the grant application to preserve the City's opportunity to receive federal funding.

The City submitted its grant application on July 20, 2026. Following review of the application, the FAA notified the City that the project had been selected for a $301,550 grant award, representing ninety-five percent (95%) of eligible project costs. In order to receive the grant funds, the City must:

1. Program the project into the local Capital Improvement Plan (CIP);
2. Provide the required local funds match;
3. Enter into a Grant Agreement by the acceptance deadline established by the FAA, as authorized by the local legislative body; and,
4. Agree to the applicable FAA Grant Assurances.

On July 27, 2026, the City Council approved the addition of the Utility Plan to the City's Five-Year CIP under Capital Improvement Project AR202720, which also included a separate project, the Airport Layout Plan Update with Narrative Report. Subsequent to that Council action and submission of the original grant application, the FAA requested that the projects identified in Capital Improvement Project AR202720 be separated into two distinct grant applications and grant awards: one for the Airport Layout Plan Update with Narrative Report, including the AGIS Obstruction Survey and environmental baseline studies, and a second for the Utility Plan. The FAA did not require the City to similarly separate the locally approved Capital Improvement Project. Accordingly, both FAA grant awards will remain under Capital Improvement Project AR202720, with separate sub-fund codes established to independently track revenues and expenditures associated with each grant.

The Grant Agreement must be signed by the acceptance deadline specified by the FAA to remain eligible for funding. Based on information provided by the FAA, the acceptance deadline is anticipated to be prior to the end of the federal fiscal year, September 30, 2026. Failure to accept and execute the FAA grant award on time will delay the project until the next federal funding cycle, resulting in an approximate one-year delay to the Utility Plan. Such a delay would postpone the electrical infrastructure planning necessary to support future Airport improvements and could impact the Airport's overall capital improvement schedule.

Next Steps

The City has not yet received the Grant Agreement, and, based on correspondence with the FAA, staff believes the Grant Agreement may not be received until several days before the submission deadline. To prepare for this, Airport staff has provided a sample Grant Agreement (Exhibit A to the Resolution) for advance review of the FAA's standard grant language. FAA grant awards are issued using the FAA's standard Grant Agreement and are not subject to negotiation or modification by the City, so the sample agreement serves as a useful proxy for the final agreement. Should the Grant Agreement be transmitted in time, it will be added as supplemental material.

Upon receipt, Airport staff will provide the Grant Agreement to the City Attorney's Office and the Administrative Services Department for legal and financial review. Following completion of the legal and financial review and City Council approval of the grant resolution, the City Manager, or designee, would execute the Grant Agreement.

The required local match and additional project funding will be provided through the Livermore Municipal Airport Enterprise Fund. This funding opportunity will enable the Livermore Municipal Airport to utilize available federal AIG funds while completing necessary electric utility planning.

ENVIRONMENTAL CONSIDERATION

The acceptance of FAA grant funds and appropriation of those funds to prepare the Utility Plan does not constitute a project under the California Environmental Quality Act (CEQA) Section 21065 and CEQA Guidelines Section 15378. The appropriation of funds for preparation of the Utility Plan does not have the potential for resulting in either a direct or a reasonably foreseeable indirect physical change to the environment. Therefore, no environmental review under CEQA is required.

FISCAL AND ADMINISTRATIVE IMPACTS

Funding for the project is anticipated to consist of FAA AIG funds and Airport Enterprise Funds. As shown in the table below, total project costs are estimated to be $332,424 with $30,874 in Airport Enterprise Funds (Fund 600) and $301,550 in Federal Grant Funds (Fund 601). The proposed Airport

Enterprise Fund appropriation includes an additional $15,003 above the minimum required local match to provide for project budget flexibility during project implementation, if needed.

Fund	FY 25/26	FY 26/27	FY27/28	FY 28/29	FY 29/30	FY 30/31	Total
Airport Enterprise Fund (600)	0	$30,874	0	0	0	0	$30,874
Federal Grant - Airport (601)	0	$301,550	0	0	0	0	$301,550
Total	0	$332,424	0	0	0	0	$332,424

COMMUNITY PILLAR

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GOAL

14. Develop, operate, and maintain the City's infrastructure.

ATTACHMENTS

1. FAA Application - Electric Master Utility Plan
2. Amended Application - Electric Master Utility Plan
3. City CIP Project Sheet
4. Resolution
5. Exhibit A - Sample Grant Agreement

Prepared by: Benedict Stuth
Airport Manager

Approved by:

Marianna A. Burch
City Manager

Fiscal Review by:

Kristen Hilton
Acting Administrative Services Director