



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

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**File #:** 26-1508

**Agenda Date:** 6/17/2026

**Agenda #:** 27.

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**DATE:** June 17, 2026

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Public Works Department

**TITLE: RESOLUTIONS APPROVING TWO FEDERAL AVIATION ADMINISTRATION CONSTRUCTION GRANTS: ONE AIRPORT IMPROVEMENT GRANT FOR THE CONSTRUCTION OF THE RUNWAY EDGE LIGHTS AND VAULT BUILDING PROJECT, AND ONE INFRASTRUCTURE INVESTMENT AND JOBS ACT GRANT FOR CONSTRUCTION OF THE RUNWAY END IDENTIFIER LIGHTS PROJECT AT THE BOB MAXWELL MEMORIAL AIRFIELD, ACCEPTANCE OF THE TWO GRANTS FROM THE FEDERAL AVIATION ADMINISTRATION, AUTHORIZING THE SUBMITAL OF AN APPLICATION FOR A MATCHING GRANT FROM THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE AIRPORT IMPROVEMENT GRANT, AWARDED THE CONSTRUCTION CONTRACT TO RURAL ELECTRIC, INC., APPROVAL OF THE PLANS AND SPECIFICATIONS FOR THE AIRPORT PROJECTS, APPROVAL OF THE EXTENSION OF THE ON-CALL CONSULTING AGREEMENT AND APPROVAL OF WORK ORDER NO. 6 AND A PURCHASE ORDER FOR WORK ORDER NO. 6, BOTH WITH C&S ENGINEERS, INC.**

### **RECOMMENDATION**

Staff recommends that the City Council:

1. Adopt two resolutions to provide for approval of the Runway Edge Lights and Vault Building Improvements Project ("Project 1") for the Bob Maxwell Memorial Airfield; acceptance of an Airport Improvement Project ("AIP") entitlement grant award from the Federal Aviation Administration ("FAA") in the amount of \$1,938,011 for Project 1; submittal of an application for a State of California Department of Transportation of Aeronautics ("Caltrans") Airport Improvement Plan matching grant for Project 1; and authorization to accept the matching grant funds, if awarded; and to execute grant agreements and any other documents required to finalize the FAA grant and the Caltrans grant for Project 1, upon review and approval by the City Attorney.
2. Appropriate up to \$102,001 from the General Capital Projects Fund for the City's matching share of the FAA grant for Project 1; and
3. Appropriate the grant funds and the matching share to the airport maintenance and operation fund for Project 1.
4. Adopt a resolution to provide for approval of the Runway End Identifier Lights Improvements Project ("Project 2") for the Bob Maxwell Memorial Airfield; acceptance of an Infrastructure Investment and Jobs Act ("IIAJ") grant award from the FAA in the amount of \$108,500 for Project 2;

authorize the City Manager to execute the grant agreement and any other documents required to finalize the FAA grant, upon review and approval by the City Attorney, for Project 2.

5. Appropriate up to \$5,711 from the General Capital Projects Fund for the City's matching share of the FAA grant for Project 2; and

6. Appropriate grant funds to the airport maintenance and operation fund for Project 2.

7. Approve the plans and specifications for Project 1 and Project 2 (together referred to as the "Airport Projects");

8. Approve the extension letter agreement for the On-Call Consulting Agreement with C&S Engineering, Inc, for a one-year term to expire on June 22, 2027;

9. Approve Work Order No. 6 and a purchase order for Work Order No. 6 with C&S Engineering, Inc. for administration and observations services for the Airport Projects in the amount of \$209,076; and

10. Award the construction contract to Rural Electric, Inc. dba Rural Contracting in the amount of \$1,870,148 for the Airport Projects.

### **BACKGROUND AND ANALYSIS**

In June 2024, the City of Oceanside ("City") as the sponsor of the Bob Maxwell Memorial Airfield, also known as the Oceanside Municipal Airport ("Airport"), received a grant from the FAA for the design of the Runway Electrical and Vault Building Improvement Project for the Airport. Funding for the construction portion of the improvements were to be identified upon completion of the design.

Following completion of the design work for the Airport Projects in March 2026, the City applied for two separate FAA grants, one for an Airport Improvement Project ("AIP") entitlement grant for the Runway Edge Lights and Vault Building Improvements Project (Project 1) with a total project cost of \$2,040,012, and an FAA grant amount not to exceed \$1,938,011, and the second grant for a Infrastructure Investment and Jobs Act ("IIJA") grant for the Runway Electrical End Identifier Lights Improvements Project ("Project 2") with a total project cost of \$114,211, and an FAA grant amount not to exceed \$108,500, both for the Bob Maxwell Memorial Airfield; pursuant to the completed design through the submission of the pre-application checklist for the Airport Projects. To cover a portion of the City's contribution for Project 1, staff is requesting Council adopt a resolution to authorize the filing of an application for a Caltrans AIP Matching Grant, in the amount of \$99,573, and authorize acceptance of, and execution of, an AIP Matching Grant Agreement, if awarded. The details for the grant funding with the FAA and Caltrans, if applicable, and City required match funding are further detailed in the Fiscal Impact section below for Project 1 and 2.

The Airport Projects consist of replacing all runway edge lights with LED fixtures and replacing the direct buried cables with new conduit and conductor. In addition, a new pre-fabricated vault building will be placed next to the terminal building to house and protect the new constant current regulators that will power the new runway lights. New Runway End Identifier Lights (REILs) will be installed at the runway ends to help pilots locate the ends of the runway at night or in low visibility conditions.

At the direction of the FAA, the City then advertised for bids for the construction of the Airport Projects in March 2026 per the completed design. The FAA requires a completed bid process as well as the selection of a contractor before the FAA awards a construction grant for the improvements

related to the Airport Projects. The bid-opening occurred in April 2026, and C&S, on behalf of the City, completed the bid process and recommends award of the contract to Rural Electric, Inc. dba Rural Contracting ("Contractor"), the lowest responsible bidder, to perform the work. By letter dated May 6, 2026, the City advised the FAA of the recommendation to award the entire construction contract in the amount of \$1,870,148 to the Contractor. A bid tabulation is attached to this staff report.

In June 2022, the City entered into an On-Call consulting agreement with C&S Engineering, Inc. ("C&S") for a term of three years for periodic general airport consulting services, with two 1-year extensions available to June 22, 2027. The first extension was exercised in June 2025 extending the term to June 22, 2026. These services provide for potential planning, engineering, design, development, management, and/or the administration of future projects at the Airport. In that capacity, C&S submitted a quote to provide for the required construction administration and observation services for the Airport Projects in the form of Work Order No. 6 in the amount of \$209,076. In order for the City to engage C&S, the FAA requires the City to obtain an independent fee estimate ("IFE") from an alternative consultant to validate that the quote received from C&S is within ten percent (10%) of the amount quoted by the alternative consultant. The IFE was prepared by Independent Fee Estimates, LLC in April 2026, and the fee estimate provided by said company to prepare the construction services for the Airport Projects was in the amount of \$191,432, which was within the allowable range, and therefore, the C&S quote was validated. Pursuant to the FAA's approval, staff is proposing to engage C&S for the construction administration and observation services for the Airport Projects. In addition, as it relates to the C&S Agreement, at this time C&S has requested to exercise the final one-year extension of the On-Call Consulting Agreement to extend the term to expire on June 22, 2027.

Before the City can obtain the grant funds from the FAA upon an award of a grant, the City Council is required to accept the FAA's grant award. Generally, acceptance occurs after the FAA formally awards the grant, which acceptance is required within thirty (30) days of the award. Additionally, the City needs to submit the contract documents, reviewed and approved by the FAA during said period. The entire process also requires the completion by the end of the FAA's fiscal year, which for the applicable grant is September 30, 2026.

In May 2026, the FAA informed the City that the Contractor's bid was acceptable; however, since the City Council does not meet in July, by waiting until August, the City may not be in a position to complete the process by the end of the FAA fiscal year. Accordingly, to minimize the chances of not completing the process to obtain grant funding in a timely manner (i.e., acceptance of award, approval of the contract documents, etc.), staff is requesting Council accept the FAA grant awards, award the construction contract to Rural Electric, Inc., approve the plans and specifications for the Airport Projects, approve Work Order No. 6, approve execution of the letter agreement for extension of the On-Call Consulting Agreement, and authorize execution of the FAA grant agreements for Project 1 and Project 2 and the remaining agreements once the grant is formally awarded by the FAA, and the Caltrans grant agreement, if awarded for Project 1 by Caltrans.

At this time, the Airport Funds' current debt to the General Fund is \$1,542,525 due to funds loaned from the General Fund for various airport infrastructure projects and settlement payments in prior years. The loan was restructured in May 2023 by adjusting the interest rate to 0% to reduce the repayment schedule from 25 years to 19 years. There are 11 years remaining on the loan. The

Airport Funds' loan repayment schedule will be updated to include the City match as the City match will be funded by a transfer from the General Fund for both Project 1 and 2.

### **FISCAL IMPACT**

The purchase order with C&S Engineers, Inc. in the amount of \$209,076 will be charged to project accounts as shown in the table below.

The purchase order with Rural Contracting in the amount of \$1,870,148 will be charged to the accounts shown in the table below.

Description	Amount	Account	Available Balance
C&S Engineers, Inc.	\$198,621	822207025274.4381 822207025274.5305 FAA Runway Edge Lighting & Vault Bldg Imp	\$1,938,011
	\$ 9,931	836207025272.4381 836207025272.5305 Cal-Trans Runway Edge Lighting & Vault Bldg Imp	\$ 102,001
	\$ 524	916207025741.5305 City Match Runway Edge Lighting & Vault Bldg Imp	
Total	\$209,076		
Rural Contracting	\$1,668,140	822207125274.4381 822207125274.5704 FAA Runway Edge Lighting & Vault Bldg Imp	
	\$ 83,407	836207025272.4381 836207025272.5704 Cal-Trans Runway Edge Lighting & Vault Bldg Imp	\$95,000
	\$ 4,390	916207125741.5704 City Match Runway Edge Lighting & Vault Bldg Imp	\$102,001
	\$ 108,500	822207125274.4381 822207125274.5704 FAA Runway End Identifier Lights Imp	\$114,211

	\$ 5,711	916207125741.5704 City Match Runway End Identifier Lights Imp	\$7,001
Total	\$1,870,148		

For Project 1 grant, the City will deposit the FAA grant award of \$1,938,011 in the Bob Maxwell Airport Runway Edge Lighting and Vault Building Improvements Construction account 822207025274.4381 and appropriated to 822207025274.5704. Additionally, upon receipt of the FAA grant award for Project 1, the required City contribution of \$102,001 will be requested in two parts; \$95,000 from a potential Caltrans Matching grant with funds deposited in 836207025272.4381 and appropriated to 836207025272.5704. The second part of the City Match will come from an increase to the Airport loan in the amount of \$7,001, which will be appropriated in 916207025741.5704. If the Caltrans Matching grant is not awarded, the entire City Match will come from an increase to the Airport loan for the full amount of \$102,001.

Project 1	Appropriate	Account
FAA- Runway Edge Lighting & Vault Imp. Construction	\$1,938,011	822207025274.4381 822207025274.5704
Cal-Trans Runway Edge Lighting & Vault Imp. Construction	\$95,000	836207025272.4381 836207025272.5704
City Match-Runway Edge Lighting & Vault Imp.	\$7,001	916207025741.5704
Total	\$2,040,012	

For Project 2 grant, the City will deposit the FAA grant award of \$108,500 in the Bob Maxwell Airport Runway End Indicator Lighting Improvements Construction account 822207125274.4381 and appropriated to 822207125274.5305. Additionally, upon receipt of the FAA grant award for Project 2, the required City contribution of \$5,711 will be appropriated in 916207025741.5305, which will come from an increase to the Airport loan in the amount of \$5,711 for the full amount of the City's contribution.

Project 2	Appropriate	Account
FAA Runway End Indicator Lighting Construction	\$108,500	822207125274.4381 822207125274.5305
City Match Runway End Indicator Lighting Construction	\$5,711	916207125741.5305
Total	\$114,211	

**COMMISSION OR COMMITTEE REPORT**

Does not apply.

**CITY ATTORNEY'S ANALYSIS**

The referenced documents have been approved by the City Attorney and approved as to form.

Prepared by: Vicki Gutierrez, Real Estate Manager

Reviewed by: Hamid Bahadori, Public Works Director

Submitted by: Jonathan Borrego, City Manager

**ATTACHMENTS:**

1. Resolution for AIP Grant with FAA, Approval of the Project 1
2. Resolution for Grant with Caltrans for Project 1
3. Resolution for IIAJ Grant with FAA, Approval of the Project 2
4. Bid Tabulation
5. On-Call Consultant Extension 2027
6. Work Order No. 6
7. On-Call Agreement 2022
8. On-Call Agreement Extension 2025