Del Norte Triplicate

OPINION

Opinion: Setting the Record Straight on Airport Finances

September 11, 2025



At the August 26 meeting of the Del Norte County Board of Supervisors, several comments were made about the Border Coast Regional Airport Authority (BCRAA) and my role as Airport Director. Some remarks placed blame for the current cash flow issues solely on me. I write not to argue, but to clarify the facts for the community.

Inherited Projects and Conditions

When I became Director in November 2021, several major projects were already underway. My predecessor secured the Aircraft Rescue and Firefighting (ARFF) vehicle grant, and the rehabilitation of Runway 18-36 was already in design with grants for both preliminary and final phases. My job was to complete design and apply for construction funding. I also secured the 5% local match—about $500,000—through joint contributions from all BCRAA members.

Unlike my predecessor, I did not benefit from COVID-era CARES Act funding or fully funded federal grants. All projects during my tenure required a local match and full upfront payment before reimbursement—a major financial shift.

I also inherited legal issues that, with Board and legal counsel approval, required litigation. While specifics remain confidential under the Brown Act, the costs were not of my making but added significant strain to the budget.

In the last year and a half of my tenure, I was urged to add larger projects to the Airport Capital Improvement Plan (ACIP). Though cautious given cash flow limits, I advanced them under Board guidance. My early years had focused on smaller, calculated projects with less impact on the budget, showing that the move toward larger, more expensive projects was a collective decision made with full awareness of financial constraints.

FAA and DOT Funding Realities

FAA and DOT funding is reimbursement-based:

• FAA Airport Improvement Program (AIP) reimburses 95% only after invoices are fully paid.

• Alternate Essential Air Service (AEAS) requires the airport to first pay monthly airline invoices of $250,000–$350,000, then wait 30–60 days for reimbursement.

Before my tenure, payment and reimbursement could be submitted almost simultaneously. After I began, the DOT required proof that payments had cleared before reimbursement—delaying cash flow. This procedural change, known to the Authority, created new strain.

Such structures create predictable gaps common at small airports. In 2024, “gap funding” was discussed but financing costs kept it from moving forward. County support was raised but never implemented during my tenure. These were systemic challenges, not individual mismanagement.

Clarifying the Terminal Loan

Confusion also exists around the terminal loan. BCRAA was never obligated to make annual payments unless specific revenues—fuel taxes (diverted by California) or outside contributions—were received. Those never materialized.

Repayment decisions were made by the Board, not the Director. I recommended against using scarce general funds when revenues weren’t available. My predecessor chose differently, but under the agreement, if BCRAA couldn’t pay, the obligation shifted to Del Norte County without putting the Authority in default. The loan agreement was never designed for general fund payments. That safeguard was key to the success of the JPA and the airport.

Oversight and Transparency

Every ACIP project was reviewed and approved by the Board. Budgets were openly submitted and adopted.

We all understood invoices required full payment before reimbursement. What wasn't foreseen was the scale and timing of runway construction invoices. Internally, weekly billing was discussed, which would have kept payments manageable. Instead, after my departure, the contractor submitted large multi-million-dollar invoices at once, creating the cash flow crisis.

I accept responsibility for not anticipating this, but it was a shared oversight between myself, staff, and the Board. Cash shortages were regularly discussed with the Auditor-Controller and were a known part of operating under a reimbursement model.

Investing in People and Mandates

As Director, I focused on federally mandated projects and staff retention. High turnover costs made investment in employees critical. Safety-related infrastructure—fencing, runway work—was non-negotiable for compliance.

Misplaced Blame

It is inaccurate to claim today's financial issues result from one person. These challenges are structural, tied to federal models and the high costs of operating a rural airport with limited reserves.

Yes, miscalculations occurred with invoice timing. I acknowledge my part, but the problem was not caused by one individual.

The Path Forward

Whatever entity governs it, the airport must meet federal safety standards. The key question is how to fund it sustainably.

I believe the Joint Powers Authority (JPA) remains the best model, ensuring regional engagement and shared responsibility. But Del Norte County, as the airport's legal owner, must increase its contribution.

The County currently provides $271,000 annually—an amount set in 2007. Adjusted for inflation, this should be about $447,000 in 2025. But inflation alone doesn't capture true cost increases: higher wages, consulting fees, and compliance demands. Updating support would stabilize operations.

With adequate support, the airport can function as an independent enterprise fund while keeping JPA members engaged. Without it, operations risk falling to bare-minimum maintenance under full County control—a scenario Del Norte cannot afford given its already tight financial constraints.

Even with higher contributions, the County would still spend less under the JPA than if it ran the airport alone. Independent operation would force the County to absorb all expenses—consulting, maintenance, fuel, staffing, and safety projects—without cost-sharing. The JPA reduces that burden, secures federal reimbursements, and spreads costs regionally.

For a small airport with limited administrative staff, strong consultant support is essential. Firms like Lochner build staff assistance into ACIP projects, ensuring year-round help without unexpected invoices.

These costs are justified over the five-year consultant period, as they provide the planning expertise and workload relief necessary to keep projects aligned with the airport's vision and mission. When it came time to secure new five-year consultant services, I ensured a firm was selected that could deliver the needed support without additional overhead costs—a change that will be a major benefit to the Authority.

Final Thoughts

During my tenure, we advanced critical projects, secured local matches, and retained staff—without the federal relief earlier leadership enjoyed.

Blame does not solve structural issues. Honest dialogue, long-term vision, and realistic funding will. That must be the focus—not scapegoating those who took on a role with many built-in challenges to preserve and expand air service for a region hungry for connectivity. I wish nothing but success for the Authority, the region, and the new Director.