

**Climate Pollution Reduction Grant Implementation Grants
Bill and Hillary Clinton National Airport**

Budget Narrative

April 1, 2024

Budget Narrative

The budget narrative provides a breakdown of the funding request and information on how CPRG funds will be used to implement the CUP in a timely and efficient manner. The narrative also comments on the reasonableness of the proposed budget.

Budget Detail

The following table breaks down the proposed funding request of \$16,624,000. As noted in Section 3.c, design of the CUP will be completed by October 2024. CPRG funding will be used for construction costs in year 1 and year 2 as construction is projected to be completed by April 2026.

Table 1 – Budget Detail Table

| Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|--|--------------------|--------------------|------------|------------|------------|---------------------|
| Direct Costs | | | | | | |
| <i>Total Personnel</i> | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Notes and Assumptions: Paid for with airport revenue, using existing airport forces. | | | | | | |
| <i>Total Fringe Benefits</i> | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| <i>Total Travel</i> | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Notes and Assumptions: All work will be conducted on-site. | | | | | | |
| <i>Total Equipment</i> | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Notes and Assumptions: No extra equipment needed to administer project. | | | | | | |
| <i>Total Supplies</i> | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| <i>Total Contractual (Including RFPs)</i> | \$8,312,000 | \$8,312,000 | \$0 | \$0 | \$0 | \$16,624,000 |
| Notes and Assumptions: Design of the CUP has been paid for with other grant funding to date. CPRG implementation funds would all be directed towards construction. | | | | | | |
| <i>Total Other</i> | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| <i>Total Direct</i> | \$8,312,000 | \$8,312,000 | \$0 | \$0 | \$0 | \$16,624,000 |
| Indirect Costs | | | | | | |
| <i>Total Indirect</i> | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDING | \$8,312,000 | \$8,312,000 | \$0 | \$0 | \$0 | \$16,624,000 |

Expenditure of Awarded Funds

As an organization, LIT has received, implemented, and closed out 95 federally funded grants over the past 40 years in a timely and efficient manner. LIT has long standing policies and procedures to confirm federal awards are compliant with applicable statutes, regulations, terms, and conditions at both the program and federal level. LIT utilizes the guidelines enacted by the Government Finance Officers Association of the United States and Canada (GFOA) to perform annual comprehensive financial reports to tracks revenues, expenses, cash flows, and additional financial positions that ensure an accurate and transparent accounting of all expenditures – including federal dollars. The CUP project will feature oversight by both project and construction managers to make sure program funding is allocated by the construction documents that will be fully designed by October 2024. With construction to end by calendar year 2026, project execution will meet the required five-year period of performance outlined in the program guidelines.

Reasonableness of Cost

The expenditures outlined in the project budget would enable all awarded CPRG funds to go directly to the implementation of the geothermal CUP. With no direct expenditures on personnel, fringe benefits, travel, equipment, and supplies, the project has minimized the amount of administrative costs and overhead for the project. Specifically, CPRG would directly fund the construction of GHG-reducing infrastructure including 10 heat recovery chillers. LIT has also strategically braided CPRG funds with other funding sources in the past few years to maximize impact. Under the Airport Terminal Program (ATP), LIT was awarded \$8M to enable the construction of drainage and utility relocation to support the development of a new CUP. Under the Airport Infrastructure Grants (AIG) program, LIT was awarded over \$620K to plan for improvements and modifications to the terminal building. These funds were utilized to finalize the design for the new CUP, making this project shovel ready, meaning that both GHG reductions and community benefits will be realized sooner. Lastly, as the country's largest vertical bore geothermal project at an airport, the CUP has the potential to serve as a leading example for airport utilities in the region and beyond.