

SOUTH CENTRAL REGIONAL AIRPORT AGENCY

Meeting of the Board

June 27, 2017 - 6:00 p.m.

Oskaloosa City Hall, Council Chambers

220 South Market Street

Agenda

1. Call to Order
2. Approval of the February 28, 2017 minutes
3. Call to the public (limited to 3 minutes per person)
4. Consider a motion to receive and file the FY2016 Financial Statements
5. Update on Federal Aviation Planning Studies
 - a. Final FONSI/ROD
6. Staff reports
 - a. Statement of qualifications: Legal Services
 - b. Statement of qualifications: Engineer/Design Services/Land Acquisition
7. Discussion of next meeting date/time
8. Adjourn

South Central Regional Airport Agency
Meeting Minutes
Tuesday, February 28, 2017

Committee Members Present: Pamela Blomgren, James Hansen, Randy Borgerding, David Barnes, Donna Smith and Joe Warrick.

SCRAA Staff Present: Mike Nardini, Pella City Administrator, Michael Schrock Jr., Oskaloosa City Manager and David Shanahan, Mahaska County Engineer.

Meeting called to order by Chairman Hansen at 6:00 p.m. in the Pella Public Safety Complex, 614 Main Street, Pella, IA.

It was moved by Barnes, seconded by Blomgren to approve the October 11, 2016 minutes. Motion carried 6-0.

Chairman Hansen opened the call to the public. Comments were received by Mr. Daniel Nugteren.

It was moved by Smith, seconded by Blomgren to approve the resolution entitled, "RESOLUTION APPOINTING OFFICER POSITIONS FOR FISCAL YEAR 2017-18". Motion carried 6-0. The officers for the fiscal year beginning July 1, 2017 and extending to June 30, 2018 are as follows:

Jim Hansen, Chair (representing the City of Oskaloosa).

David Barnes, Vice Chair (representing the City of Pella).

Joe Warrick, Secretary Treasurer (representing Mahaska County).

It was moved by Borgerding, seconded by Blomgren to approve the resolution entitled, "RESOLUTION APPROVING FISCAL YEAR 2017-18 BUDGET AND AUTHORIZING SUBMITTAL TO THE CITY OF OSKALOOSA AND THE CITY OF PELLA". Motion carried 6-0.

Jerry Searle provided an update on the project and he also addressed questions related to the Environmental Assessment.

The time and date for the next quarterly meeting is yet to be determined.

It was moved by Warrick, seconded by Barnes to adjourn. Motion carried 6-0.

The meeting adjourned at 6:25 p.m.

Minutes prepared by Mike Nardini

SOUTH CENTRAL REGIONAL AIRPORT AGENCY

**INDEPENDENT AUDITOR'S REPORT
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
June 30, 2016**

South Central Regional Airport Agency
Table of Contents
June 30, 2016

Officials		2
Independent Auditor's Report		3-4
Management's Discussion and Analysis (MD&A)		5-7
<u>Basic Financial Statements:</u>	<u>Exhibit</u>	
Statement of Net Position	A	9
Statement of Revenues, Expenses and Changes in Net Position	B	10
Statement of Cash Flows	C	11
Notes to Financial Statements		12-15
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		17-18
Schedule of Findings		19

**South Central Regional Airport Agency
Officials
Year Ending June 30, 2016**

<u>Name</u>	<u>Title</u>	<u>Appointed By</u>	<u>Term Expires</u>
Jim Hansen	Chairman	Oskaloosa	April 1, 2017
David Barnes	Vice Chairman	Pella	April 1, 2018
Joe Warrick	Secretary	Mahaska County	April 1, 2016
Pam Blomgren	Board Member	Oskaloosa	April 1, 2018
Donna Smith	Board Member	Pella	April 1, 2017
Steve Van Weelden	Board Member	Pella	April 1, 2016
Randy Borgerding	Board Member	Pella	April 1, 2019

Supporting Staff:

Mike Nardini	City of Pella Administrator	Indefinite
David Shanahan	Mahaska County Engineer	Indefinite
Mike Schrock	City of Oskaloosa Manager	Indefinite
Faegre, Baker, Daniels Kim Walker, Attorney	Attorney	Indefinite



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Van Maanen, Sietstra, Meyer & Nikkel, PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Members of the South Central Regional Airport Agency:

Report on the Financial Statements

We have audited the accompanying financial statements of the South Central Regional Airport Agency as of and for the year ended June 30, 2016, and the related Notes to Financial Statements, which collectively comprise the Agency's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the South Central Regional Airport Agency, as of June 30, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 5 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management

about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted budgetary comparison information that U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting of placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this information.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated April 10, 2017 on our consideration of the South Central Regional Airport Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the South Central Regional Airport Agency's internal control over financial reporting and compliance.

Van Maanen, Sietstra, Meyer & Nikkel PC

Van Maanen, Sietstra, Meyer & Nikkel, PC
Certified Public Accountants

April 10, 2017

The South Central Regional Airport Agency was formed pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Agency is for the joint acquisition, construction, equipping, use and operation of a proposed regional airport for the citizens of Mahaska County, the City of Oskaloosa, and the City of Pella.

This Management's Discussion and Analysis is for the year ended June 30, 2016. We encourage readers to consider this information in conjunction with the Agency's financial statements, which follow.

2016 FINANCIAL HIGHLIGHTS

- For fiscal year ending June 30, 2016, the Agency's operating expenditures were \$12,477, of which the largest expenditures were audit fees and legal expense.
- The Agency is currently in the process of conducting aviation planning studies for the proposed regional airport. For the fiscal year ending June 30, 2016 \$184,127 were expended for the aviation planning studies, of which \$165,715 were reimbursed through grants by the Federal Aviation Administration.

USING THIS REPORT

The South Central Regional Airport Agency is a 28E organization and presents its financial statements using the economic resources measurement focus and accrual basis of accounting, which is the same measurement focus and basis of accounting employed by private sector business enterprises. This Discussion and Analysis is intended to serve as an introduction to the South Central Regional Airport Agency's basic financial statements. The annual report consists of a series of financial statements and other information as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.

The Statement of Net Position presents information on the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position is the basic statement of activities for the proprietary funds. This statement presents information on the Agency's operating revenues and expenses, non-operating revenues and expenses and whether the Agency's financial position has improved or deteriorated as a result of the year's activities.

The Statement of Cash Flows presents the change in the Agency's cash and cash equivalents during the year. This information can assist readers of the report in determining how the Agency financed its activities and how it met its cash requirements.

Notes to the Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

FINANCIAL ANALYSIS OF THE AGENCY

Statement of Net Position

As noted earlier, net positions may serve over time as a useful indicator of the Agency's financial position. The Agency's net position at the end of fiscal year 2016 totaled \$487,599 and was comprised solely of the engineering and development work for the aviation planning studies. A summary of the Agency's net position is presented below.

	Net Position	
	Business Type Activities	
	June 30,	June 30,
	2016	2015
Current and other assets	\$ 59,678	\$ 55,194
Capital assets	487,599	303,472
Total assets	547,277	358,666
Current Liabilities	59,678	55,194
Total Liabilities	59,678	55,194
Net position:		
Net investment in capital assets	487,599	303,472
Total net position	\$ 487,599	\$ 303,472

It is important to note, the Agency continues to meet its operational and non-operational financial requirements in accordance with the 28E agreement which provides for assistance from supporting organizations.

Statement of Revenues, Expenses and Changes in Net Position

Operating revenues are reimbursed 60% by the City of Pella and 40% by the City of Oskaloosa. Operating expenses are expenses paid to meet the day-to-day obligations necessary to facilitate the development of the regional airport. Non-operating expenses are expenditures associated with the aviation planning studies for the proposed regional airport. Non-operational expenditures are reimbursed 90% by the Federal Aviation Agency, 5% by the City of Oskaloosa and 5% by the City of Pella. A summary of revenues, expenses and changes in net position for the year ending June 30, 2016 are below.

	CHANGES IN NET POSITION	
	Business Type Activities	
	June 30,	June 30,
	2016	2015
Operating Revenues		
Member government operating assessments:		
City of Pella	\$ 7,486	\$ 4,989
City of Okaloosa	4,991	3,326
Total revenues	12,477	8,315
Operating Expenses		
Meeting and Conferences	-	146
Professional fees	8,784	4,920
Insurance expense	3,693	3,249
Total expenses	12,477	8,315
Operating income(loss)	-	-
Non-operating revenues(expenses)		
Member government capital assessments:		
City of Pella	9,206	5,255
City of Okaloosa	9,206	5,255
Grant reimbursements	165,715	94,587
Total other financing sources (uses)	184,127	105,097
Change in net position	184,127	105,097
Net position beginning of year	303,472	198,375
Net position end of year	\$ 487,599	\$ 303,472

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year with an increase in net position at the end of the fiscal year.

In fiscal year 2016, operating expenses of \$12,477 were offset by member cities operational revenue contributions as specified in the Agency's 28E agreement. Minimal changes in operational revenue and expenditures are expected prior to the proposed airport becoming fully operational.

Statement of Cash Flows

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, capital and related financing and investing activities. Cash provided by operating activities included operational revenue contributions by member cities. Cash used as capital included payments related to the development and engineering of the proposed regional airport.

CAPITAL ASSETS

At June 30, 2016, the Agency had \$487,599 invested in capital assets. The current capital assets of the Agency are comprised of the development and engineering of the airport currently in progress. More detailed information about the Agency's capital assets is presented in the financial statements.

LONG TERM DEBT

At June 30, 2016, the Agency had not incurred any long term debt.

ECONOMIC FACTORS

As stated earlier, the South Central Regional Airport Agency is currently in the process of conducting aviation planning studies for the proposed regional airport, which are scheduled to be completed in calendar year 2016. Once the aviation planning studies are completed, funding for the proposed regional airport will be in accordance with the 28E agreement and potential grants through the Federal Aviation Administration. Since the Agency has secured funding for the aviation planning studies, it does not anticipate any material changes in its financial status through the planning phase of the project.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact South Central Regional Airport Agency, 825 Broadway, PO Box 88, Pella, Iowa 50219.

Basic Financial Statements

South Central Regional Airport Agency
Statement of Net Position
June 30, 2016

Assets

Current Assets:

Cash, cash equivalents and pooled investments	\$	-
Due from other governments:		
Federal Aviation Agency		53,643
City of Pella		-
City of Oskaloosa		6,035
Total Due from other governments		59,678
Total current assets		59,678

Noncurrent assets:

Capital assets, not being depreciated		487,599
Total non-current assets		487,599
Total assets		547,277

Liabilities

Current Liabilities:

Accounts payable and accrued liabilities	\$	13,062
Due to other governments:		
Advance from the City of Pella		46,616
Total current liabilities		59,678
Total liabilities		59,678

Net Position

Net investment in capital assets		487,599
Restricted for:		
Expendable:		
Other		-
Unrestricted		-
Total net position	\$	487,599

See notes to financial statements.

Exhibit B

South Central Regional Airport Agency
Statement of Revenues, Expenses and Changes in Net Position
Year ended June 30, 2016

Operating revenues:		
Member government operating assessments:		
City of Pella	\$	7,486
City of Oskaloosa		4,991
Total revenues		<u>12,477</u>
Operating expenses:		
Meetings and Conferences		-
Professional fees		8,784
Insurance expense		3,693
Total expenditures		<u>12,477</u>
Operating income (loss)		-
Non-operating revenues (expenses)		
Member government capital assessments:		
City of Pella		9,206
City of Oskaloosa		9,206
Grant reimbursements		165,715
Total other financing sources (uses)		<u>184,127</u>
Change in net position		184,127
Net position beginning of year		<u>303,472</u>
Net position end of year	\$	<u><u>487,599</u></u>

See notes to financial statements.

Exhibit C

South Central Regional Airport Agency
Statement of Cash Flows
Year ended June 30, 2016

Cash flows from operating activities:	
Cash received from member governments	\$ 7,994
Advance(use of advances) from member government	4,333
Cash paid to suppliers	(12,327)
Net cash provided (used) by operating activities	-
Cash flows from non-capital financing activities:	
Miscellaneous receipts	-
Net cash provided (used) by non-capital financing activities	-
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(190,753)
Cash received from member governments and the FAA	184,127
Advance(use of advances) from member government	6,626
Net cash provided (used) by capital and related financing activities	-
Cash flows from investing activities:	
Interest on investments	-
Net cash provided (used) by investing activities	-
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation/Amortization	-
Change in assets and liabilities:	
(Increase) decrease in due from other governments	(3,015)
Increase (decrease) in accounts payable	150
Increase (decrease) in due to other governments	2,865
Total adjustments	-
Net cash provided (used) by operating activities	\$ -

See notes to financial statements.

(1) **Summary of Significant Accounting Policies**

The South Central Regional Airport Agency (the Agency) was formed in 2012 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Agency is for the joint acquisition, construction, equipping, use and operation of an airport facility for the citizens of the City of Oskaloosa, Iowa, the City of Pella, Iowa and the County of Mahaska County, Iowa.

The Agency is governed by a six-member Board of Directors who represents the parties listed in the preceding paragraph. Each member of the Agency is a member of its governing body, or other person appointed by the mayor or chair of the governing body and approved by such governing body. Mahaska County shall be entitled to one representative on the Agency's Board. The City of Oskaloosa shall be entitled to two representatives on the Agency's Board. The City of Pella shall be entitled to three representatives on the Agency's Board.

Capital expenditures are to be reimbursed 90% by the Federal Aviation Agency, 5% by the City of Oskaloosa and 5% by the City of Pella. Operating expenses are to be reimbursed 60% by the City of Pella and 40% by the City of Oskaloosa. Since the airport is still in the initial set up no fees for usage have been established.

A. Reporting Entity

For financial reporting purposes, the South Central Regional Airport Agency has included all funds, organizations, agencies, boards, commissions and authorities. The Agency has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Agency are such that exclusion would cause the Agency's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Agency to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Agency. The South Central Regional Airport Agency has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

The accounts of the South Central Regional Airport Agency are organized as an Enterprise Fund. Enterprise Funds are used to account for operations in a manner similar to private business enterprises, where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and member contributions or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

C. Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Agency's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When an expenditure is incurred which can be paid using either restricted or unrestricted resources, the Agency's policy is generally to first apply the expenditure towards restricted fund balance and then less-restrictive classifications.

(1) **Summary of Significant Accounting Policies (continued from previous page)**

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Capital Assets – Capital assets are accounted for at the historical cost. Depreciation of all exhaustible capital assets is charged as an expense against operations. The cost of repair and maintenance is charged to expense, while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation of assets disposed of are deleted, with any gain or loss recorded in current operations.

Reportable capital assets are defined by the Agency as assets with initial, individual costs in excess of \$1,000 and estimated useful lives in excess of five years.

Capital assets of the Agency are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings and improvements	5-50
Equipment and vehicles	5-10

Interest is capitalized on qualified assets acquired with certain tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. There were no qualifying assets acquired during the year ended June 30, 2016.

(2) **Cash and Cash Equivalents**

The Agency's receipts and disbursements are administered by The City of Pella. The Agency does not have its own cash account.

The Agency had no investments meeting the disclosure requirements of Governmental Accounting Standards Board No. 3, as amended by Statement No. 40.

(3) **Capital Assets**

Capital assets activity for the year ended June 30, 2016 was as follows:

Business type activities:	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Airport Fund:				
Capital assets not being depreciated:				
Land	\$ -	-	-	-
Construction in progress:				
Development/Engineering costs	303,472	184,127	-	487,599
Total capital assets not being depreciated	303,472	184,127	-	487,599
Capital assets being depreciated:				
Buildings and improvements	-	-	-	-
Machinery and equipment	-	-	-	-
Total capital assets being depreciated	-	-	-	-
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Machinery and equipment	-	-	-	-
Total accumulated depreciation	-	-	-	-
Total capital assets being depreciated net	-	-	-	-
Airport - capital assets, net	\$ 303,472	184,127	-	487,599

Summary Schedule	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business type activities:				
Capital assets not being depreciated/amortized:				
Land	\$ -	-	-	-
Construction in progress	303,472	184,127	-	487,599
Total capital assets not being depreciated/amortized	303,472	184,127	-	487,599
Capital assets being depreciated/amortized:				
Total capital assets being depreciated/amortized	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-
Total capital assets being depreciated/amortized (net)	-	-	-	-
Business type activities capital assets, net	\$ 303,472	184,127	-	487,599

(4) Short Term Debt

The Agency has received \$10,959 in advances from the City of Pella during the year ended June 30, 2016.

The following is a summary of changes in short-term debt for the years ended June 30, 2016.

Balance, July 1, 2015	\$	35,657
Increases		10,959
Decreases		-
Balance, June 30, 2016	\$	<u>46,616</u>

(5) Risk Management

The Agency is subjected to various risks of loss related to general liability and property insurance. The Agency has purchased commercially available indemnity insurance to cover these risks. The deductible amounts for this insurance would be immaterial to the Agency. There have been no settlement claims to date.

(6) Contingencies and Commitments

The Agency has received financial assistance from federal, state and local governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and the Single Audit Act, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Cities, however, such disallowed claims, if any, are not expected to have any materially adverse effect on the Agency's financial position as June 30, 2016.

The Agency has entered into the following contract. At June 30, 2016, \$485,700 has been paid toward the contract. The remaining amount will be paid as work progresses.

Contracts	Contract Amount	Amount Paid	% Complete
Airport Planning Studies Snyder & Associates	\$ 511,791	485,700	95%

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Van Maanen, Sietstra, Meyer & Nikkel, PC
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Members of the South Central Regional Airport Agency:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business type activities of the South Central Regional Airport Agency, as of and for the year ended June 30, 2016, and the related Notes to Financial Statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated April 10, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the South Central Regional Airport Agency's internal control over financial reporting to determine auditing procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the South Central Regional Airport Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the South Central Regional Airport Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the South Central Regional Airport Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the Agency's operations for the year ended June 30, 2016 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Agency. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

This report, a public record by law, is intended solely for the information and use of the officials, employees and customers of the South Central Regional Airport Agency and other parties to whom the Agency may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the South Central Regional Airport Agency during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Van Maanen, Sietstra, Meyer & Nikkel PC

Van Maanen, Sietstra, Meyer & Nikkel, PC
Certified Public Accountants

April 10, 2017

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part IV: Other Findings Related to Required Statutory Reporting:

- (1) Questionable Expenses – No expenditures that would not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (2) Travel Expense - No expenditures of Agency money for travel expenses of spouses of Agency officials or employees were noted.
- (3) Agency Minutes – No transactions were found that we believe should have been approved in the Agency minutes but were not.
- (4) Business Transactions – No transactions between the Agency and Agency officials and employees were noted.
- (5) Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the Agency's investment policy were noted.

**DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
CENTRAL REGION**

FINDING OF NO SIGNIFICANT IMPACT/RECORD OF DECISION

**SOUTH CENTRAL REGIONAL AIRPORT
MAHASKA COUNTY, IOWA**

PURPOSE AND NEED:

A new regional airport that meets minimum standards as described in FAA AC 150/5300-13A *Airport Design* is needed for the purpose of accommodating operations by large (more than 12,500 pounds maximum certificated takeoff weight) aircraft (Group C-II) on a regular basis safely and efficiently. Neither the Pella Municipal Airport nor the Oskaloosa Municipal Airport can provide facilities and services that can accommodate existing and forecast aeronautical activity safely and efficiently. The development of a new regional airport will replace the two existing airports and consolidate services. The Pella Municipal Airport and the Oskaloosa Municipal Airport will be closed at the time the proposed new regional airport becomes operational.

The *Pella Replacement Airport Feasibility Study* concluded that the existing Pella Municipal Airport could not accommodate large approach Category C-II airplanes on a regular basis nor could the existing airport site support approach visibility minimums as low as ½-mile and a decision height as low as 200-feet above ground level.

Site constraints associated with the existing Pella Municipal Airport inhibit the ability of the airport to physically expand to accommodate current and forecasted aeronautical activity on a regular basis safely and efficiently. These constraints include:

- Runway 16 and 34 threshold currently displaced 500 feet each end in order to provide runway safety area, runway object free area, and approach surfaces.
- The existing runway orientation and location of the Iowa Highway 163/Washington Interchange, along with existing land uses limit the ability to extend RW 16 and provide for lower approach minimums.
- Existing residential development and recreation facilities together with Idaho Drive limit the ability to extend RW 34.
- The existing airport geometry does not provide the required separation distance between RW 16/34, Future parallel taxiway and existing terminal buildings.
- The existing site prohibits the development of lower instrument approach minimums due to the runway protection zone requirements (roadways, concentrations of people) associated with lower minimums.
- Airport compatibility with surrounding residential land uses.

- The existing site cannot accommodate the development of a crosswind runway longer than 3,200 feet due to existing topography and land use (roadways, residential and commercial development).

The Oskaloosa Municipal Airport presently serves small airplanes, but it cannot accommodate large airplane traffic generated within the service area. The airport cannot sustain the delivery of aeronautical services because facilities needed to accommodate and service large airplanes are not available.

The airport service area associated with the Oskaloosa Municipal Airport is constrained by its proximity to the Ottumwa Airport and distance from Pella. Furthermore, the airport is not geographically located to serve the combined (Pella/Oskaloosa) service areas.

The purpose of the proposed action is to acquire land and construct a new regional airport as described below under Proposed Action.

The need for the land and the new regional airport is to safely provide for the existing and future aviation needs of the City of Pella, the City of Oskaloosa and other surrounding communities per minimum standards for safe and efficient aircraft operations as described in *FAA Advisory Circular 150/5300-13, Airport Design*. The requirements to be satisfied are more specifically described below under Proposed Action.

PROPOSED ACTION:

The Federal Action is providing environmental approval for the Proposed Action which consists of the following improvements, as shown on the March 4, 2015, conditionally approved Airport Layout Plan (ALP) and as described in detail in the Environmental Assessment (EA):

1. Acquire 582 acres of land in fee title.
2. Disconnect County Road - 220th Street.
3. Construct primary runway (Runway 14/32), concrete paved 100 feet in width and 6,700 feet in length.
4. Equip the primary runway with high intensity threshold and edge lights, visual guidance slope indicator lights, and lighted wind indicators.
5. Construct a full parallel taxiway, 35 feet in width, to serve the primary runway, install taxiway edge lights and install airfield guidance signage.
6. Construct terminal apron to accommodate 18 airplanes.
7. Construct vehicle access from Iowa Highway 163 via 220th Street to the terminal building and aircraft hangar facilities.
8. Construct terminal building.
9. Construct Fixed Base Operator (FBO) maintenance facility.
10. Construct aircraft storage facilities for 52 aircraft.
11. Install above ground fuel storage tanks and dispensing unit.

12. Provide water, sanitary sewer, electrical and communication services.
13. Install airport rotating beacon light and Automated Weather Observing System (AWOS).
14. Remove trees and other obstructions, and install perimeter and security fencing.
15. Rough grade crosswind runway (Runway 10/28), 120 feet in width and 4,380 feet in length (paving and lighting crosswind runway is anticipated 10+ years).
16. Develop Instrument Approach Procedures to Runways 14 and 32.
17. Install Medium Intensity Approach Light System with Runway Alignment Indicator Lights (MALSR) on Runway 32.
18. Close the existing Pella Municipal Airport, dispose of airport assets and convert existing site to non-aeronautical uses.
19. Close the existing Oskaloosa Municipal Airport, dispose of airport assets and convert existing site to non-aeronautical uses.

ALTERNATIVES CONSIDERED:

The following alternatives were considered:

- ➔ No Action Alternative: Do not acquire land, remove obstructions, and build capital projects
 - Service from Area Airports
 - Other Modes of Transportation
- ➔ Reasonable Alternative One: Site B
- ➔ Reasonable Alternative Two: Site A
 - Site A: Build Alternative 1
 - Site A: Build Alternative 2
 - Site A: Build Alternative 3
 - Site A: Terminal Area Build Alternative
- ➔ Release/Closure – Pella Municipal Airport
- ➔ Release/Closure – Oskaloosa Municipal Airport

The No Action Alternative does not meet the project purpose and need; however, in addition to being a Council on Environmental Quality/National Environmental Policy Act (CEQ/NEPA) requirement, it does serve as a baseline for a comparison of impacts to the preferred alternative and is therefore retained for analysis. The “No Action Alternative” assumes that:

- The City of Pella would continue to operate the Pella Municipal Airport.
- The City of Oskaloosa would continue to operate the Oskaloosa Municipal Airport.

The City of Pella initiated a project to identify a site and develop an Airport Layout Plan (ALP) for a new airport to replace the existing Pella Municipal Airport. A site near Otley, Iowa was selected. The FAA gave a “Conditional” approval to the *Pella Replacement Airport Layout Plan* on December 16, 2011.

An Environmental Assessment (EA) for the proposed Pella Replacement Airport was not initiated given the renewed dialogue between the City of Oskaloosa and the City of Pella. The proposed site near Otley does not meet the site selection parameters as set forth in the 28E Agreement between the City of Pella, Mahaska County and the City of Oskaloosa. Therefore, the Pella Replacement Airport (near Otley) does not meet the purpose and need as discussed in the EA.

Service from Area Airports, which can accommodate operations by large approach category “C” airplanes that are currently based at the Pella Municipal Airport, does not meet the purpose and need and is not considered a reasonable alternative.

Other Modes of Transportation does not meet the purpose and need and is not considered a reasonable alternative. However, the highway network and proposed airport do complement each other.

Additionally, the “No Action Alternative” is not consistent with recommendations set forth in the *2010 Iowa Aviation System Plan*.

Reasonable Alternative One: Site B (Alternate Site); meets the purpose and need discussed in the EA. Site B was retained by the South Central Regional Airport Agency (SCRAA) Board as an alternate location to the preferred site.

Reasonable Alternative Two: Site A (Preferred Site); meets the purpose and need discussed in the EA and was selected as the preferred location by the SCRAA.

Build Alternative 1 does not meet the purpose and need and was eliminated from further evaluation. This alternative represents a minimum level of development. A runway 5,500 feet in length would not accommodate the two design airplanes (Gulfstream 200 and Learjet 45XR) on a regular basis.

Build Alternative 2 does not meet the purpose and need and was eliminated from further evaluation. The primary runway 6,500 feet in length would not accommodate the Gulf Stream 200 when temperatures exceeded 70 degrees and/or the runway pavement was wet. The proposed length would not accommodate the design aircraft on a regular basis.

Build Alternative 3 – Preferred Alternative; selected as the proposed action because this alternative best meets the purpose and need, is feasible, and results in minimal environmental impacts.

Terminal Area Build Alternative; selected as the proposed action because this alternative best meets the purpose and need, is feasible, and results in minimal environmental impacts. Site A Build Alternatives 1, 2 and 3, all show that the most logical location for a terminal area was near the intersection of the primary and crosswind runways, with vehicle access provided from Iowa Highway 163 via 220th Street. There was no consideration given to locating the terminal area elsewhere on Site A.

Release and Closure – Pella Municipal Airport; meets the purpose and need. The closure of the Pella Municipal Airport will eliminate potential land use conflicts with

adjacent residential uses and provide an opportunity to develop land uses that are consistent with the land use compatibility matrix set forth in the Pella Comprehensive Plan.

Release and Closure – Oskaloosa Municipal Airport; meets the purpose and need. Removing the airport's environmental footprint will complement the surrounding existing rural family farm land use patterns.

PUBLIC OUTREACH:

All South Central Regional Airport Agency (SCRAA) Board Meetings were scheduled and open to the public. All meeting agendas, meeting minutes, agreements, and other useful documents are publically available on the SCRAA website. A public information meeting was held on April 18, 2013 to provide an overview of the proposed regional airport project and to obtain public comments on the candidate sites. The Draft Environmental Assessment (EA) was made available for public comment October 20, 2016 through November 29, 2016 with a public hearing held on November 22, 2016. A listing of the Board meetings and stakeholder and public outreach can be found in the EA's appendix. The Proposed Finding of No Significant Impact/Record of Decision and Final Draft Environmental Assessment (EA) was made available for public comment April 3, 2017 through May 10, 2017.

ASSESSMENT AND MITIGATION:

The attached EA addressed the applicable environmental impact areas in accordance with Federal Aviation Administration (FAA) Orders 1050.1 and 5050.4. The EA contains detailed discussions and analyses of all affected impact categories and analyzed the potential for significant impacts. The EA and any correspondence were reviewed by the FAA to determine whether each of the affected impact categories exceeded an established threshold of significance.

The proposed action will not significantly affect environmental resources as discussed and analyzed in the attached EA's Environmental Consequences section. Mitigation measures that are part of the proposed action are discussed in the EA, which explains why the proposed action will not cause significant environmental impacts. If the sponsor undertakes the project, the sponsor must comply with the mitigation measures as described in the attached EA.

Statements of consistency with community planning from state and local governments are highlighted in the attached EA.

The most important environmental issues and associated mitigation measures related to the proposed project are summarized below and the sponsor must comply with the following requirements:

Air Quality: The proposed action will have no significant impact to this resource.

Use best management practices to mitigate any potential construction impacts to air quality. Obtain construction and/or operating permits for portable equipment and processing plants. Follow State requirements on open burning, fugitive dust, and opacity (visible omissions) in Iowa Administrative Code 567 - Ch. 23.2, 23.3(2)"c", and 23.3(2)"d" respectively.

Take reasonable precautions to prevent the discharge of visible emissions of fugitive dusts (Iowa Administrative Code 567-23.3(2)"c") beyond the lot line of property during construction, alteration, repairing, or demolishing of buildings, bridges, or other vertical structures or haul roads.

Biological Resources:

Federally-Listed Endangered Species: Lists of protected species of flora and fauna were analyzed. The proposed action will have no significant impact on threatened, endangered, or special concern species. The proposed action will cause minor alterations of the existing woodland habitat. The impact is considered minor because the proposed action would remove woodland habitat that supports a minimal number of biotic resources in the affected area.

Based on the result of the Indiana Bat and Northern Long-Eared Bat Habitat survey, the proposed action may affect, but not likely adversely affect the Indiana Bat and Northern Long-Eared bat. Potential roost trees identified during the habitat study or during the project construction should be removed from October 1 to March 31. If tree removal is proposed outside of this period, conduct a survey per USFWS to confirm that bats are not present.

While no longer listed as threatened or endangered, the bald eagle remains protected under the Bald Eagle Protection Act as is listed as a special concern in Iowa. If a bald eagle nest is located within or adjacent to the project area, follow USFWS National Bald Eagle Guidelines to protect eggs and nests.

Before construction, verify that no new species were added to the Threatened and Endangered Species list. If species were added, re-coordinate with USFWS and Iowa DNR.

Migratory Birds: To protect migratory birds, construction activities will not occur where active nests are present until the birds have fledged and left the nest. If evidence of migratory bird nesting is discovered after the beginning of construction, or if migratory bird nests become established, construction should immediately stop within the vicinity of the nest. All non-active, existing migratory bird nests should be removed and properly

disposed and monitored weekly to prevent the establishment of active nests. Work closely with US Fish and Wildlife Service biologists to identify available protective measures prior to/during construction activities.

Avoid clearing or grubbing of migratory bird nesting habitat during the nesting season from April 1 to July 15. If clearing, grubbing, or tree trimming takes place during this period, conduct a field survey of the affected habitats and structures to determine the presence of active nests. Immediately contact the USFWS for further guidance if a field survey identifies the existence of one or more active bird nests that cannot be avoided temporally or spatially by the project.

Detention Basins: Build detention basins to allow a maximum 48-hour detention period for the design storm and remain totally dry between rainfalls. Where constant flow of water is anticipated or where any portion of the basin bottom may remain wet, include a concrete or paved pad and/or ditch/swale in the bottom to prevent vegetation that may provide nesting habitat. To facilitate the control of hazardous wildlife, use steep-sided, rip-rap lined, narrow, linearly-shaped basins. Eliminate all vegetation in or around the basin that provide food or cover for wildlife. See FAA Advisory Circular (AC) 150/5200-33 for more details.

Climate: The proposed action will have no significant impact on this resource. The proposed action, including the closure of the existing Pella and Oskaloosa Municipal Airports, will result in a reduction of greenhouse gases. The reduction will be provided by reducing the fuel burned to maintain facilities (snow removal, mowing). Further reduction will be provided by reduced surface travel distances to an alternative airport location. Any localized increase in greenhouse gases will be offset by removal of aircraft generated greenhouse gases at the Pella Municipal Airport and Oskaloosa Municipal Airport.

Coastal Resources: Coastal resources are not present in the project area.

Department of Transportation Act, Section 4(f): The proposed action will not constitute a use or constructive use of the cultural resources eligible or potentially eligible for listing. Section 4(f) resources will not be affected. For mitigation, see Historic, Architectural, Archaeological and Cultural Resources.

319 acres of the proposed regional airport site, where access was granted, were evaluated for archeological resources. No historic properties were identified. Based on comments from the principle investigator, the probability of finding a cultural resource that may be eligible for listing in the National Register of Historic Places (NRHP) is low. An archeological field survey must be completed for the remaining 263 acres as stated below under Historic, Architectural, Archaeological and Cultural Resources.

The residence and earth cellar, located at 1795 220th Street, as well as the Prine Cemetery are located outside the proposed property acquisition. Therefore, the proposed

action will not constitute a use of the cultural resources eligible or potentially eligible for listing in the NRHP.

Recommendations from the cultural resources studies and consultation with the Iowa State Historical Preservation Office (SHPO) conclude that the potential constructive use of these sites can be reduced below a substantial impairment by inclusion of mitigation measures. Based on mitigation measures, the proposed action will not result in the constructive use of the cultural resources eligible or potentially eligible for listing.

Farmlands: The proposed action will have no significant impact on this resource. The total score on Form AD-1006, Farmland Conversion Impact Rating, is 175 which is above the 160 threshold requiring further consideration of alternatives that would avoid this loss. However, it is below the 200 threshold considered to be a significant impact.

Of the 582 acres proposed to be acquired for the regional airport, 279 acres represent non-aeronautical and non-safety critical areas of the proposed airport that would be available for certain types of crops. Except for areas required for aeronautical purposes for runway, taxiway, and associated safety areas, the remaining area acquired can remain under agricultural production as compatible land use, provided they do not create a wildlife hazard to aircraft operating at the airport.

The closure and disposal of the Oskaloosa Municipal Airport will mitigate, in part, the proposed action's impact associated with the conversion of land from an agricultural use to a non-agricultural use. The closure of the Oskaloosa Municipal Airport will allow for 620 acres to be converted to agricultural uses including approximately 129 acres of prime farmland and another 470 acres of prime farmland if drained.

Use best management practices to preserve and mitigate any potential impacts to farmlands. Use mitigation recommended by the Natural Resources Conservation Service (NRCS). Use NCRS Code 342 Critical Area Practice for seeding on all disturbed areas to establish permanent vegetation and to control erosion.

Make available excess topsoil not used for the airport to the former land owner or other landowners whose land will be purchased for the proposed actions per Iowa code 314.23 to compensate for prime farmlands.

Hazardous Materials, Solid Waste, and Pollution Prevention: The proposed action will have no significant impact on this resource.

Compliance with local, state and federal regulations that relate to disposal of construction debris must be adhered to.

Closure of the Pella and Oskaloosa Municipal Airports will have no adverse impacts. Existing pavement will be left in place. The existing buildings will be converted to other uses when, and if, disposed of by the Cities. Closure of the airport will remove, from the sites, potential sources of pollution that may result from fuel spills.

Comply with applicable state and federal laws and regulations on the handling of fuel associated with the construction of airfield improvements, as well as the storage and dispensing of aviation fuel associated with airport operations which requires special treatment.

Above ground fuel storage tanks are recommended. Register these with the Division of the State Fire Marshal, Iowa Department of Public Safety. The airport sponsor and/or owner of above ground fuel storage facilities is responsible for preparing a *Spill Prevention, Control and Countermeasure (SPCC)* plan.

Historic, Architectural, Archeological or Cultural Resources: Opportunity was provided for the Iowa Tribe of Oklahoma, Miami Tribe of Oklahoma, Omaha Tribe, and the Yankton Sioux Tribe of South Dakota to consult on the undertaking's potential to affect properties with religious and cultural significance. No responses were received requesting to be a consulting party.

Cultural Resource Investigations were completed. Where access was granted, 319 acres of the proposed regional airport site were evaluated for archeological resources. An intensive archaeological investigation was conducted within the area associated with a previously recorded (13MK341) prehistoric lithic artifact site. No historic properties were identified.

The historic architectural survey identified one property, at 1795 220th Street, that may retain sufficient integrity to meet criteria for listing in the National Register of Historic Places (NRHP). In addition to the residential structure, an associated earth cellar may be individually significant and eligible for listing. The FAA has determined that the undertaking may affect the house and earth contact cellar. Permission to access the property to further evaluate the integrity of the house and cellar was denied, therefore the eligibility for listing to the NRHP cannot be fully assessed.

An intensive level survey and evaluation of the Prine Cemetery concluded that the cemetery is eligible for listing because it retains a high level of integrity. The FAA has determined that the undertaking may affect the Prine Cemetery

Reconnaissance level surveys were conducted for the existing Pella and Oskaloosa Municipal Airports. The FAA has determined that the undertaking may affect portions of these airports.

The FAA consulted with the Iowa State Historic Preservation Officer (SHPO) in accordance with Section 106 of the National Historic Preservation Act (NHPA). The Advisory Council on Historic Preservation (ACHP) was notified of the adverse effect to historic properties and declined to participate in the consultation.

In coordination with the SHPO, the following measures are to be carried out:

A. Prine Cemetery

- i. The Airport Sponsor has documented and mapped the cemetery through photographs, historical narrative, and location information. The documentation was submitted to the SHPO.
- ii. In consultation with the SHPO, the FAA has determined that there is “No Adverse Effect” provided that:
 - a. The undertaking will not acquire the cemetery
 - b. The undertaking will avoid the cemetery
 - c. The undertaking will plant a secondary row of trees to further visually screen the airport from the cemetery along the airport’s Southern boundary with the cemetery
 - d. The Airport Sponsor, in consultation with the SHPO, will develop a maintenance plan for the secondary row of trees planted along the airport’s Southern boundary with the cemetery and not allow the trees to penetrate the 14 CFR Part 77.19, Civil Airport Imaginary Surfaces

B. House and Cellar

- i. The Airport Sponsor has attempted to document the house and cellar through photographs, historical narrative, and location information. Access to the property (1795 220th Street) to further investigate NRHP eligibility of the house and cellar was denied. The documentation was submitted to the SHPO.
- ii. In consultation with the SHPO, the FAA has determined that there is “No Adverse Effect” provided that:
 - a. The undertaking will not acquire the property
 - b. The undertaking will avoid the property
 - c. The undertaking will plant a row of trees to visually screen the airport terminal area from the house and cellar along the airport’s Southern and Western boundary with the house and cellar
 - d. The Airport Sponsor, in consultation with the SHPO, will develop a maintenance plan for the row of trees planted along the airport’s Southern and Western boundary with the house and cellar and not allow the trees to penetrate the 14 CFR Part 77.19, Civil Airport Imaginary Surfaces

C. Additional Studies

- i. Upon obtaining access, a Phase I cultural resource survey of the remaining 263 acres of the proposed regional airport site will be completed and the report submitted to the SHPO.
- ii. Prior to release and sale of the existing Pella and Oskaloosa Municipal Airports, a Phase 1 intensive archeological survey of selected portions of the airports will be completed as recommended by the Phase 1A Archeological Assessment of the Pella and Oskaloosa Municipal Airport Properties (dated April 2016) and the report submitted to the SHPO.
- iii. Prior to the release and sale of the existing Oskaloosa Municipal Airport, an investigation for any potential material traces of the World War II use of the Oskaloosa Outlying Landing Field will be conducted as recommended by the Phase 1A Archeological Assessment of the Pella and

Oskaloosa Municipal Airport Properties (dated April 2016) and the report submitted to the SHPO.

If construction work uncovers buried archeological materials, cease work in the area of discovery and immediately notify the SHPO and the FAA. The FAA will contact concerned tribes.

Land Use: Comply with the Sponsor Land Use Letter which states that appropriate action, including the adoption of zoning laws, has been or will be taken, to the extent reasonable, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including the landing and takeoff of aircraft. This applies to both existing and planned land uses.

Natural Resources and Energy Supply: The proposed action will have no significant impact on the consumption of energy and use of natural resources.

Noise and Compatible Land Use: Based on the noise impact criteria in FAA Order 1050.1F, Appendix B, the proposed action would not result in significant noise impacts. There are no noise sensitive land uses within the limits of DNL 65 dB noise contour.

The South Central Regional Airport Agency (SCRAA) will work with Mahaska County to develop compatible land use guidelines and ordinances to restrict non-compatible land uses. Agricultural land uses are generally compatible with airport operations. Given the rural agricultural character within the proposed airport surroundings, potential aviation noise is considered less than significant.

Construction related noise is considered less than significant given the existing agricultural land uses adjacent to the project site.

Socioeconomic, Environmental Justice, and Children's Environmental Health and Safety Risks: The proposed action does not involve relocation of people and/or businesses. Environmental Justice Communities are not present in the affected area.

The proposed action includes the acquisition of approximately 582 acres of land in fee, which does not include any residences or businesses. Acquire land per the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URARPAPA).

Employ best management practices (BMPs) to restrict children from the construction/demolition site, which may include the posting of signs around the construction site, prohibiting access, fencing, warnings posted around areas of open excavation, and site policing.

Visual Effects: The proposed action will have no significant impact on this resource. For mitigation, see Historic, Architectural, Archaeological and Cultural Resources.

Trees and shrubs will provide a visual screen between the proposed airport and the property at 1795 220th Street and Prine Cemetery. The trees and shrubs will mitigate adverse visual effects from development of the proposed action to less than significant.

Water Resources: Closure of the Pella and Oskaloosa Municipal Airports will have no adverse effect on water resources.

Floodplains: There are no FEMA designated 100-year floodplains impacted by the proposed action.

Surface Water: Design storm water detention areas per FAA Advisory Circulars 150/5320-5C, *Surface Drainage Design* and 150/5200-33B, *Hazardous Wildlife Attractants On or Near Airports* for a maximum 48 hour detention and to remain dry between storm events.

Use best management practices to minimize impacts to water quality during construction. Since construction activities will disturb more than 1 acre, obtain a National Pollutant Discharge Elimination System (NPDES) permit prior to construction. Apply to the Iowa Department of Natural Resources (IDNR) for the permit.

The IDNR has also developed guidance to minimize impacts within watersheds. Within the design and construction phase, make reference to the *Iowa Stormwater Management Manual* and *Iowa Construction Site Erosion Control Manual*. Also include reference to Chapter 7, Erosion and Sediment Control-Statewide Urban Design and Specifications (SUDAS) Manual.

Wetlands:

Some wetlands are located on Site A.

- Delineated Wetlands include:
 - Emergent Wetland 0.05 Acres (Field Verified)
 - Pond 0.20 Acres (Field Verified)
- Potential Wetlands include:
 - Potential Emergent Wetland Approximately 3.11 Acres (Secondary Sources)

The U.S. Army Corps of Engineers (USACE) provided a preliminary jurisdictional determination on December 21, 2015 and indicated that the pond and associated wetlands are not jurisdictional and therefore mitigation would not be required.

Permission to access property was not provided to field verify the potential wetland (approximately 3.11 acres). The approximate acreage was determined from review of the potential wetland from an adjacent roadway, aerial photographs, and soils information. Potential impacts to the potential emergent wetland would be less than 0.10 acres. Therefore, mitigation would not be required.

Two intermittent streams and one ephemeral drainageway within the project area were identified. Potential Stream Impacts include:

- Stream A is an intermittent stream approximately 3,470 feet long. Stream A would not be impacted.
- Stream B is an intermittent stream approximately 2,679 feet long. Approximately 598 linear feet of Stream B, located within the anticipated grading limits associated with Runway 14/32, would be impacted. The upper reaches of Stream B could not be confirmed during the wetland delineation due to restricted access to the property. A portion of the length of Stream B was estimated through LIDAR contours and aerial imagery. Impacts to Stream B will require USACE preconstruction notification and permitting.
- Stream C is an ephemeral drainageway approximately 672 feet long. Stream C would not be impacted.

Approximately 598 linear feet of streams will need to be mitigated. If wetland/stream replacement is required, the proposed method will be to buy credits in a stream mitigation bank. If this is unavailable, onsite and offsite stream habitat will be created away from the airport in a way that meets the safety requirements outlined in Advisory Circular (AC) 150/5200-33B, Hazardous Wildlife Attractants on or Near Airports. The USACE issued a "Preliminary Jurisdictional Determination" on information provided. A Final Jurisdiction Determination cannot be made until access to those parcels, where access was restricted, is obtained.

Upon obtaining access, complete a field survey for potential wetlands and streams on the remaining parcels where access was restricted.

There is no practicable alternative to construction in wetlands and streams. The proposed action provides the least amount of resource impacts out of all of the alternatives. Impacts to wetland and streams have been minimized to the extent possible within the project limits of the proposed action. The proposed action includes all practicable measures to minimize harm to wetlands which may result from such construction. Obtain a Section 404 Permit from the United States Army Corps of Engineers.

Construction Impacts:

Temporary environmental impacts may occur as a result of construction activities. Use Best Management Practices (BMPs) to minimize impacts. Incorporate in project design specifications recommendations established in FAA Advisory Circular 150/5370-10, Standards for Specifying Construction of Airports, Item P-156, Temporary Air and Water Pollution, Soil Erosion and Siltation Control.

APPROVING FAA OFFICIAL'S STATEMENT OF ENVIRONMENTAL FINDING:

I have carefully and thoroughly considered the facts contained in the attached EA. Based on that information, I find the proposed Federal action is consistent with existing national environmental policies and objectives of Section 101(a) of the National Environmental Policy Act of 1969 (NEPA). I also find the proposed Federal action with the required mitigation referenced above will not significantly affect the quality of the human environment or include any condition requiring any consultation pursuant to section 102(2)(C) of NEPA. As a result, FAA will not prepare an EIS for this action.

DECISION AND ORDER:

This decision constitutes the Federal approval for the actions identified above and any subsequent actions approving a grant of Federal funds for the project. This decision document is an order subject to the exclusive judicial review under 49 USC 46110 by the U.S. Circuit Court of Appeals for the circuit in which the person contesting the decision lives or has a principal place of business.

APPROVED:



Manager, FAA Airports Division

6/9/17

Date

DISAPPROVED:

Manager, FAA Airports Division

Date