

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD
Regular Meeting
July 3, 2012

MEMBERS PRESENT: Mike Erickson, Rolf Johnson, Dr. Kennon Broadhurst

MEMBERS ABSENT: Steve Kaiser, Lon Gellhaus

OTHERS PRESENT: Mike Wilson, Gary Dahlerup, Jeff Catron, Lynn Lander, Karyna Broadhurst, Comm. Mike Wiese, Darrell Hillestad, Daryl Shook, Sam Muntean, Dave Peterson, Jeff Mitchell, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:30 am on Tuesday, July 3, 2012.

Item #2 – Reorganization of the Board - Broadhurst stated when we have an election; we try to have the full Board if we can. Broadhurst added the rule does say this is the meeting that we have the election and does not know if we can go around the rule as it would make him feel better if two other people make the decision. Johnson thinks that this they can be deferred. Wilson added the officers can stay the same for another month. Broadhurst moved to table the reorganization until the August meeting, seconded by Johnson. **MOTION CARRIED.**

Item #3 Broadhurst moved approval of the minutes from the June 6, 2012 meeting with corrections, seconded by Johnson. **MOTION CARRIED.**

Item #4 – Broadhurst moved the adoption of the agenda, seconded by Johnson. **MOTION CARRIED.**

Item #5 – Next meeting is scheduled for Thursday, August 9, 2012.

Old Business: None

New Business:

Item #6 Bills – An updated bill list was distributed. Broadhurst moved approval of the bills for the month of June, seconded by Johnson. Broadhurst asked about the concrete expense. Wilson stated there will be repairs on the apron and the runway. We will do full depth on some. The Wildlife Hazard training, Broadhurst asked is this always done out of town or is it sometimes done here. Wilson stated we had this here in the past. This one was in Sioux Falls and it was a cheap opportunity to get some employees down to get training. There are also three employees that are going to Bismarck this month. What about the sprinkler inspection, what is done here. Wilson stated they flush the system, they make sure the heads are on and the alarm works and the lights flash. Wilson stated we have the breakdown of the KELO land bill. It shows the time slots they hit which was asked about last month. We did hit the 10 and 6 o'clock news and a lot of other times during the day. We are getting pretty good coverage. Comm. Wiese asked if KELO did the production. Wilson stated McQuillen did last year. Johnson stated he sees that Sioux Falls wants some of their market share back. **MOTION CARRIED approving the bills.**

Item #7 – Financial Report – An updated financial report was distributed. Broadhurst moved to accept the financial report for June, seconded by Johnson. **MOTION CARRIED approving the financial report.**

Item #8 – Recommendation to pay Helms and Associates PE #10 for AIP Proj. #3-46-0001-32-2012 Ag Sprayer Taxiway, Construction Admin/Resident Engineering Servs in the amount of \$20,329.74 – Moved by Broadhurst, seconded by Johnson. Muntean stated the project is 98% done. The remaining work are marking and getting the power for the gate operator. Seeding and erosion control is also done. **MOTION CARRIED to pay PE #10.**

Item #9 – Recommendation to pay PE #5 to Lien Transportation for AIP Proj. #3-46-0001-31-2011 Ag Sprayer Taxiway for materials and work completed to date in the amount \$129,178.09 – Moved by Broadhurst, seconded by Johnson. **MOTION CARRIED to pay PE #5.**

Item #10 - Recommendation to renew Lease agreements:

10a: Chris Lamont, Lease #62, Hangar #29 – Moved by Broadhurst, seconded by Johnson. This is a standard 5 year lease renewal. Broadhurst asked where is the proposed hangar located? After showing a map of the hangar area, this cleared up Broadhurst question. **MOTION CARRIED on the recommendation of the lease renewal for Lease #62, Chris Lamont.**

10b: Quest Aviation, Lease #30, Hangar #1 – Moved by Broadhurst, seconded by Johnson. **MOTION CARRIED on the recommendation of the lease renewal for Lease #30, Quest Aviation.**

10c: Quest Aviation, Lease #27, Hangar #10 - Moved by Broadhurst, seconded by Johnson. **MOTION CARRIED on the recommendation of the lease renewal for Lease #27, Quest Aviation.**

10d: SD Army National Guard, Lease #40, Land lease - Wilson stated the City Attorney and the City Manager are working on this lease. The rent was previously at \$21.60 per acre. They have about 200,000 sq. ft. of an area. Wilson is increasing the rate up to \$35.50 per acre. We are going to adjust this annually along with the hay land prices. They will pay the same rate that the farmers are paying us. Broadhurst asked are they in agreement with this or they don't have to be in agreement. Lander, City Manager stated the draft should be done by Thursday. We are trying to bring this to standards as all the other leases. Wilson thinks it would be a difference of \$200 per year. Councilman Mitchell agreed that the increase would not be that much as 200,000 sq. ft. is less than 5 acres. Wilson stated the Army Guard bases on airport property are interesting because a lot of cities just give them the land and this is not allowed by FAA standards. We have to charge fair market value which we will base on the hay land price. Erickson asked if the fuel storage building is included in this lease as this was approved by the Board sometime ago. Wilson asked where this was at. Erickson stated it's a tiny building they back into and use to fuel their vehicles. Wilson stated this is just for the area, as for the structure if this was already approved, Wilson does not think we have any more say on this. Erickson stated they have done a better job on keeping the property up in the past few years. Wilson stated this lease is up August 1st this year. Broadhurst moved recommendation of renewal of the lease for SD Army National Guard, Lease #40 with the new rate, seconded by Johnson. Erickson asked if Wilson will bring the lease to the Board at the next meeting so they get to see the lease. Lander, City Manager stated once it is completed, he will email this to Wilson. Wilson can then forward the lease on to the Board. **MOTION CARRIED on the recommendation to renew Lease #40, SD Army National Guard with the new rate.**

Item #11 –Cancellation of Lease #74, Hangar 9, Inc. – Wilson stated the language on the lease agreement is that “Construction of the hangar must begin within one year of the effective date of this agreement (June 14, 2011) with substantial completion within 18 months. If the requirements for construction of a hangar are not met, this agreement shall be cancelled without refund of monies previously paid”. This cancels this lease due to no construction happening within the 1 year that we had given them. Hangar 9, Inc. would like to lease the area, but Wilson is not allowed to let someone sit on land and hold it so others cannot build there. Hangar 9, Inc. had given us a letter today asking to get a lease and we will bring this back next month. Wilson stated he needs some plans, a firm timeline on construction. The FAA does not want airports putting Rights of First Refusal and just having leases on areas that are just sitting there available for other people. Wilson had talked to Shook, Hangar 9, Inc. Manager who said 6 months would be reasonable and they would be able to bring a structure up. Wilson stated once he sees what size the building is going to be and where it is going to be, then Wilson would be more comfortable giving another lease. Wilson thought that 1 year should have been adequate. Wilson added when he met with the FAA last year, FAA had said they do not want just storage hangars out on the apron even if they are for the FBO's. There has to be a need for it to be on the apron. The example given was that if it is just storage for four people with long term leases, they want this back on the taxilane that has less concrete for the FAA to pay and for us to maintain. Wilson stated he talked to Shook and in the letter he stated that this would be used for storage of aircraft, transient aircraft parking and also for de-icing transient aircraft. Wilson stated as long as it is for transient aircraft and there is space available for a plane to come in, be parked and de-iced, it's fine to be on the apron. The other thing, Wilson mentioned with our grants right now to have an apron extended will be 3 to 4 years out. This will also depend on FAA, if they will approve this for funding. If the FAA comes out and sees that it is just used for storing aircraft long term, they may not fund it. As long as Shook is meeting the requirement to have the transient aircrafts, it should be funded. With our grant right now we are filled up for at least the next three years. Hangar 9 would have to put their own approach or they can build an apron to FAA standards and try to get reimbursed later on in the future. Catron, a local pilot asked they cannot have a corporate hangar on the apron. Wilson stated no. Catron stated a lot of airports have corporate hangars out on the apron. Wilson stated a lot of aprons have a lot of issues. Bismarck is one that is running into this problem now where they have long term storage on aprons. The FAA language is “Apron areas for the exclusive and near exclusive use of an air carrier, FBO's, or other tenants are not eligible. Exclusive use of apron

s and any termination as such is ineligible in turn evolves eligibility of the associated terminal buildings. Additionally, the aprons in related taxiway areas for use of a tenant not furnishing service to the general public are ineligible". This is where they are running into a lot of issues with corporations having their own personal aprons. Muntean added it's been fairly new enforcement of the policy. The last two years is when they started hearing about this and it has been a big issue. The regulation had been there, but had not been strictly enforced. Muntean stated not that you can't do it; FAA will not fund it. Wilson asked what other airport had an issue that has Helms and Associates is working on. Muntean stated this year they had reconstructed the apron at Sisseton. They have an old hangar that has an aircraft stored in it and the aircraft has not moved in a couple of years. It's a private hangar. The FAA would not participate in funding the portion of this apron. The City had to pay for a 50'x60' area of apron as FAA would not fund this. The hangar had been there since 1960. Watertown and Pierre have the same issue. It would be hard to find an airport that does not have this issue. Wilson stated the FAA says that it is a gray area. They know that there are a lot of FBO's that have long term aircraft storage in their hangars, but with this one being a new construction and solely there are 4 aircraft being leased in this it would be extremely hard to get an apron built in front of it. We do not want them to draw the black and white line, because if they do, we are going to have a lot of issues. They say it's a gray area, just make sure we are protecting ourselves. Muntean added by putting the verbiage and the proposal in the lease that it's going to be for itinerant aircraft and its open for de-icing which does require being on an apron or direct access to taxiway right out, protect the airport and funding. Comm. Wiese stated if we can demonstrate that we are complying we will be fine. Muntean stated yes. We are making a reasonable effort so at least we have an argument to stand on. Johnson asked if this is a way FAA try to attempt to transfer the ownership of some of the private hangars back to the FBO's. Wilson stated the intent is to not have to build aprons that become overly large and spend all their money every year on constructing aprons. FAA had said if it comes down to it what they could do is apron use plan and we have to show how every single building on the apron is using that apron for the general public. This is another thing we do not want to have happen. Johnson stated he can see rapidly expanding market would be issues that they have much more rapidly and have to do with them more expeditiously than airport; how far it's taken generations to expand. Wilson stated but then the pavement comes up 20 years from now and we had put something out there that did not need to be out there and it had to be reconstructed. Like Watertown has one of the biggest aprons in the State and they do not have a need for a lot of that apron. They have other issues with the College being built on the airport too. Comm. Wiese stated the scrutiny has become fussier about spending public funds for public use as opposed to having it exclusive for private individuals. Wilson added every time we have to do one of these projects, it eats into one of the other project and pushes our budget back too. It will probably push back our ARFF equipment another year, if we have to do the apron. Broadhurst asked is there a need for a motion on this cancellation or does the lease takes care of that in itself. Wilson stated the lease does, but a formal action would be appropriate too just to show that it is actually expired. Erickson asked if they cancel the lease, is there somebody else that wants that piece of land that is going to jump. Johnson stated he does not think this would make a difference. If the time is up, the time is up. Wilson stated this is why he cannot just hold it because someone else wants it. If they can come in and construct first, they should be entitled to it. This is how the FAA would view this. Wilson read from the Exclusive Rights Advisory Circular "the grant options or preferences on future airport lease site to a single service provider may be construed as intent to grant an exclusive right. The use of leases with options or future preferences such as Rights of First Refusal must generally be avoided. This is because the Right of First Refusal can allow an existing tenant at little or no cost to hold a claim on airport land that could be used for a second FBO. Then lease that land where there is prospect of competition". Here we have three FBO's so it's not the first one trying to prevent a second, but it could be for one trying to prevent another one from getting that prime spot and this is what we want to avoid. Johnson stated this already had taken place on June 9th. Wilson stated he had talked to the City Attorney about this and he had stated that it would be best for the Board to make a formal motion on The Board acknowledged that Hangar 9, Inc., Lease #74 is cancelled.

Item #12 – Airport Manager's Report

12a: GA Road Project – This project was bid. The bid came in over \$92,000. We had requested \$50,000 last year from the Fuel Tax funds for this project. After the construction is complete and they have the as built quantities, we will go through and figure out what we will need to request for additional funds from the Fuel Tax. The completion date is September 30th. The contract had been signed and they should be starting soon. Hillestad stated it's odd that they can control the money for the apron for corporate. They tell us we cannot have corporate up front, but yet you can take the fuel tax that corporate aircraft burn and you can put it where you want. Wilson stated it's a State Fuel Tax. Hillestad stated he knows, but most of it are corporate burn. Johnson stated the second allocation would come from the second year. Wilson stated the \$50,000 was approved last year. We have a Fuel Tax Fund where all the fuel that is used on the Airport, a small percentage goes into a fund. This money can be used on airport for projects that are approved by the SD Aeronautic Commission. They usually like to see projects that promote aviation. Wilson added he has not seen the SD Aeronautic Commission deny any request for use of Fuel Tax. Wilson thinks

this project will help the people that are putting money into the Fuel Tax fund. Johnson asked so we have money there. Wilson stated we have about \$200,000. This is just for use on our Airport. We like to use this money on projects that are not AIP eligible which this one is not. Erickson added we just recently put some money back into this. Wilson stated yes, \$100,000 back in from the EA that now AIP will be funding. Erickson asked if anyone from Aberdeen is in the Aeronautic Board. Wilson stated Chris Funk from Madison would probably be the closest.

12b/d: Terminal Remodel/Allocation Letter – We are working on the Terminal remodel specs. We had a meeting last week trying to finalize the final design. The electrical and mechanical engineers were here today and Wilson took them through the building again. We are trying to have this completed by early next week. We will have the bid opening July 31st then run it through the Board on August 9th and then to the Council on the 13th. We have to have our grant application in by the 15th of August. In the allocation letter, the FAA said they need everything in by July 31st. Wilson was able to talk to them to give us an extension to August 15th so we can go through the Board on everything and then through the Council. They were not happy on giving the extension, but they did give it. Muntean stated the biggest issue with this is phasing the construction. The biggest conversation at the last meeting was with TSA and airline, how we are going to phase the construction to keep them operational. One of the biggest issues is the baggage claim. How passengers are going to get their bags when we are reconstructing the baggage claim area. The plan is to have a temporary baggage claim set up outside the front of the building under shelter. This would probably be for 2 to 3 months. Wilson stated people will be inconvenience for this amount of time as they would have to go outside the building. Our plan is to put a tent up on the far side. This would be our first phase of construction which would be going on during hunting season and finishing in December. Come November when Hunting Season is done, construction will then start inside the building where they will work on the hold room; moving walls, moving TSA equipment, etc. Phase 2 would be finishing the hold room. Then, phase 3 would be transitioning the screening equipment from the temporary area into the permanent area. One of the reasons we are doing the baggage claim first was to get TSA's IT cabinet into its new dedicated room. They have 120 day notice that they need to have for moving their IT.

Another item Wilson has to do is marking removal on the crosswind runway. This will be bid the same time we are going to be bidding the terminal project. This will be obliterating the old 35, the old threshold markings and the old aiming points on the crosswind runway at the 3,400 footmark. They had been flush sealed twice in the past, but the FAA does not allow this anymore. They want us to completely get rid of the old marking and flush seal over it. The FAA feels that this is hazard as someone can think this is the end of the runway. Broadhurst asked is this the same thing that shows up on the Certification Inspection every year. Dahlerup asked do we have any idea as to how long this would take as we like to close runways. Wilson stated our staff will not be doing this as there will be a lot of sand blasting. It will be bid out. Wilson's estimate is \$30,000 - \$70,000. Johnson asked how pilots deal with all the debris being blown around with turbine engine and such. Is this an issue? Wilson stated the work will include clean-up. The marking is more visible at night than during the day. Our inspector noticed this last year again. They were also noticed the year before as they were flush sealed before Wilson started. Dahlerup stated with a commercial contractor doing the work, they will probably do this fast. Wilson stated he would think so. Erickson asked Muntean will this method work. Muntean stated yes. The problem is when you bead blast or sand blast or whatever we do to remove it; you then remove all the asphalt and then you have to go back and flush seal it to darken it again. Dahlerup stated he is just concerned how long the runway will be closed. Wilson is guessing less than a week for removal and flush seal. With the flush seal we probably have to wait 21 to 28 days for re-painting. Erickson asked where are we getting the money for this. Wilson stated this is included in our grant this year which is in the tentative allocation letter. This is an item that the FAA is requiring so they are funding it. The other projects that the grant will pay for this year is the Survey that was done for the approaches, the EA, and Hangar 9 access road which we had been carrying for a couple of years.

Snow and Ice Control Plan (SIC)/Airport Certification Manual (ACM) – We had a revision to our SIC plan and our ACM which is due on Saturday. Wilson had turned these plans in last week. In the SIC plan we had to show where the mutual aid access point is for Firefighters coming into the Airport. Wilson had put in that the snow removal will be done by the Fire Department from Bay 1 door landside out to Melgaard Road and the door will be operational and this is where mutual aid comes in during the winter. Wilson also did some editing and other revisions in the SIC plan. This should be approved Friday. The ACM references the SIC plan which Wilson had to put the changes in here also. There must have been an incident where mutual aid did not know where to come in and snow were not cleared for mutual aid coming out the airports, so they made all the airports identify this point.

ADA complaint – Wilson stated we had an ADA complaint in our bathrooms. Wilson had the City Building inspector look at the bathrooms and he found everything to be mostly adequate. When we redid our sinks they did

not cut the board high enough. It's supposed to be 27 inches from the floor for a wheel chair to get underneath. It was only at 26.25 inches. Our staff had cut an inch off, so we are meeting the ADA standards now. This was not the complaint. The complaint was people with a walker or wheel chair can't get out of the bathroom. We did the pull test on the doors and they were under 5 pounds. We have room next to it for someone to stand while they are opening the door and then exit. The gentleman called today and still complaining about it. The issue is that the door does not stay open and he wants to see an automatic door opener. Wilson does not think that this is an ADA requirement, so Wilson talked to the Building Inspector today. This will be more of a privacy concern when someone is in the bathroom and the door opens. The end result was that the gentleman is not flying out of Aberdeen anymore because he had to hold the door for his wife. Wilson stated we are meeting ADA standards. Wilson does not really know how to resolve this complaint. Access for All went through this building and they had found the building to be adequate.

12c: Ag Taxiway Project – discussed previous.

Item #13 - OTHER:

EA FONSI ROD - Broadhurst asked last month it was mentioned that hopefully, we will see something soon on the EA FONSI ROD so we can start to move forward on our projects. Muntean stated the FAA is still working on this.

STAGING OF TERMINAL REMODEL – Comm. Wiese stated the staging is a bit of inconvenience, but it is important knowing that the improvement as a whole are going to improve the experience for our passengers and we are not closing the airport just minor inconveniences and this is the nature of construction. We are going to be working pretty diligently to set this up in such a way that there is minimal disruption for everybody involved. This is a good thing and he appreciates being updated on this. Wilson stated the other thing is that they are trying not to touch the hold room until after Hunting Season. With 3 flights a day and 50 passenger planes, this place will be busy. It should work pretty well the way we have everything plan. Right now our big challenge is getting the application done. Erickson asked how weapons will be claimed, if these are going to be in the tent. Wilson stated there will be an airline employee watching.

Morgan Beving Hangar – Last month Wilson had stated that Beving would come forward this month with plans for the actual design. Beving is not ready for this yet. Beving was looking at 50x60 hangar, but now it might be 48x60. Wilson also wants to know the actual approach size before Beving gets the lease.

The meeting adjourned at 12:29 pm.