

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD
Regular Meeting
September 3, 2009

MEMBERS PRESENT: Mike Erickson, Rolf Johnson, Steve Kaiser, Chuck Bensen

MEMBERS ABSENT: Nate Zeeb

OTHERS PRESENT: Dave Osborn, Sam Muntean, Bob King, Kevin Braun, Bill Antonides, Jeff Mitchell, John Aman
Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:30am on Thursday, September 3, 2009.

Bensen moved approval of the minutes from August 6th, 2009 meeting, seconded by Johnson. Osborn wanted noted in the minutes on the last page when they came out of Executive Session it talked about the note for Zeller Brothers. There is an area that it should be \$15,162 not \$15,199. This is what the Board approved. Osborn forgot to make the adjustment on the last change order which was the negative \$37. Motion approving the minutes from the August meeting is carried.

Old Business: (Hangar 9) Osborn stated as per the email he sent out, the August 11th deadline was not met by Hangar 9. The contract for construction was not received. (ABR Promo Card) Osborn apologized to the Board for not having the card at the Air Show. We had problems with the pictures and getting it ready. We received the cards in time to get it into the Air Show, but the morning of the Air Show when they were setting up as things developed and they were getting ready Osborn did not have time to get back to the office to get the cards as he was needed to do parking. The card was not handed out at the Air Show, but we do have them here in the baggage claim area and they are not time dated which Osborn thinks will work well for public information. (Letter of Correction) Osborn stated all the items on the Letter of Correction from FAA have been completed in a timely matter and had been sent back to FAA. (October meeting) Osborn noted that there is change in next month's meeting which will be on Tuesday, October 6th at 11:30am which is item 11 on the agenda. (Website) The City website had been discussed two to three months in a row. The City will put a RFP (Request for Proposals). In the Department Head meeting on September 10th they will put together a committee of people they would like to help with the proposal. In the meantime if anyone had specific ideas for the website for the City including the Airport, Lander, City Manager will meet with anyone interested. Osborn stated he knows Kaiser has some interest and if anyone else has input Osborn would need this by the 10th and he will take it to the City.

Bensen moved approval of the bills for the month of August, seconded by Johnson. Motion carried.

Bensen moved approval of the August financial report, seconded by Johnson. Motion carried.

Osborn stated we have the promotional cards and unfortunately because of the timing the morning of the Air Show they were not handed out. The estimated cost for the cards is about \$500. Last month the American Barnstormers Tour was discussed. Osborn distributed the schedule of dates, but actual time is not posted yet. We have paid our down payment on this for next year. There will be additional expenses that will go into this process. Since this takes care of the program, the Air Show committee will meet again and see what additional items they can add. They had talked about having a hangar dance since the program is a number of days. They also discussed where we will hold this and they had discussed having it from Aberdeen Flying Service redline towards the SRE building so we do not interrupt the daily operations of the General Aviation. These will be discussed again in their next Air Show meeting as this will be a three day event and how we will have coordinate this with the FBO's. Kaiser asked have we heard anything from downtown as this separates Wheels and Wings. Osborn stated that it does and this had been discussed in their meeting that the next year program will be separated and will not be the same dates. The Downtown Association is part of their meeting and they knew this. Muntean, Helms and Associates suggested as for funding Osborn might want to check with SD Office of Aeronautics as Tea had requested help on funding. Osborn stated an update on the Air Show/Fly Inn. They assume there were approximately 3,000 people that showed up for the Fly Inn. They did hear a couple of complaints where people thought it was an Air Show rather than a Fly Inn and expecting acts. Osborn thought that the American News when they did their article did a good job explaining to the public that it is not an Air Show that it is a Fly Inn. Basically that it will be different. With the flour drop and the spot landing these added a lot of plane that were doing a process all the time. Overall, the Fly Inn went well. As for the expenses, the Fly Inn cost is probably about \$15,000. Part of what they add into this is in-kind which amounts to \$7,000 for FBO hangars, time and expertise for their staff, selling fuel at cost, etc. This does not include volunteers' time. The income

that we have collected prior to the show is about \$7,400 up until today, so we actually lost about \$600 to \$700 on actual cost. Osborn stated he thinks that a lot of people around the City really do not realize that even a small Fly Inn like this cost a lot of cash and it does not generate income. Johnson asked how many outside the area pilots flew in. Osborn stated he thought that Roeker counted 14 to 16 planes. As for lunches, we paid for 20 volunteers and 22 pilots. Johnson asked how the B25 did. Osborn stated there was a total of 4 tickets sold and we had to pay for the other tickets, so we made sure other people got some rides; those who had 3 to 4 years of service with the Air Show. Osborn stated during the hunting season there is always worries about seats for regular passengers plus the hunters coming in. Mesaba has guaranteed extra seats for the season. Osborn believes there are two extra planes, but does not have the schedule yet. There were worries with transfer over to Delta if they would get the word. With Kulm from Hertz who has a brother in-law as contact had said that they need to make sure this is not missed. It worked and we got the extra planes with roughly 100 seats during the hunting season. Osborn hopes that he will get the schedule this afternoon. Johnson asked how the 100 seats compare to prior. Osborn stated this is pretty similar as we usually have two extra planes (CRJ).

Helms and Associates pay requests:

Bensen moved approval to pay PE #9 for work completed in the Environmental Assessment project in the amount of \$15,258.09, seconded by Johnson. Bensen asked how far along are we with the EA. Muntean stated the Wildlife Assessment has been finalized and they are incorporating this into the draft. They are probably about 80% complete with the draft EA. Once the draft EA is completed then it goes to FAA review, Attorney review and so forth. Once they are done with their review they update it one more time and then it gets published for final comments. Chairman Erickson asked how long it takes to get a draft done to get to the final. Muntean stated it depends how long the FAA review takes. Right now it is hard to say because of the economic stimulus, the FAA has kind of change their priorities of what they are focusing on. One of the things is the 7460, the Airspace for new building around airports. They have been told unofficially that this is no longer FAA's priority this year, so there will be longer delays than normal. Muntean feels that this will be the same for EA's, so it may take more than 30 days for their review. Once FAA review is complete and we make the changes from this then we have to publish it for 30 days, have a public hearing and then incorporate any and all comments that we get from the agencies and the public during the comment period. Then this has to be published again with the finding of no significant impact. We are talking about 90 to 120 days once the draft is finalized. Kaiser asked do we have work waiting on this process. Muntean stated the work that would be waiting on this is starting filling in the wetlands and shifting the runways are the items included in this EA. Osborn stated to keep in mind that the 90 to 120 days still fall in line with the timeframe when we have to sit down with FAA on our future plans. If the timing works out well it could still be a spring request. Motion to pay PE #9 is carried. Bensen moved approval to pay PE #3 in the amount of \$23,059.68 for Construction Administration and Resident Engineering Services for AIP Project #3-46-0001-29-2009 Hangar Taxilane Improvements, seconded by Kaiser. Bensen asked how the project is going and if we have had any problems with any hangar owners. Osborn stated the project had gone very smooth. We have been contacting the hangar owners prior to closing a taxilane down by phone; the most we can and leaving messages for those to let them know what date. We try to do it on a Friday, so if it is a Monday start date they have the weekend to move things around. Braun actually had been coming over for his interest for Quest as well as personal and it had worked very well. All of those hangar owners were also invited to come to any of the meetings. We have not had any problems with someone saying this or that, or that they are not being notified. We are pretty well in stages now that what basically lane 4 will be our next big group which will probably be at a later time. Bensen asked how long they are down from their hangars. Osborn stated 21 working days, it does not include Sundays. They have met the requirements so far on those 21 days on every lane. They should be getting lane 1 open by this Friday. Bensen asked if most are tying down out front. Osborn stated they are moving around amongst themselves, so we really do not have to be much involved. Motion to pay PE #3 is carried. Bensen moved approval to pay PE #22 in the amount of \$1,374.01 for Construction Administration and Resident Engineering Services for AIP Project #3-46-0001-27-2007 Reconstruction of Taxiway D, seconded by Johnson. Muntean stated we have at this point have finally gotten Jacobson Electric to complete all of the punch list items that were listed for him. It took several trips out here. With UPCI, we are still in the process of getting some of the things done. In addition, we are working with them to get numbers put together to do the remedial work on the two exit taxiways where we had the frost issues. Muntean was hoping that this number would be available today, but UPCI did not get it to him. As soon as Muntean gets this information he will pass the information to Osborn then to the Board. Osborn stated as far as Jacobson, there is a warranty item that they had gone forward and found that the lamps that have actually oxidized and changed colors the company will be replacing under warranty and they are working on this now. This is not an item based upon Jacobson's work, it is a warranty issue. Motion to pay PE #22 is carried.

Kaiser moved approval to pay PE #1 in the amount of \$209,488.10 to Dakota Contracting for work completed to date on AIP Project #3-46-0001-29-2009 Hangar Taxilane Improvements, seconded by Bensen. Muntean stated this is a periodic pay estimate for work done to date and it does include stock pile materials. Motion to pay PE #1 is carried.

Kaiser moved approval of Dakota Contracting Change Order #1 increasing the contract amount by \$4,279.83, seconded by Bensen. Muntean stated the Change Order covers a couple of items. One of the first ones is that we

used up some of the stockpile base course from the Txy 'D' project. Since we can use the material, we just change order the price for them to place the material versus them supplying it. So we had subtracted some of the quantity off their base course and added a new item to pay for displacing of the materials. The other one is that we have the new sewer line for Quest that we were relocating to get it out under the taxiways. When we got up to Quest, we did two things. We added a manhole at the terminal of the main line which allowed us to run the line straight and clear of some electrical lines that were out there. This will also makes it more accessible for any future connections to this line, since we have a manhole at the end of it. One of the items is to add the manhole and to include this and the connections up at the end of what they actually found in the ground compared to what they suspected. The other item is on hangar taxilane 5; we found that one of the hangars has a septic tank and drain field behind it. Unfortunately, the septic tank was underneath the edge of our taxilane so we could not leave this in, we had to take it out. Instead of putting in another one, we will be putting in a main sewer line and a manhole here, so then we will be able to reconnect this line to this sewer line and run it to the main. In addition this main will be available to the other hangar owners, if they want to connect. Muntean stated he believes that Quest Aviation is looking at working out getting their line connected in here as they do have sewer here, but they are not sure where it goes at this point. Johnson asked who's hangar that has the drain field. Muntean stated Mike Sommers. Johnson asked he needs it and he wants it. Muntean stated he had it and we tore it out. As for Quest we did not impact it, but because they are not sure where it goes they are thinking now might be the best time to do this. They are possibly doing this and this would be their cost since we did not impact it. However, one concern Muntean have is the existing taxilanes use to have underdrain that was about 6' deep right down the center. There are concerns on Muntean's end that possibly some of the hangars that have floor drains had tied into this which would not have been legal or proper. But 20, 30 years ago things happened that nobody knows about today. Muntean stated they wanted hangar owners aware if suddenly their sewer drains stopped working because we are reconstructing those; that underdrain system is getting abandoned and we are putting in a new system for our new taxilanes, so if they were using it in the past it will not work anymore. Motion approving Changer Order #1 is carried.

Osborn stated the 2009 Wildlife Assessment is an update and asked the Board to place it on file. Kaiser moved approval to receive and place on file the 2009 Wildlife Assessment, seconded by Bensen. Motion carried.

Osborn stated Caven from Aberdeen Flying Service called the other day and has another meeting this morning and would not be here. Caven had asked that the Board consider his request if there is space in future expansion he is looking at, if there are changes to the runways and taxilanes his business would also like to be considered for land in this area which his letter states. No action is needed from the Board is needed at this time.

Osborn stated we request to advertise for Snow Removal Bids every year. Bensen moved approval to advertise for Snow Removal Bids for winter 2009 -2010, seconded by Johnson. Motion carried. Johnson asked if we ever utilized this. Osborn stated not since he's been here. Bensen and Chairman Erickson both thought that we used this service in 97 which was a bad year.

The meeting for October has been moved to Tuesday, October 6th at 11:30am rather than Thursday, October 8th due to the SD Municipal League this week.

Osborn stated he received a call from Rick Temper with SD Honor Flight. They are going to be in the Aberdeen area. They had done flights for Sioux Falls and Rapid City. They are looking at being here October 16th and 17th. They are going to be working with Mesaba's staff today. Johnson asked if these are for WWII veterans. Osborn stated it is for WWII veterans in the area. They are taking them to Washington DC to see the monument. Osborn's understanding is that they are bringing a Boeing 737, 152 passengers are going here. This does not take care of all the veterans in our area because they are expecting that there will be another flight. Osborn had given them his concern, being this is Pheasant Opening weekend that it will be very busy. They wanted an area to have the Governor and Lt. Governor speak to people taking the flight as well as family members. They expect 200 to 300 people to show up for this. Osborn stated he had informed them that this would be difficult and that we may have take the observation room and adjust it. There is a person coming today and they will discuss how they would have to set up without trying to get into the main lobby because of the Hunting Season as it will be extremely busy where people are coming and going. A lot of this will depend upon what their flight time is. They will also bring 50 wheel chairs and plan on using the jet bridge.

Osborn stated this morning he received a letter from Regional Elite Airline Services which he had distributed to the Board. What we are seeing are the employees of Mesaba will be employees of Regional Elite. This is basically baggage handling service of what these employees will become. They will still do their standard duties at the counter like getting people checked in, but it's more of a baggage handling service that they are producing out of this region. Osborn can't answer how this will affect phone calls or tickets out of ABR (Aberdeen Regional Airport). Osborn will have talk to Bauer, Mesaba Station Manager today and discuss this as Osborn just received the letter this morning.

Kaiser stated this had been discussed before and still thinks that we need larger signs identifying the Passenger Terminal and General Aviation. Kaiser knows that we have a sign out there, but if you are going at a certain speed seeing the sign would be hard. Bensen stated he does not disagree as he had thought the same thing himself. Osborn stated all the signs out there are basically highway signs from the highway department and Osborn can certainly talk to them about this to see if they can make it larger. Kaiser stated we just need a larger sign that says Passenger Terminal and General Aviation. Osborn stated he can talk to Al Petrich.

Aman from Hangar 9 stated as the Board is all well aware; the construction agreement was not signed by Hangar 9 and subsequently was also not submitted on the 11th of August. Aman did receive notice of this. In contact with Hangar 9 counsel as well as the City's counsel Altman, Altman's recommendation to Hangar 9 was not to sign and submit for reasons Hangar 9 still have not received a yes or no from FAA on the 7460-1 which is the permit request for any construction or alteration on airport site. The current construction agreement had stated to be completed by March 1, 2010. On the 11th Aman did have a phone call to Mike just to let him know. Yesterday, Aman called back to the ADO office in Bismarck and was informed that Patricia Dressler who's been handling this is out of the office now for sometime and Aman had spoke to Dave Anderson who said he would look this up and would call Aman back. Anderson called Aman back about an hour and a half later after reviewing the case and said that he would call Aman back tomorrow as he needed to talk to one more person before they can make a determination. Aman stated we are talking about something that should have taken 60 to 90 days. We are now at 7 or almost 8 months to find whether they have any determination or approval for said construction. Aman added that Altman's suggestion would be that the lease agreement for the space be honored and all past due rent be collected. Aman stated he had since received a bill for the first six months for the hangar space. Obviously if the Board would honor this, then there is also the additional land that was requested as per the agreement that would be due back rents and up to date. Aman added that Altman's suggestion would be that the construction agreement be done in such a way that it be with a timeframe to be completed once either permit is issued or ground is broken versus a drop dead date. This is the consideration Hangar 9 is asking for. With the land lease agreement Aman stated that Altman's understanding is that, that would still allow Osborn to submit those areas that are contained within the construction agreement for the AIP funding or the underrun from last year that may become available in 2010 however it may be. Aman stated they can sit down and reconfigure the whole construction agreement. Johnson asked is Aman saying that he can have something by tomorrow. Aman stated he is hoping to have an answer tomorrow. Johnson asked if this would be in a written form. Aman stated the notification when he filled this out back in January and submitted it, notification was supposed to be written or electronically submitted notification. They do have Aman's email address and he had double checked everything on the application. This part is all current. Aman had communicated with Patty Dressler in Bismarck and also Jenny Clements from DOT in Pierre. Aman stated he knows the communication part here works and according to the electronic application all notification is supposed to be done electronically. Whether Aman gets electronic notification and a phone call, he does not know. Kaiser asked if Aman is asking for consideration again because the FAA had not moved on the application. Kaiser also asked if the Airport had made a formal application to FAA on this. Osborn stated no. In order for Hangar 9 to build within the vicinity of an airport they have to have a 7460. Earlier, Muntean had informed the Board due to the fact that there is stimulus that is going on the FAA office is no longer saying that this is one of their priorities, to approve 7460's. What had happened is that Hangar 9's application for 7460 is evidently been sitting in their office and had been delayed. Osborn stated what this Board had asked for was a signature on a contract to state that they are going to do the construction and they are going to follow the construction. Osborn thinks the concern here was possibly a timeframe for when the completion was going to be. When we wrote the letter out after the 11th, we did it by making a call Altman to discuss the circumstances of where it was. Because we have not received the contract where would we have to go to go forward to protect this Board. The suggestion was to write the letter that the determination for the contracts was not being approved anymore because the timeframe had gone by. Osborn stated we also talked to Altman concerning this and Altman had mentioned to Osborn that there was possible problem with the 7460. Osborn on his own then called the FAA office to see if the 7460 was still up there not having knowledge because 7460 when it's applied for, we don't get knowledge of where it is at. Basically from this area we are trying to do nothing more than to get the contracts sign so we know whether we have it or not. And this does not affect their contract per se. The date as far as if they were not able to do it because they did not have the 7460 has no relevance to the contracts; it would be because of on the date but obviously because under that circumstances this Board could review this part of the contract. Johnson stated it does because of their business operations. Aman stated it does have relevance in so much that we are asking Hangar 9 to ink that deal on \$100,000 some worth of construction when they don't have permission from the FAA to move forward yet. For any construction, be it the hangar addition or the access road or the security fence. Aman asked Bensen (who had abstained from Hangar 9's request) for his professional opinion if he would recommend to any of his client to sign a deal for \$100,000 without approval to move forward. Bensen stated his only question is that Aman knew all along that the 7460 had not been approved and yet this Board was not made aware of it. Aman stated he had informed Osborn and also Altman in subsequent meetings. Osborn stated there was a comment in a Board meeting that it has not been received. Johnson asked do we have a drop dead date of October this year for the building. Osborn stated in the minutes there is a drop dead date, the end of construction season which October 15th that this building would have to be moved if there are no contracts signed. Johnson stated we just want to make a note of this if any considerations made. Osborn

stated they also considered this with construction going on because we want to make sure that if there are issues that comes up that where we are at with the line, if they are going to put this on a line. We do not want interrupting this also. We had considered this all the way as every part of this whether we have a contract, or not have a contract, what it's going to affect, how it's going to affect. The off and on of this has made it very difficult to do planning for the Airport and to give us that status. Johnson stated this is understood. Osborn stated the purpose of asking for those signatures and those contracts were to say we know we got it, we got it in hand if there are issues to work with beyond that Osborn did not think that this Board would have a problem spending time if it was because of that. Our affect was that we are not getting signature on the contract and this was what we were working for. On the 7460, this Board has no control over this, neither did Osborn. This is FAA's office issue and this is not something Osborn could help them get or push faster. Johnson stated if the Board remembers back when Harr Motors made their application for the height of their signs and buildings, it sailed right through. Osborn stated there was not stimulus like it is this year. Muntean stated there was not a stimulus and because it was off the Airport it does not go through the Bismarck ADO office. Things that are off airports go through a central processing site for the FAA. They have staff that this is all they do. They typically have a turnaround time of 30 days or less, but if it is on the airport it has to go through the District Office for that airport, so it takes a little bit longer because of this. Aman agreed as even on their instructions for the application it states average time is 60 days. Aman had been continually calling and emailing and up until yesterday he had not had any phone calls returned from any voicemails or emails. Kaiser asked if Aman has a request for the Board. Aman stated he does not have a written request and wanted to address the Board in regard to this. If need be Aman can type a written request and submit it. Johnson stated he thinks Aman should wait his 24 hours and see what he gets tomorrow. Bensen stated his thoughts as Aman had asked him about the contract, they put contingency clauses in contracts all the time (contingent upon approval of the 7460 by the FAA) this would have been a simple resolve to the problem and they are not obligated if FAA don't approve it. Osborn stated basically in that contract it did have that it follows all Federal Regulations which did allow that would be a caveat to say the 7460 is not in place yet can we get an extension in our time. Bensen stated he had abstained and will continue to abstain. Aman stated he understands this and he had asked Bensen the questions because of his affiliation with legal entities. Kaiser asked what is Aman asking of this Board. Aman stated he is asking for the Board to approve the land lease and if need be Aman can resubmit as far as the construction portion of it based on the 7460, if he hears something from FAA tomorrow. If not he will be calling on Tuesday, Monday being a holiday. Kaiser stated his personal opinion is that the Board needs to meet with the City Attorney before they can make any decisions. Johnson stated he agrees and does not want any precedent and now we have another letter on file. Johnson stated he does not want to negate previous agreement even though it was not signed. Osborn stated the letter that went out negated those contracts and the letter came from the Board Chairman based upon the recommendations of this Board. The letter was thought to have been sent out on the 13th of August because we had talked with our legal department to see what the responsibility of us. The Board minutes showed they had till the 11th of August. By the end of the business day on the 11th it was not received, so we had asked Altman what he thought the best interest of the City. His recommendation was to send the letter. Johnson stated he appreciates this and thinks this helps gives everybody with a clean slate and just did not want to take anything for granted. Kaiser asked if a motion is needed to set up a meeting with the City Attorney. Johnson thought after the Board gets a request. Kaiser asked do we want a formal request as they just made a request. Based upon the last letter that actually negated those contracts, Osborn prefers to have something in writing to present to the City Attorney to set up a timeframe for this. The Board can just then do an Executive Session to discuss the request and the position. Aman stated hopefully he will get the notification from FAA by tomorrow; otherwise he will be calling on Tuesday if nothing is heard and see. Aman stated when he talked to Dave Anderson he did not state who he needed to talk to prior to calling back. Aman stated it's really tough to move forward with anything, with the land agreement Hangar 9 certainly wants the City to get all rents that are due them in the process behind them moving forward.

Johnson moved to adjourn, seconded by Bensen. The meeting adjourned at 12:37pm.

For the record, the Board met at 9:00am on September 9, 2009 in Executive Session and this ended at 9:57am.