

MINUTES of
AIRPORT BOARD MEETING
December 13, 2006
Aurora Room, 7:00 p.m.

I. **CALL TO ORDER:** Chair Ron Swanson called the meeting to order at 7:02 p.m.

II. **ROLL CALL:**

Members Present:

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| Pete Carlson | Fred Gaffney | Ron Swanson |
| Gordon Evans | Jerry Godkin | |

Members Absent:

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| Eric Forrer | Joe Heueisen |
|-------------|--------------|

Staff/CBJ Present:

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|------------------------------------|--------------------------------------|
| Dave Palmer, Airport Manager | Jonathan Anderson, CBJ Assy. Liaison |
| John Coleman, Airport Admin. Asst. | |

Public Present:

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|----------------------------------|---------------------------------|
| Ella Rogers, Glacier Restaurant | Allan Heese, Public |
| Larry DePute, Hangar Owner | Dave Hanna, Public |
| Dave Heimbigner, R&D Rentals | Linzey Hanna, Public |
| Dick Rountree, Consultant/Public | Tom Williams, Public |
| Craig Loken, Alaska Seaplanes | Laurie Craig, Public |
| Devin Baxter, Public | Jim Wilson, Coastal Helicopters |

III. **APPROVAL OF MINUTES:** *Pete Carlson moved, Fred Gaffney seconded, the adoption of the November 8, 2006, minutes as presented. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *Gordon Evans moved, Fred Gaffney seconded, to approve the agenda. The agenda was approved by unanimous consent.*

V. **PUBLIC COMMENTS:**

A. Laurie Craig thanked the Airport for seeing that the trail got open during the snow. Everyone really appreciates it.

B. Jim Wilson thanked the Airfield crew for the snow removal. Chair Swanson agreed and thought the crew had done one heck of a job. He said he rode in one of the trucks during the height of a snow storm.

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VI. **UNFINISHED BUSINESS:**

A. **EIS Update:** The draft final EIS was received on December 4. Congress adopted JNU's language on December 7. This language requires the FAA to select the least expensive runway safety area alternative in Juneau that meets their standards. The FAA released the draft Final EIS the previous week for the Airport's comments. A teleconference was held with all the cooperating agencies – the EPA, Corps of Engineers, NOAA, Alaska Fish & Game, U.S. Fish & Wildlife. The current time frame for release of the final EIS is set for the end of February.

Chair Swanson said he had received phone calls on the Congressional language specific to choosing projects that will go into the wetlands, to which he answered the decision for the preferred alternative will be made by the FAA. At this point in the process, the FAA wants to pick the best preferred alternative and work toward wrapping up the EIS.

VII. **NEW BUSINESS:**

A. **PFC7 Amendment:** Approval is requested to amend PFC7 to recoup the remainder of the \$202,592 used from the Airport Revolving Capital Reserve Account for the Taxiway Extensions overrun. The PFC7 amendment amount is \$83,643. The amendment process will include Alaska Airlines consultation, 30-day public comment period, and FAA approval.

Gordon Evans moved, Pete Carlson seconded to:

1. *Approve amendment of PFC7 to increase it by \$83,643; (This money comes from PFC revenues.)*
2. *Appropriate \$83,643 to the Taxiway Extensions project;*
3. *Transfer \$202,592 from the Taxiway Extensions project back to the Airport Revolving Capital Reserve Account. (This replenishes the reserve fund for money borrowed for the taxiway project.) The motion passed by unanimous consent.*

B. **Grant Closeouts:** We have received two grant closeouts from the FAA; both projects were completed under budget:

1. **AIP40 Rehabilitate Airport Access Road:** *Gordon Evans moved, Pete Carlson seconded, to approve de-appropriating the FAA grant in the amount \$3,589.00; State of Alaska matching funds in the amount \$92.82; and Passenger Facility Charge (PFC7) matching funds in the amount \$95.15.*
2. **AIP45 Acquire Security Vehicle:** *Gordon Evans moved, Pete Carlson seconded, to approve de-appropriating the FAA grant in the amount \$1,493.00;*

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State of Alaska matching funds in the amount \$39.30; and Passenger Facility Charge (PFC7) matching funds in the amount \$480.70.

C. **Land Acquisition:** Chair Swanson said the Board had appropriated and prioritized a land acquisition program. The properties were the Loken hangar, the TW Hall property, and the Honsinger Pond. Airport Manager Dave Palmer said that after the Board's authorized exploration of the purchase of these properties, the Airport entered into a contract with an appraiser to appraise the parcels that were mentioned in January at a cost of \$17,500. The bulk of the expense is based on the Loken hangar. He has spoken to the owners of the properties and reviewed the assessed values of the properties. The Loken hangar is appraised at more than \$1 million; the Hall property is around \$610,000. He recommended the appraiser's contract be amended to have the Hall property appraised and move ahead toward acquiring that property. This is in part because there is not enough money to buy two parcels and likely not enough to buy Loken's hangar. The Airport needs to be able to expand the tank farm.

Fred Gaffney said that one of the reasons for looking at the Loken hangar was to increase revenues. He noted that there are other funding sources if needed. This property would invest into the airport and would pay for itself. Gordon Evans and Fred Gaffney thought the appraisal should go forward. It should then be brought back before a committee for further discussion. Mr. Evans suggested asking for a right of first refusal to meet any offer on the Loken hangar.

D. **Airport Manager's Report:** Airport Manager Palmer reviewed the Airport Manager's Report (Attachment #1).

VIII. **ASSEMBLY LIAISON COMMENTS:** Assembly Liaison Jonathan Anderson said regarding the terminal, he noted that McDowell had done a survey right after the election to ask citizens what their thoughts were for both the pool and the airport. A significant number said they were not opposed. He thought there is support for the project. The issue of when this comes up before the Assembly – February is certainly a time when the Finance Committee begins to consider the budget. He liked the concept of the Southeast wing and calling attention to the Assembly that non-resident sales tax exemptions were removed and the community area.

IX. **PUBLIC COMMENTS:**

A. Allan Heese asked about the \$15,000 appropriated by the Assembly for possibly looking for a second carrier. Chair Swanson said he looked on the CBJ website to read the resolution the Assembly passed, the resolution promises \$15,000 to seek another carrier. There are no comments in the minutes that the Airport should pay half. He thought the resolution says there is \$15,000 to go to the study.

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B. Dave Hanna said he spoke for quite a few people that are reticent about the City acquiring any more lands. Although some may make good sense, when the Board talks about expanding airport borders and moving airport activities even closer to residential activities, there might be a lot of reluctance on the part of the public to accept that sort of acquisition. He said there needs to be good justification for purchasing property or it will not be a very popular subject.

He noted that the fuel tanks are painted white to keep the fumes down at the tank farm.

C. Ella Rogers, Glacier Restaurant, said the restaurant was inspected by DEC and passed with flying colors.

X. **BOARD MEMBER COMMENTS:**

A. Gordon Evans said he will not be in Juneau nor available by phone for the February Board meeting. He thanked the Restaurant for the coffee cup.

B. Pete Carlson said he has requests from staff to hold a Finance Committee meeting in January. Ben Mello has told him that a great deal of work needs to be done on the CIP. Hopefully the City will have FY 06 closed out. Work will need to be done to the FY 08 budget.

C. Jerry Godkin appreciated the CAPSTONE update.

XI. **ANNOUNCEMENTS:** None.

XII. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on January 10, 2007, at 7:00 p.m. in the Aurora Room.

XIII. **ADJOURN:** *Gordon Evans moved, Fred Gaffney seconded, to adjourn the meeting. The meeting adjourned by unanimous consent at 8:25 p.m.*

ATTACHMENT #1

JUNEAU INTERNATIONAL AIRPORT MANAGER'S REPORT

December 13, 2006

1. The FAA Certification Inspector is in town counting signs, measuring widths of the white lines, and distances of the white lines to the yellow lines, and testing ARFF personnel. A lot of time has been spent just riding around and learning from the inspector. This is an opportunity to make sure the airport is safe. One sign on the map is different from the one on the field, but the one on the field is correct. It is nice to have the inspector on field.
2. Meetings about the Terminal project have been held with architects, electrical engineers and mechanical engineers. The concept that is going together is to try to come up with a terminal expansion plan that can be done in more or less independent phases that are in the \$20 million range per phase. This has been reviewed with a representative of Alaska Airlines, but no meetings have occurred with any Part 135 operators to date. The first phase is to expand the bag belt area, push the building out and more or less double the size of the bag belt area with two stories of useable space with all of the mechanical equipment on the new roof. This would give some improvements to the terminal that the public uses immediately. The second floor would allow expansion of security screening, concessions could be included, and perhaps a new Taku room. TSA has started a preferred traveler program and this may allow room for the Airport to build another lane to accommodate this program. New HVAC equipment would be located on the roof of the second terminal and the old equipment removed from its current location. This would also include replacement of the generator and all of the electrical boxes, transformers, etc., which would tie in with the new HVAC.

The second phase could be the Part 135 wing, which includes rehabilitation of the restaurant and all of the 135 areas. Before this goes forward, it is important to have meetings with the 135 operators. Temporary buildings would be built further down from the building and all 135 operations would move into that. It will cost approximately \$1 million for temporary space and then demolition of the same. The old building would be demolished and rebuilt. In most cases, renovation costs exceed new construction costs. The cost for this phase would be slightly in excess of \$20 million, and include refurbishment of the restaurant.

Funding includes \$15 million in airport funds - PFC, legislative, etc. Between the airport money and the fees collected from Alaska Airlines, Phase I would be paid for by Airport funds and revenues from the tenants who use the area. Phase II is the community area – all of the friends and neighbors from Southeast come to and depart from Juneau. This piece could be the sales tax issue to generate \$25 million. He did not think the tenants could pay this kind of money and keep doing business.

Phase III and IV will be expansion to the lobby and terminal where TSA currently does their bag screening. This has not been developed too much at this time. Alaska Airlines is planning to put in improvement in excess of \$1 million next summer – installation of the two-step process. This can be done with the existing space. Board members noted the importance of including tenants and public in the entire process. It was suggested that a work session meeting be held immediately preceding the January 10 meeting at 6:00 p.m.

3. People from Chevron Oil were in Juneau the previous week. They were trying to tie their cleanup with Petro Marine's plan. Chevron representatives suggested that the cleanup work be postponed until there is some development plan. In discussions with DEC people, they said there is no pressing urgency. Petro Marine has not had any further contact with the Airport regarding tank farm leasing. The Board felt the cleanup should go forward with or without a development plan. Chair Swanson noted that the owners of the tanks should clean up the tanks currently located in the tank farm. He also felt that they should not be painted white, which shows all of the flaws.
4. Snow removal has included a lot of overtime. Field personnel work as an excellent team during snow storms. They support and cover each other throughout the storms. The snow removal is done with 12 operators and one mechanic. During the heavy snow, the diesel for the equipment gelled up because the right type of fuel is not available in town.
5. The Delta-1 Ramp project is done, with an outstanding drainage issue for T-hangars. It was noted that Mr. Palmer owns a hangar but on a side that is not affected by drainage issues. The Board has authorized funds from this project to be used for this drainage problem. Letters have been sent to everyone who owns hangars asking that they not hold the City liable any longer if the drainage issue is repaired. Only two letters have been returned, but it should not be a problem to get them from the remaining hangar owners. The other issue was about drain pipes. Non-frost-susceptible material will be installed as part of this project, along with proper grading of the pavement, and the problem will be solved. The Board had required a drain pipe be installed for future installation of gutters. He recommended the Board authorize the project and let the engineers design it. Chair Swanson recused himself from discussions. Jerry Godkin said that if gutters are necessary, it would be crazy to come back later to install pipes. He wanted to know what it would cost to install the pipe.
6. The main ramp improvement bids will be opened soon. This will expand the hard stands where the jets park at all five gates. The time crunch is to get the work done prior to Alaska Airlines increase in traffic begins. It has to be coordinated so all gates are not affected at the same time.
7. The float pond dredging survey shows the depths of the pond. Approval has been received from Patti Sullivan, FAA, to allow engineering on the dredging so that the quality and quantity of the material can be determined. A large part of the EIS depends on material from the pond to fill the areas that need the fill. In preliminary numbers, it appears to be enough

and suitable material. How it will be transported and erosion/sediment control will be done, and the specifics of dredging have not been determined. This is what DOWL Engineering will be contracted to do. The team will include Toner Nordling, DOWL and an outfit out of California that specializes in dredging. The engineers want to design a system where the material is pumped right to where it is needed and then it doesn't have to be touched again. As it settles, the water goes out and it compacts itself.

A question was asked – If there is trouble with the runway safety area in the EIS, will it mean the other projects are tied up? Mr. Palmer noted that in talking to EPA, it was said that the projects could probably be separated.