

MINUTES of
AIRPORT BOARD MEETING
March 9, 2011
Alaska Room, 7:00 p.m.

- I. **CALL TO ORDER:** Chair Jerry Godkin called the meeting to order at 7:00 p.m. He noted this was a historic moment as this was the first meeting in the Alaska Room. He welcomed everyone. Lunch was held in the room earlier in the day to pay tribute to long-term employees who received merit awards.

II. **ROLL CALL:**

Members Present:

Laurie Berg	Jerry Godkin	Scott Watts
Tamara Cook	Butch Laughlin	Steve Zimmerman
David Epstein		

Staff/CBJ Present:

Jeannie Johnson, Airport Manager	Catherine Fritz, Airport Architect
Patty deLaBruere, Deputy Airport Manager	Tom Carson, Carson Dorn
Jerry Mahle, Airport M&O Super't	Merrill Sanford, CBJ Assembly
John Coleman, Airport Business Mgr.	Keith Walker, CCF/R

Public Present:

Larry DePute, General Aviation	Richard Cole, Wings of Alaska
Pete Carlson, AOPA/Alaska Airmen's	Sarah Day, Juneau Empire
Ella Rogers, Glacier Restaurant	Irene Gallion, DOWL
Jeremy Millsaps, Wingnut Aviation	Jim Vuille, Public

- III. **APPROVAL OF MINUTES:** *Steve Zimmerman moved, Butch Laughlin seconded, the adoption of the February 9, 2011, regular monthly meeting minutes. The motion passed by unanimous consent.*

- IV. **APPROVAL OF AGENDA:** *Steve Zimmerman moved, Scott Watts seconded, to approve the agenda as amended. The motion passed by unanimous consent.*

- V. **PUBLIC COMMENTS:** None.

- VI. **UNFINISHED BUSINESS:** None.

VII. **NEW BUSINESS:**

A. **Alaska Department of Transportation (ADOT) Grant Amendment:** John Coleman, Airport Business Manager, said that a State DOT grant amendment has been received, increasing the grant by \$57,995.90. This grant amendment matches the increase to the Airport Improvement Program (AIP) 48 Federal Aviation Administration (FAA) grant received in September for the Runway Safety Area (RSA) project. Staff requested approval to appropriate this grant amendment to the RSA project. *David Epstein moved, Butch Laughlin seconded, the Board approves the appropriation of an ADOT grant*

amendment in the amount \$57,995.90 to the RSA project. The motion passed by unanimous consent.

B. Grants:

1. **New Grant Applications:** After consulting with Alaska Region FAA, staff has applied for these two FAA grants:

a. AIP51—\$1,441,744: This grant will fund the construction of utilities and infrastructure at the new Snow Removal Equipment Facility (SREF) site. A matching grant in the amount of \$37,940 will be requested from the ADOT. Staff requested approval to appropriate these two grants to the SREF project. Staff has received a verbal approval of this item.

b. AIP52—\$8,400,650: This grant will fund: 1) the RSA project through 2011 (the end of Phase One); 2) RSA Phase Two Design; and 3) royalty payments for fill material from the pond. A matching grant in the amount \$221,069 will be requested from the ADOT. Staff requested approval to appropriate both grants to the RSA Construction project:

Steve Zimmerman moved, David Epstein seconded, that upon receipt and execution of the respective FAA and ADOT grant offers, the Board approves the appropriation of FAA grants AIP51 and AIP52, in the amounts \$1,441,744 and \$8,400,650 respectively, and ADOT matching grants in the amounts \$37,940 and \$221,069. The motion passed by unanimous consent.

2. **Royalty Payments:** The AIP52 grant includes \$1,766,250 for fill royalty payments to the Airport for material dredged from the pond. This payment is 785,000 yds³ at \$2.25/yd³. Since it is revenue to the Airport, it requires an additional appropriation to the project, and will be used as local match. *Butch Laughlin moved, David Epstein seconded, that the Board approves the appropriation of royalty payments from FAA in the amount \$1,766,250 to the RSA project. The motion passed by unanimous consent.*

3. **Transfer:** Following appropriation of the royalties, staff will be able to reimburse \$500,000 to the Airport Revolving Capital Reserve Account (ARCRA); this amount was approved at the June 2010 Board meeting to temporarily fund the local match requirement of the RSA project. Staff requests approval to transfer \$500,000 from the RSA project back to the ARCRA. *David Epstein moved, Butch Laughlin seconded, that upon appropriation of the royalties, the Board approves the transfer of \$500,000 from the RSA project to the ARCRA. The motion passed by unanimous consent.*

4. **Anticipated Grant Applications:** Airport Manager Jeannie Johnson said that staff anticipates applying for a further two FAA grants in this federal fiscal year, which ends September 30, 2011. No Board action is requested at this time.

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a. Anticipated AIP53—\$5.4 million (approximate) and ADOT—\$142,105 (approximate) for a reimbursable agreement with FAA for the runway 8 MALSR reconfiguration. Staff is quite close to negotiating the details of what the FAA will do and what the Airport will be doing. She noted that Mr. Carson has been working with the designer and the designer is funded by a credit that the Airport had with the FAA from several years earlier.

b. Anticipated AIP54— This will be for Phase 2 of Runway Safety Area Construction. The actual amount is still being determined. One item that has been noted during Phase 1 is a better topping on the sand that is on the Runway Safety Areas. The sand is blowing around, but nothing had been planned further than the laying of the material. It is being found to be a problem.

Steve Zimmerman asked about the increased cost to the RSA Phase 1 project. Ms. Johnson said that this is covered under AIP 52 and by doing things in a different order than the project was originally designed. Because all of the money was originally encumbered and then it was found that some things needed to be done, the contractor has worked with the Airport to reprogram some of the money. The primary thing that has been done ahead of time is the float pond and the steepening of the sides of the pond in order to get rid of the weeds.

C. **Refund to Hertz (informational item):** Mr. Coleman said that Hertz had contacted the Finance Department asking about a \$300 per month charge. When that was researched, it was found that in 1996, the Airport executed a Letter of Agreement (LOA) with Hertz for the car wash facility on Cessna Drive. The LOA was followed in 1997 by a Land Lease for the property. However, the LOA charge was not cancelled in our accounting system or in the Hertz accounting system; it continued to be billed by CBJ and paid by Hertz. Over this period, we have collected approximately \$55,000 (14 years x \$300/month + tax + finance charges); when the LOA is terminated retroactive to 1997, this amount will show as a credit on their account, reduce revenues, and reduce the projected surplus this year from \$116,500 to \$61,500. Staff does not recommend making any change to the budget, since it is still projected to be in the black.

D. **Airport Manager's Report:**

1. **Status Update on JNU Request for Marine Passenger Fees:** Last year when these funds were requested, it was approved. This year, due to scrutiny by the cruise ship agency, the Airport will need to provide additional information. Ms. Johnson said she attended the Assembly Finance Committee meeting. The City Attorney believes the Airport request is defensible and City Manager said he would continue the request, but the Assembly wants to see more information. Assembly Liaison Merrill Sanford said that the Airport needs to give a presentation to the City Manager on how the calculation is done and the justification. When this is looked at, the justifications will be reviewed. He said the Assembly is wondering why money is going to the Airport, which is so far away from the docks.

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Ms. Johnson said there is a general government piece that is pulled from the Marine Passenger Fees for hospital, streets, sidewalks, and police/fire. Unfortunately, the Airport was never included in that percentage, but should have been. She thought it would be best for the Airport to be included in that percentage. This would allow the funding every year without justification. Although the report was requested through the City Manager, Mr. Sanford said that if the Airport came to the Assembly, it could answer the questions a little bit better than the City Manager would. Ms. Johnson said she would go to the Assembly Finance meeting for the presentation. Chair Godkin said that the Airport needs to make another case for the money, which has been done two other previous times. There was not support, but the Airport lucked out and had the majority. Mr. Sanford suggested changing the words that are being used: operational funds lights up the cruise agencies because it doesn't relate to safety. Ms. Johnson said that there may be an opportunity to get funds for those areas that were constructed for the cruise industry.

2. **Airport Engineer Report** (Attachment #1): Tom Carson reported February was pretty much all about wind. At the last Board meeting, it was hoped that it would cool down to allow hauling to restart. After that, the contractor was forced to taper off of excavation and haul to the east end because it was no longer possible to get compaction. The contractor hauled as much material as it took to put a consistent lip of material that could not be compacted and just leave it there. When it thaws, they will recompact the lip and begin hauling again. As the weather got colder, the haul road to Hidden Valley was able to be used to haul the entire stockpile of 6"- to the airport and placed along the entire north shore and much of the west finger. They did not get rip rap from Hidden Valley. The month of February was excellent for moving material from Hidden Valley. The contractor is driving pile along the north shore, which should be complete within one week to ten days. They will then drive the pile in the west finger. In February, the contractor moved 30,540 cubic yards of borrow, for a total of 458,500 cubic yards or 58.4% of what will eventually be removed from the pond. The northwest and east end launch ramps will be installed. This needs to be done while there is no water. The first 40-foot flat of floats for the gangways arrived. Everyone will work hard and coordinate to get the float pond functional by April 15. The contractor is working toward repairing damage to floats that were moved. Some of the floats are frozen and this will be ongoing work.

Coordination is ongoing with the FAA on the design for the MALSR. Work is going on for design of the 08 MALSR, 26 MALSR and work with multitudes of people for nav aids on the 26 end that required coordination. Mr. Carson thought there will be a well-coordinated solution. It is going to entail runway 26 equipment that will be backed by an emergency generator system. The FAA is planning on building this piece this summer.

The contractor has received \$19 million, which is 66% of the contract, with 15 change orders for the \$1 million discussed earlier. Discussions were held about the topping to be used at the RSA ends. Mr. Carson said this is called a dust palliative and he has heard a lot of good about it. It is something that permeates the ground approximately six inches and has a life of approximately six months. This will be used as a short-term solution for the blowing sand at the RSA ends.

3. 2010 Community Award of Excellence from Alaska Municipal League for Juneau International Airport Conversion to Geothermal Energy: Ms.

Johnson reported that the City Manager sent a memorandum that the Alaska Municipal League was holding their annual contest about projects. She and Ms. Fritz discussed the geothermal project and thought it was a good candidate. Ms. Fritz spent a lot of time filling out forms, made a presentation, and submitted it. The Airport won the Alaska Community Award of Excellence in Public Works honoring the Best in Local Government Innovation for our geothermal conversion at Juneau International Airport. Ms. Johnson said that the award should go to Ms. Fritz as she put the entire project together and has worked so hard to get the award.

4. Airport Architect Report (Attachment #2): Ms. Fritz said she knows the geothermal system is working because everyone is either freezing or burning up because the balancers are here and the entire piping for the geothermal system is opened to its maximum condition, which leaves a choice of either maximize the cooling or maximize the heating. Beginning at this point, the Airport will begin comparing the data to years past. She said that February has been a very busy month. Although there are not a lot of contractors, there is a myriad of details that need to be dealt with. Most of the work has been done in the departure lounge, which has come out really nice. The leftover carpet and tile were used. There is even a project using leftover paneling. Items that remain include shades for the Alaska Room, a synchronized clock system for the entire airport, additional furniture, and the last big push of construction down in the Alaska Airlines check-in lobby area. It is hoped that everything will be complete by mid-May. The artwork is late. A tentative schedule from the artist calls for at least some of the birds, if not all, by the end of April.

5. Ms. Johnson expressed her appreciation for the Board members that attending today's luncheon. She heard a lot of favorable comments about the Board members being in attendance.

6. Departure Lounge Tour: Ms. Johnson offered a tour of the departure lounge for those interested.

7. Tentative Terminal Grand Opening Date: Ms. Johnson said that May 15, 2011, is the tentative date for the grand opening for the building. Hopefully some of the artwork will be installed by then. The grand opening needs to be

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coordinated with the Mayor's office for either the Mayor or the Deputy Mayor to attend.

VIII. **COMMITTEE REPORTS:**

- A. **Wildlife Hazards Working Group:** None.
- B. **Operations Committee:** None.
- C. **Finance Committee:** None.

IX. **ASSEMBLY LIAISON COMMENTS:** None.

X. **PUBLIC COMMENTS:** None.

XI. **BOARD MEMBER COMMENTS:** None.

XII. **ANNOUNCEMENTS:** None.

XIII. **TIME AND PLACE OF NEXT MEETING:**

- A. The Airport Board will hold a Strategic Planning Session on March 19, 2011, at 9:00 a.m. in the Alaska Room. Ms. Johnson said staff is working on a presentation and recommendations. She said that a discussion on a new Master Plan will be held. Ms. Berg has requested a report on some phases of funding for the RSA project, which needs to be nailed down further. Mr. Epstein has requested a report on how the Airport will fare with AIP dollars with the diminished federal budget. Along with the Master Plan, a discussion will be held about what to do with the change in the mix of Alaska Airlines' fleet. The Wildlife Hazards Working Group is going to join the group for the last half hour to meet and discuss their issues. Mr. Zimmerman is considering holding their quarterly meeting after the Strategic Planning Meeting. She noted lunch will be provided.
- B. The next regular Airport Board meeting will be held on April 13, 2011, at 7:00 p.m. in the Alaska Room.

XIV. **ADJOURN:** *Butch Laughlin moved, duly seconded, to adjourn the meeting. The meeting adjourned by unanimous consent at 8:10 p.m.*