

MINUTES of
AIRPORT BOARD MEETING
September 12, 2012
Alaska Room, 7:00 p.m.

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

II. **ROLL CALL:**

Members Present:

David Epstein
Jerry Godkin

Joe Heueisen
Ron Swanson

Steve Zimmerman

Member Absent:

Butch Laughlin

Staff/CBJ Present:

Jeannie Johnson, Airport Manager
Patty deLaBruere, Deputy Airport Manager
Catherine Fritz, Airport Architect
John Coleman, Airport Business Manager
Tom Carson, Airport Engineer

Marc Cheatham, Airport Special
Projects Officer
Ruth Danner, CBJ Assembly
Keith Walker, CCF/R

Public Present:

Jim Vuille, Public

Ella Rogers, Glacier Restaurant

III. **TRIBUTE TO PETE CARLSON:** Chair Godkin said that in tribute to Pete Carlson, an Alaska Flag was draped over Mr. Carlson's chair as he was all about Alaska and Alaska aviation and truly loved the community and aviation in Alaska. He represented Alaska and Juneau through his adventures in the Alaska Airmen's Association he belonged to. Mr. Swanson said Pete was on the Board for 100 years and then took a year or so off and then he got right back on the Board. He was also associated with Airplane Operators and Pilots Association (AOPA), which is the NRA of airplane owners and was their representative for Alaska (or a portion thereof). He devoted his life to airports, aviation and he was a real people guy.

Chair Godkin said although Mr. Carlson had taken a year off from the Board, he still attended meetings even when he wasn't officially on the Board. Mr. Carlson was Finance Chair for many years. He truly loved finances ... to the point that if he saw a crash fire rescue vehicle running, he'd go shut it off to save fuel. Mr. Swanson said he was also the speed cop on the ramp. Pete would stop people for going faster than 20 miles per hour and talk to them. Joe Heueisen said he went back with Pete to pretty much the first day he showed up in 1967 and worked for NBA. They did a lot of things together before he knew Pete knew how to fly an airplane ... fishing, hunting and skiing. Besides Pete's devotion to the Airport, he was one of the most community-minded people he had ever met. He

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was always the first guy to step up. For the most part, Pete was one of the easiest going guys he had ever met.

Steve Zimmerman thought Pete was a very reasonable guy with a lot of common sense. He always appreciated getting Pete's point of view on things. Airport Manager Jeannie Johnson said she served with Pete on the Airport Board. She remembered hours upon hours of building a financial model for the Airport of how to do the rates and charges. There will be a celebration of life potluck at the Wings Hangar on September 21, 2012. Pete just wanted people to come together and have a good time. There is a request of no flowers; a donation to the Humane Society was suggested. She wondered if it would be appropriate to send a donation from the Board. David Epstein said Pete Carlson was at the Alaska Club in the mornings and even as he was ailing, he continued to try to maintain some fitness and health, which exemplified his strong spirit and work ethic. He was a fine gentleman and Mr. Epstein felt enriched by having known him and he hoped he rests in peace. Assembly Member Ruth Danner said that Pete demonstrated his commitment to serving the community and set a remarkable example that everyone can work to live up to.

- IV. **INTRODUCTION**: Chair Godkin reintroduced Mr. Joe Heueisen back to the Board. Joe was re-elected to serve on the Board by the Assembly, with a three-year term. He was welcomed back and his expertise in aviation and airport issues will be appreciated.
- V. **APPROVAL OF MINUTES**: *Steve Zimmerman moved, David Epstein seconded, the approval of the minutes for the meeting August 8, 2012. The motion passed by unanimous consent.*
- VI. **APPROVAL OF AGENDA**: Chair Godkin added Committee Assignments as Item #7 under New Business. *Steve Zimmerman moved, David Epstein seconded, to approve the agenda as amended. The motion passed by unanimous consent.*
- VII. **PUBLIC COMMENTS**: None.
- VIII. **UNFINISHED BUSINESS**: None.
- IX. **NEW BUSINESS**:
- A. **Airport Manager's Report**:
1. **Airport Water Meters**: Public Works installed two large water meters on Airport property: one is by Flight Service and one by the Wings Hangar. Prior to these meters being installed, there were 19 metered accounts on the airport and eight accounts that were billed at a flat rate of \$10 per month. The revenue from those accounts went into the Airport operating budget. When the two meters went live, the Public Works Department discontinued billing the individual accounts at the end of July and the Airport was billed for all the water used through these two meters, which came as a surprise to Airport management. The other surprise was to find that the new computer software system that CBJ has installed and gone live with could not be

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programmed to bill those old meters. As of this week, with John Coleman's, staff at Public Works' and Accounts Receivable help, it is thought that there is a temporary work-around for billing tenants. Public Works will do the meter read, which will be sent to John and then John will send it to Accounts Receivable, who will create bills. Hopefully this is only temporary, but at least the bills will be sent out. An inspection of all water meters on the airport will be done on Friday.

The new meters are supposed to be more accurate, because staff is finding that there is significantly more water usage at the Airport than the total of the old meters, by about twice as much. This is very concerning because the water is all being billed to the Airport. Ms. Johnson would like to have the Airport Board meet as a Committee of the Whole to take a look at this issue. She would like to get the bills out and let the new system shake out so that there is a track record. She wanted the Board to look at the water rates that are charged at the Airport because they were instituted in 2004. This meeting may occur either the week of October 22 or the week of October 29. By that time, hopefully Public Works will be able to figure out how this can be billed with their new system. Ron Swanson asked what the Board would decide at a Committee of the Whole meeting. Ms. Johnson said the Airport gets billed for water and the Airport turns around and has the tenants pay for the water. The rates that are being charged for the water would be discussed. Mr. Swanson asked if the other groups – like the School Department, Eaglecrest, Hospital, etc. – get separate water bills from the City or is the Airport singled out. Ms. Johnson said they all get water bills. Chair Godkin said Harbors sends bills for the individuals. Eaglecrest, etc., does not have tenants to resell the water. The Airport is reselling a product. For the long term, if someone is going to be paid to do accounts receivable and payable within the Airport, all options have to be reviewed.

David Epstein said he thought there would be some reconciliation where everyone who has used water since the new system was instituted will pay their amount and it will all work out. Ms. Johnson said that is what the new system that John is working on with the Receivables Department downtown will do. Chair Godkin asked if there was any way to find out if the integrity of the Airport system is good so that staff knows that tenants would not be paying for something that has been leaking. Ms. Johnson said this had been discussed. She said they are talking about 350,000 gallons of water per month, which is a lot of water. She thought if there were leaking issues because of that much water, there would probably be sink holes. She was not sure that everyone that is using water on the airport is paying for it. The extra water usage has to be found because the Airport cannot pay for it forever. It was suggested that the meters be reviewed at 2:00 a.m. to see if they are being used. Ms. Johnson said that Public Works is convinced that there is a huge leak at the Airport.

2. Land Use Near Airport: Ms. Johnson said that the Honsinger pond all the way to Sunny Point has been purchased by Bicknell Inc. They have applied for a building

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permit to dump 8,000 cubic yards of material just as storage. In the meantime, there are negotiations going on between Bicknell and SEAL Trust, with the CBJ Lands Department, in trying to see if SEAL Trust could obtain this property. They still have a little of the Airport's mitigation funds, but not enough to purchase the property.

There is a permit from Community Development for a vacant corner property located across Yandukin and the Fire Department. This is for a 13,000 square foot, two-story building with lofts containing retail vending space, a basement shooting range, a coffee shop, training and office space. The Airport does not have any objection to this permit, but if a crane is going to be used to build, they may have to deal with the FAA on that. Ms. Johnson noted on the comments that this location is by an airport and it is noisy.

3. Meeting with Acting FAA Administrator Michael Huerta and Others: Acting FAA Administrator Michael Huerta was welcomed to Juneau on September 4. He left Washington, D.C., that morning, flew in a jump seat on Alaska Airlines all the way, and attended a 6:30 p.m. meeting. She told him that he was beginning his journey in Alaska and that he was going to find out that Alaska is different; not because we want to be different but because of the nature of the state and transportation, we are different. He was very attentive and asked good questions.

Ms. Johnson talked about the Snow Removal Equipment Facility (SREF). Ms. Johnson told him that the SREF project had been worked on long before there was Runway Safety Areas (RSAs). There was a time when the FAA said no more equipment will be funded until a facility is built to put the equipment in. Along came the FAA saying you shall have an RSA. The highest priority of funding went to RSAs, which dropped the priority of the SREF down. She explained that the Airport found itself in a kind of funding squeeze. He was shown what the Airport facility is currently. She asked him to look at the facilities at Anchorage, Bethel and Kotzebue and then think of JNU. He asked what the cost would be to build the entire facility, instead of building in phases. Byron Huffman was also in attendance.

Mr. Huerta was touring airports in Alaska and learning about Alaska. This Juneau meeting mostly included other FAA people that told about the WAM, a radar-like system in the tower; one person discussed the 26 MALSR.

August 13, 2012, was a day Congressional staffers came through. Ms. Johnson, Catherine Fritz and Patty deLaBruere met with James Feldman and Bruce Scandling of Senator Begich's D.C. office and Sally Smith of his Juneau Office. In a separate meeting, a good meeting was held with Warren Wright of Senator Lisa Murkowski's office. Warren was a Coast Guard pilot stationed in Kodiak in a former life. He was great to talk to, spoke airport, and asked some good questions. The first thing done was thanking the delegation for the quick response on the support letters for

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additional year-end funding for the 26 MALSR. The Airport did get some of that additional funding. The need for the SREF was discussed and Ms. Johnson asked them to keep their ears open if there were any energy grants or something like that that might fit. Then the hours of the operation were discussed for the TSA checkpoint and how it hindered the Airport's ability to provide customer service and derive revenue at the Airport. They were very interested.

4. TSA Checkpoint Operating Hours: Ms. Johnson and Ms. deLaBruere had a very good meeting with the TSA. Deputy Airport Manager Patty deLaBruere said that in addition to visiting with the Congressional delegation, they met with the Regional TSA Director Ray Culbreth and the Interim Director Sharlene Mata. A good meeting was held and within less than a week, the checkpoint started staying open continuously. The checkpoint was open from 4:30 a.m. to 10:30 p.m. It was learned earlier in the day that they are starting to close again even though Alaska Airlines is staying open. An e-mail has been sent to Mr. Culbreth to find out what is going on. It doesn't sound like he knew it had closed down again. Staff is prompting them to keep it open as promised. Ms. Mata said she did not know of another airport that was shutting down between flights and that was not the way it was set up to work with the personnel. Hopefully more answers will be forthcoming. TSA staffing was sufficient to be open during the full flight hours.

Ms. deLaBruere said she watched shift turnover and it was working very well. The game plan is to be open continuously, unless Alaska Airlines closes down their counters during the day. Mr. Epstein said this may be a game changer for having someone like Heritage in the departure lounge. Ms. Johnson said she had not spoken to Heritage because staff wanted to make certain that the TSA checkpoint would be open. She will talk to Heritage when the opening times are settled.

5. Table Top Disaster Drill: Ms. deLaBruere said the Airport is required to do a table top drill every year and a live drill every third year. The table top is scheduled for Tuesday, September 25, at 9:00 a.m. in the Alaska Room. This will run two to three hours. A lot of the tenants have been invited and there is usually a good turnout. A lot of agencies show up for a lot of planning. Things get updated, which is the best part of the process. Next year will be the live drill. This takes four months of planning before the actual live drill. Ms. Johnson said Airport Board Members are invited.

6. Needs Assessment: The FAA contracted DOWL to do a needs assessment at various airports. All of the airports are State airports. So when Ms. Johnson heard about this, she requested we be added to the list. This assessment has just been done. Airport Special Projects Officer Marc Cheatham said that Dwight Stellar came to the Airport on September 4 to perform the assessment on the airport and airport operations area (AOA). He noted places that were deteriorating like the runway,

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taxiway, sand shed, and the maintenance facility. This information is documented and goes into a database for the FAA. After getting all airports in Alaska assessed, they can decide which airports need more money. In addition to financial benefits, it will also help because it will be documented by pictures and by GPS. This will provide a baseline for future years' assessments.

7. One Percent for Art: Ms. Johnson said that a change will not be made to the program.

8. Airport Engineer Report (Attachment #1): Airport Engineer Tom Carson reported that AIC basically finished their work during the month of August. The taxiway culvert was successfully repaired. It was a good cooperative experience with Fish & Game in that they moved small fish down stream and large fish up stream. Throughout the month, AIC worked on the punch list items and wrapped them up by the end of the month. One ongoing issue with the AIC contract is the final pond survey came in with a number that staff thought was not justified by the work that was done. The Airport opted to ask PND to do a second third-party survey with a reputable sonar survey firm. That has been done and the response should be known toward the end of September. AIC did bring in a surveyor to finish up some as-built survey tasks. Phase 1 will come in right around \$34 million.

The mid-field JAWS had new power installed by AEL&P and paid for by FAA. AEL&P also installed high voltage power for the 26 MALSR almost all the way to the end of Runway 26. They had to stop before they got there because we were waiting for the other projects to begin.

Phase 2A started September 12 with five Volvo trucks and a dozer. Secon started hauling material from the east RSA in preparation for building a sub base for the extended runway. Secon is projecting that they will be paving on October 17.

A preconstruction meeting was held with the FAA and their 26 MALSR contractor (DEG). This work will begin on September 14. The 08 MASLR contractor (COR) came back into town earlier in the week. They are working on the west side flats. The expected level of coordination is occurring.

9. Airport Architect Report (Attachment #2): Airport Architect Catherine Fritz reported the wall was removed in the restaurant, which met substantial completion. There are two contract completion dates that are typical of renovation building projects: substantially complete, which means it is available for owner's basic use of operations; and the final completion. Even though signage is not complete outside, there is a patch of carpet missing at the front entry and a lot of things yet to be completed, the project is substantially completed. There are a lot of things McGraw's has had to adjust and readjust or staff has seen opportunities or limitations of the

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existing building, where adjustments have been made or the designers have made adjustments, which is the nature of remodel work. The coffee shop was not part of the original contract – to fully reinstate them in their old location – and this was added to their contract. The coffee shop is settled in the new space and they like the space. The main entry should be to the punch list stage by the next Board meeting. There are some problems with exterior panels that came in the wrong size. It will take eight weeks for the correct siding to arrive.

The ceiling of the gift shop was intentionally delayed until October at the preference of the gift shop owners. Staff is currently working with them to decide the preferred dates for removing the ceiling and making sure the contractors are all available to do the work. This should take three to four days to install.

Staff is beginning to think about the October ballot measure. If the Airport is successful in having more funding for the terminal, discussions about the kind of things that will need to be jumped on immediately to start moving forward are occurring. An item that is a pressure is the concessions contract that ends at the end of 2013 and what will be done for food concession in the building after December 2013.

A preconstruction meeting for the SREF infrastructure was held with Admiralty Construction. They will begin their project on Monday. Secon is the paving subcontractor, which is great since they are already on the airport. Paving will be done at the end of October. The completion date for this project is October 31. The utilities will be in, a roadway will be in and the site will be ready for construction to begin in the early spring. A conditional use permit for a parking variance was before the Planning Commission on September 11. This was on the consent agenda and sailed through. The cost estimate was reviewed. The validation was done with all subconsultants. No major items were missed. Construction costs for Part A is \$9.3 million and Part B will be \$12.2 million.

10. Committee Assignments: Chair Godkin noted the Operations Committee consists of Butch Laughlin as Chair, Ron Swanson and David Epstein. He said that there are two vacancies on the Finance Committee, with only Steve Zimmerman left on the committee. He asked if any members would like to do dual committees. Mr. Swanson said Joe Heueisen had been on the Finance Committee when he was last on the Board. He suggested Mr. Heueisen be assigned to the committee and perhaps made the Chair of the Committee. Mr. Heueisen said he would not have a problem being the Chair. Chair Godkin said he will take a seat on the Finance Committee in the meantime. When another Board Member is appointed, they will be put on the Committee.

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X. **CORRESPONDENCE:**

A. **Thank You from Sally Smith of Senator Mark Begich Juneau Office**
(Attachment #3)

B. **Grateful Dogs of Juneau Letter** (Attachment #4): Chair Godkin asked how the dumpster issue was handled and who is paying for it? Ms. Johnson said the dumpster that was replaced is a ways down the EVAR. Grateful Dogs provided kudos for the Bark Park, which was designed by Jeannie Conneen.

C. **Kudos to Staff for Website Regarding Badging** (Attachment #5): Ms. Johnson said an inquiry was received about how to get badged at Juneau International Airport by someone that was not here. They were directed to the website. The response from that person was, "This is wonderful. I wish that Anchorage International had something this good." She thanked staff.

XI. **COMMITTEE REPORTS:**

A. **Wildlife Hazards Working Group:** None.

B. **Finance Committee:** None.

C. **Operations Committee:** None.

XII. **ASSEMBLY LIAISON COMMENTS:** Assembly Member Ruth Danner noted that September is emergency preparedness month. She thought it was great that the table top exercise was being done in September. She also noted that today was an emergency preparedness committee meeting and Marc Cheatham was in attendance in a hazardous material designation. They have a hard time finding people to serve on the local emergency preparedness committee who have any remote connection to hazardous material handling and here the Airport is responsible for transporting things all the time. She thought this was a very good use of his time.

She noted this would be her last meeting as the Airport Board Assembly Liaison. October 9 will be her last meeting as an Assembly Member. She said it had been a pleasure and an honor to work with the Board and get to know what they do. She is pleased to know that the Airport is in such capable hands. She asked the Board to keep up the good work and thanked them for letting her share the time with them. Mr. Swanson presented Ms. Danner with flowers and thanked her for all of the support and time she had given to the Board.

XIII. **PUBLIC COMMENTS:** Ella Rogers, Glacier Restaurant, said they are receiving a lot of good compliments now that people can see the windows in the restaurant again. She heard from some people that they thought the restaurant was closed. She said it is nice to have the windows back and let people know they are open. It is also nice to be back in the espresso area.

Ms. Johnson said she received a call right before Labor Day from Mike Erikson with Glacier Seafoods and he was fit to be tied because he had fresh fish that was ready to be

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shipped out. Alaska Airlines had scheduled a jet and they had cancelled it for the third day in a row. Ms. Johnson said that when Mr. Heueisen had interviewed, he had talked about working to get more fresh fish and that kind of cargo out. She asked Mr. Heueisen to meet with Mr. Erickson about this. The Airport does not control Alaska Airlines, but it does have a financial impact on our community. She gave the spiel before the Board Member Comments, because Mr. Heueisen may have something to be said on this item.

- XIV. **BOARD MEMBER COMMENTS:** Mr. Heueisen said he followed up on this. He said Mr. Erikson was mildly livid about the fact that his fresh product was sitting here for three days while Alaska Airlines used the freighter someplace else. He had not talked to anyone else. He said this is the same pattern he saw before he left the Board – of Alaska Airlines being Alaska Airlines and treating this town like that and pricing because they can get away with it. He suggested the Board think about whether this was something they want to tackle on establishing a better working relationship with Alaska Airlines. He knew that they have channels to go through and it gets lost in the translation a lot of times. He remembered talking to Alaska Airlines in the past and being told that they were taking care of everything. He thought the Board ought to get on it and work out better cooperation with Alaska Airlines. He knew a number of other fishermen with horror stories and the same kind of situation: totes of crab on the tarmac all day long in the hot sun.

Chair Godkin said he ordered parts through NAPA and they always used to come in on Alaska Airlines Cargo. NAPA said this was not available. The only two options were Gold Streak at 100% more than the item cost or through the mail, parcel post. Now, it dawned on him why they said they were limited in their ability to serve Southeast because they were not getting the normal cargo plane in to serve them. He said this does reach out and touch the community as a whole.

- XV. **ANNOUNCEMENTS:** There will be a celebration of life for Pete Carlson on Friday, September 21, at 5:00 p.m. in the Wings hangar. This is a potluck.
- XVI. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on October 10, 2012, at 6:00 p.m. in the Alaska Room.
- XVII. **EXECUTIVE SESSION:** None.
- XVIII. **ADJOURN:** *Steve Zimmerman moved, David Epstein seconded, to adjourn. The meeting adjourned by unanimous consent at 8:07 p.m.*