

MINUTES of
AIRPORT BOARD MEETING
January 8, 2014
Alaska Room, 6:00 p.m.

I. **CALL TO ORDER:** Chair Jerry Godkin called the meeting to order at 6:00 p.m.

II. **ROLL CALL:**

Members Present:

David Epstein
Jerry Godkin

Joe Heueisen*
Robert Mackey

Mal Menzies
Martin Myers*
(*attendance by phone)

Member Absent:

Ron Swanson

Staff/CBJ Present:

Patty deLaBruere, Airport Manager
Marc Cheatham, Deputy Airport Mgr.
Kevin Lyons, Airport M&O Supt.

Ken Nichols, Airport Engineer
Jerry Nankervis, CBJ Assembly
Keith Walker, CCF/R

Public Present:

Pat Zettler, FAA Airports Division
Johnathan Limb, USKH
Zane Shanklin, USKH
Joel Kain, TEMSCO/Coastal/NorthStar

Allan Heese, Public
Brooke Walker, Aero Services
Matt Woolbright, Juneau Empire

III. **APPROVAL OF MINUTES:** *David Epstein moved, Robert Mackey seconded, the adoption of the December 11, 2013, regular monthly meeting minutes. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** Airport Manager Patty deLaBruere asked to add as the first item under Unfinished Business the topic of Runway Rehabilitation Scheduling, Timing, Programming and Funding. *David Epstein moved, Robert Mackey seconded, to approve the agenda as modified. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS:** None.

VI. **UNFINISHED BUSINESS:**

A. **Runway Rehabilitation Scheduling, Timing, Programming and Funding:** Ms. deLaBruere introduced Zane Shanklin and Johnathan Limb, both from USKH. They will discuss the scheduling, timing and basic food for thought. She will then have Mr. Zettler with the FAA discuss what he knows to date about the funding issues. Mr. Shanklin said this project has been on an accelerated process, with the 90% submittal presented before the holidays. USKH is pressing forward to get the bid documents by the end of January.

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One of the outstanding items of concern is the schedule. The direction is to try to get the contractor to finish construction by June, so that beginning July the services will be uninterrupted for tourist season. He thought this would be a lot of work to ask a contractor to do in a short duration. It can be done but it would be done with very little preparation time on the contractor's part. The best scenario would be to have the signed contract by April 9, which would allow less than three months.

There are a series of things that need to be done before a majority of the work is done. There are three phases: a preparatory phase – move aircraft, relocate helicopters, put in some haul outs, patch some pavement, a bunch of traffic will be re-routed. Phase two is the runway – close the runway and turn it over to the contractor and let him perform the work. The third phase is the switch over back. The first phase is going to take a fair amount of time. There are a bunch of things that are not in the contractor's control, such as the flight check on the nav aids. Another thing is with such a constricted time window, all it takes it one anomaly and constant adjustments are needed on something that is already tight.

He felt that giving the contractor a more reasonable amount of time – until the end of August – was necessary. This would reduce the amount of risk to get a substandard product. A second option is to make this a two-year project. Phase one preparatory work would be done this year. Phase one doesn't really affect anyone as a lot of work would occur in areas that do not have anyone in the area. This would give the contractor a lot of time to do the preparatory work so that first thing the following year – possibly March. The advantage is everyone has more time to get ready with better preparation going into the project and much better weather windows so that the project is done right. Schedule has been a big issue. This could be a \$22 million project over a 90-day period which equates to \$.25 million construction each day.

Originally, Chair Godkin said he was not in favor of two phases because he thought it would add more cost, but the solution presented was maybe a solution he could live with. Mr. Shanklin said a Fairbanks project has been stretched out due to the limited personnel available at any one time for a short duration. If it was planned for next summer with a year to plan, the probability of getting it done by the end of June is much higher. He thought it would cost more to do an accelerated project because the contractor is putting his bid together and it is about risk. If a paver goes down or there is bad weather, what would the contractor do?

Board Member David Epstein had been concerned about the ability to do the project in such a short timeframe. He was concerned that the runway was in bad shape and asked if the runway could survive another year before being reconstructed. Mr. Shanklin said two emergency repairs have been done in the last two years that substantially took care of that issue. The farther out you get from the centerline, the runway is in better the shape. He

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did not think there was much risk extending the project. The contractor will be on board. If there is an issue on the runway, cold plane patches with unit prices could be done.

Ms. deLaBruere said that the first phase will be in non-movement areas and will have very little impact to any of the tenants. The funding issues will be further discussed by the FAA. The FAA Certification Inspectors have written this up to be completed by June of 2014, however, if they know it is being started and if the engineers confirm that they believe the runway will last another season as far as the patch and repairs, she felt they would extend it for an additional year. All of the pieces of the puzzle are still being gathered. When a grant is received for a project that will take multiple years, it is for the whole project. If one part of it is done now and the rest is done in the spring, it will still be under one grant.

Pat Zettler, FAA Airports Division, said they do not know when the funds will be cut loose. They are hoping for mid- to late-January to allow grants, but they are not there yet. The plan is that the bid does not go out until the appropriation bill is done. Once the bill is done, the grant package goes up and then money would flow. The timing it takes is somewhat unpredictable, but 30 days is not unusual. This is a very high priority project for the FAA and when the money flows, it flows throughout the year. This is one of the first projects the FAA would like to fund. The FAA is not pushing to get this done in one year, but he thought that the repairs that were made removed some of that concern. The key is when the appropriation is signed, the bidding process can begin.

Ms. deLaBruere said the Airport is still moving forward. The Airport wants to have the design specifications done and be ready to bid but this will be held off until it is known the grant is coming through. Everything will be ready to go. The project is pending the grant and the Certification Inspector's approval of making sure that this can be started in 2014 but completed by 2015. *David Epstein moved, Marty Myers seconded, that it is the sense of the Board that the reconstruction of Runway 8/26 be conducted over two years. The motion passed by unanimous consent.*

B. Food and Beverage Concession. December 31, 2013, was the final day of operations for Eurest Support Services (ESS). Ethan Billings (Alaska Promotions) worked with Glacier Restaurant to make a very smooth transition for the interim food/beverage service. Mr. Billings will continue to 'ramp up' services over the next few weeks. The bar has now opened. Coffee service will expand into the departure lounge soon. The interim service with Mr. Billings is expected to go for two to four months. The Airport continues to work with the Purchasing Department and Law Department to look at the long-term food/beverage concession. Board Member Joe Heuelsen commended staff for getting on the ball on this situation. As it wound down and negotiations were falling apart, he was very nervous that the Airport would not be able to provide service to the public. He said staff spent a lot of hours and time to make sure there was a smooth transition and that at least the basic service was available and the

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additional service in the secure area. He thought they did a wonderful job. Ms. deLaBruere passed the thanks on to the Project Office. She said Catherine Fritz, Cynthia Johnson and Kris Ritter had put in a lot of time. Board Member Robert Mackey echoed Mr. Heueisen's comments. He also acknowledged that the Board Members received a letter of disapproval of the process from a citizen. It has been read, but he believed that the circumstances necessitated the actions that staff took.

C. FAA Certification Inspection. The Airport had a dual certification inspection the week of December 9, 2013. The Part 139 inspection with Eric Swann went very well. He was very impressed with the Airport. He had a few minor findings that the Airport can take care of. It was a complete and thorough inspection. He also worked with the Fire Department.

The second part of the inspection was related to grant assurances and land use. The inspection will be on-going as this is a very lengthy process. Only two airports in Alaska are inspected in this manner each year because it is so in-depth. Staff is working with a lot of City departments to get the requested information. The Airport has not received the official findings of this investigation at this time, but more information will be gathered over the next few months. We will keep the Board updated on this part of the inspection and any operational changes that may arise due to land use compliance. Although no private hangar inspections were done, the FAA may ask staff to do some random inspections and report back.

Mr. Heueisen said he had asked for some kind of guideline for what percentage should be aircraft and what percentage should not be and they danced around that. He thought they had given staff some sort of basic guidelines or directions. Ms. deLaBruere said that when an inspection is done and things are found that are ancillary and happened to be in the hangar, and the hangar was not built for that purpose, it is assessed for the proportional use of the hangar. She noted an example was a plane in a hangar and this person goes up the river in the winter months. When an inspection was done in the winter, a snow machine was in the corner. They did not think that was a big issue. She said for something purposely built in there, such as a loft for an office or sleeping facilities, it could be presented as what portion of the hangar it took up and based on what was discovered, the FAA could say whether or not it was appropriate. This would be on a case-by-case basis. The FAA said it would not necessarily be done at their level. They would look at it and if it was beyond them, they would send it up. The FAA did not have a formula or guidance for this.

VII. NEW BUSINESS:

A. Delta Air Lines into Juneau. Delta Air Lines announced that they will be resuming seasonal service to Juneau starting May 29, 2014, through the latter part of August. Ms. deLaBruere called the corporate offices to confirm this service. The Airport will be meeting with Airline representatives at the end of January to discuss lease and operating

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plans. Board Member David Epstein asked if the addition of another 800 will affect the rating of the Crash Fire/Rescue. Ms. deLaBruere said this will not affect the rating as there are not five 800 aircraft scheduled per day. Mr. Heueisen said he had read an article that said Alaska Airlines would be upgrading their 400 and 700 aircraft in the future. He asked Ms. deLaBruere to forward this article to the rest of the Board. Ms. deLaBruere said that Alaska Airlines has said they do not expect any scheduled aircraft changes this year. She will be meeting with Alaska Airlines staff in the near future.

B. Airport Manager's Report:

1. Runway Incursion Update. As stated at the December 11 Board meeting, the Airport reported that an airport tenant had a runway and taxiway incursion on November 30, 2013. The investigation was closed out by the FAA with no violation of the Part 139 compliance to the Juneau Airport.

2. Airport Engineer Report (Attachment #1): Airport Engineer Ken Nichols reported that the direction being taken on the Runway Rehabilitation Project is the recommendation he would make. All operators he has had discussions with agree to staying out of the peak flying season. A couple of days were spent with FAA personnel, mainly Air Traffic, to do a Safety Risk Management (SRM) Panel to talk about the risks of the project. A number of risks related to air traffic outside of the control area and the air space around the airport need to be worked out for mitigation purposes. The fact that there is not much room to pull an airplane out of a hangar before being in the movement area was discussed at the SRM. The FAA Control Tower will not be able to see the aircraft visually because of the line of sight from the Tower. They will not know where the aircraft is until the aircraft pilot identifies they are sitting there. Also, there is a radio void in the area, which is one of the issues to work through in terms of risk. It was outside of the movement area and did not receive a lot of attention from the Air Traffic personnel.

Delta Air Lines coming to town really made Mr. Nichols nervous when the entire project was supposed to occur this year. This will give Delta time to have pilots understand the airspace and come into Juneau to train on the runway before having to jump over to a skinny piece of pavement for operations. Some tree removal was done on the peninsula and the remaining trees have been identified as lower than the surface. The property is part of the refuge and the Airport has avigation easements on it if, in fact, the trees are a problem.

3. Airport Architect Report (Attachment #2): Airport Manager deLaBruere said that a chronology for concessions was written by Ms. Fritz to be used as a cheat-sheet. She said Ms. Fritz is out of town and will return in the middle of the month. She will be in for a couple of weeks before her retirement status is over. The Board had asked for continuity. Therefore, the Human Resources Department has granted an additional two weeks – through the end of the month – and then look at a Professional

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Services Agreement to bring her on under the professional services of the Architect. She is working with the Purchasing Department. Mr. Heuelsen asked if the Airport has completely given up on hiring a new permanent Architect. Ms. deLaBruere said one or two applications have been received and neither person is qualified. No new applications have been received since last spring. Chair Godkin said that someday the projects will wind down, so maybe the short-term solutions Ms. deLaBruere is working with now will serve the Airport better. When it is decided what staff is needed in the future, Ms. deLaBruere will better be able to make the decision. Mr. Mackey asked what the reason might be for the low applicant list – salary, tight market. Ms. deLaBruere had asked the Human Resources (HR) Department and they had no comment. They had not received feedback or solicitation for the reasons. She said hopefully the current projects will get completed. Down the line, the north end will be done but other than that there are not too many large projects ahead.

VIII. **CORRESPONDENCE**: None.

IX. **COMMITTEE REPORTS**:

A. **Finance Committee**: Committee Chair Joe Heuelsen said no meetings have been held to date, but Ms. deLaBruere will be setting up the first meeting to start on the budget.

B. **Operations Committee**: Committee Chair David Epstein said the meeting to discuss the one-year runway rehabilitation project has negated the need of the meeting. Ms. deLaBruere said Kent Craford had requested another meeting to keep the tenants in the loop to make sure that there is not a lot of service lost for their business during the next terminal project. She noted that if a meeting was held, Mr. Swanson asked for one after January 26.

X. **ASSEMBLY LIAISON COMMENTS**: Assembly Liaison Jerry Nankervis echoed the comments from Mr. Myers and Mr. Mackey about the appreciation the Assembly has for the interim plan food concessionaire agreement that was reached. He said there was one Assembly meeting at which they transferred money for the Airport Master Plan and Design local matches. They also agreed to put some bonds up for sale regarding the 16B Dock Project. They passed the disturbing the peace code. Scott Phillip from the Fire Department was recognized for his nearly 30 years to CBJ.

He said there were good ideas that came out during Airport Board Member interviews. One was to try to encourage customers at the Airport food service by addressing parking. Ms. deLaBruere said it has not been addressed with the current food and beverage concessionaire. Reduced parking fees were touched upon with the parking concessionaire who had said this was done at other airports where with a certain amount of gifts in the gift shop or a certain amount of food, the ticket would be validated for a certain amount of time. The concessionaire was happy to do that. Follow-up has not occurred yet.

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Chair Godkin said e-mails have been received about the Assembly meeting with the Board and they look forward to this. Mr. Nankervis said that the Assembly has a goal to meet with as many of the boards as possible through the course of the year. They are already falling behind in that goal.

XI. **PUBLIC COMMENTS:** None.

XII. **BOARD MEMBER COMMENTS:** Robert Mackey said that he had read an article about the new Bombardier services to Kodiak and some of the other communities in Alaska. He asked if anything more had been heard about doing this in Juneau. Ms. deLaBruere said this had been discussed in the past. There are a lot of hurdles, such as where to place the aircraft in Juneau, maintenance and having to equip the aircraft with RNP. Mr. Mackey was concerned about the impacts not only to Juneau but also for the surrounding communities especially if they ended up replacing or reducing the combi service. Mr. Heuelsen said read a portion of the article about the Q400s: "While Alaska is pleased with the performance of the 737 fleet, Alaska's regional unit Horizon is not happy about the maintenance costs and reliability issue of its Q400s. We have work to do." Further on, they talk about what to do with some of the old planes. They talk about converting a couple of 700's over to pure freight, but they are waiting for somebody else to do it first. They also talked about converting the combis to straight freighters. There is more on the horizon with the equipment issues.

XIII. **ANNOUNCEMENTS:** None.

XIV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on February 12, 2014, at 6:00 p.m. in the Alaska Room.

XV. **EXECUTIVE SESSION:** None.

XVI. **ADJOURN:** *Robert Mackey moved, David Epstein seconded, to adjourn. The meeting adjourned by unanimous consent at 7:17 p.m.*