

MINUTES of
AIRPORT BOARD MEETING
September 6, 2016
Alaska Room, 6:00 p.m.

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

II. **ROLL CALL:**

Members Present:

David Epstein

Dennis Harris

Mal Menzies

Jerry Godkin

Joe Heueisen

Members Absent:

Martin Myers

Angela Rodell

Staff/CBJ Present:

Patty Wahto, Airport Manager

Catherine Fritz, Airport Architect

Marc Cheatham, Deputy Airport Mgr.

Keith Walker, Fire Department

Scott Rinkenberger, Airport M&O Sup't

Loren Jones, CBJ Assembly

Ken Nichols, Airport Engineer

Public Present:

Sam Roche, Alaska Seaplanes

Mike Wilson, Coastal Helicopters

Tom Williams, Ward Air

Renda Heimbigner, R&D Rentals

Matt Nedom, FAA

III. **APPROVAL OF MINUTES:** *David Epstein moved, Mal Menzies seconded, that the minutes of the August 9 meeting be approved as presented. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** Airport Manager Patty Wahto made sure that everyone got Attachment #4 an Addendum to one of the items being discussed. *David Epstein moved approval of the agenda as presented with Patty's comments. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS:** None.

VI. **COMMITTEE APPOINTMENTS:** Chair Heueisen said Committee assignments will remain the same as last year with the exception of Jerry Godkin who will replace Ron Swanson on the Finance Committee. The Finance Committee consists of David Epstein, Chair, Angela Rodell and Jerry Godkin. Operations Committee is Mal Menzies, Chair, Marty Myers and Dennis Harris.

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VII. UNFINISHED BUSINESS:

A. **Airport Leasing Policy (Attachment #1).** Mrs. Wahto said the Operations Committee met a couple of times to review the Leasing Policy (Attachment #1). A lot of work was put into this by the Committee, Mr. Williams from Ward Air and staff. She said there was some good discussion. Committee Chair Mal Menzies said the new policy is good. He said it should be adopted. Mrs. Wahto said this policy had been sent out to tenants through e-mail, with no feedback. Tom Williams, Ward Air and RED Leasing, said he appreciated staff's and the Operations Committee's efforts. He said he did not have any objections to the final draft. He said the Operations Committee had adopted a schedule to the values and the corresponding lease length. He hoped that if there were special circumstances that tenants could come to the Board and petition for the Board for something different. He encouraged the Board not to lock the schedule in stone. He wanted to make sure that this is the policy. He said RED Leasing and Alaska Seaplanes hope to resolve their dispute. He said it is taking time to get some information. He said the adoption of this Leasing Policy does not supersede anything that has been in the past with regard to rights of first refusal (which he understood would go away) or anything that would impact that. This Policy simply moves forward. He appreciated the Board's efforts on getting a greatly improved Leasing Policy. Chair Heueisen said the Board is always open to working with the tenants. *Mal Menzies moved, Dennis Harris seconded, to approve the adoption of the Airport Leasing Policy, as shown in Attachment #1, for immediate implementation. The motion passed by unanimous consent.*

VIII. NEW BUSINESS:

A. **Juneau International Airport (JNU) Runway Safety Area (RSA) Improvements – Phase IIB (2B) Bid Summary.** Mrs. Wahto said this is a lot of the apron work that will go on concurrently with the Snow Removal Equipment Building (SREB) and the geothermal loop field. The bids were all very close and with the exception of one bid, they were all under the engineer's estimate. Secon was the winning bidder for this project. *David Epstein moved, Jerry Godkin seconded, to approve contract award to SECON in the amount of \$3,974,321 for Contract E17-045 JNU Runway Safety Area Improvements, Phase IIB, pending acceptance of final contract documentation and appropriation of Airport Improvement Program grant, and forward to the Assembly for final bid acceptance. The motion passed by unanimous consent.*

B. **Juneau International Airport Runway Safety Area Improvements – Phase IIB Grant Appropriation.** Mrs. Wahto said the grant for the RSA IIB grant is not in hand yet, but it is expected shortly. This is for the appropriation of the Phase IIB ground work. The total project number for the Federal Aviation Administration (FAA) is \$3,556,000. The FAA will meet this with a 93.75% match. The State portion will be forward funded until the grant is received and the State match is received. The Airport will also forward fund \$190,000 in contingency fees, which staff will go after appropriate federal funding, as well. This is one of the projects the State has agreed to match. Knowing that these have come in a little bit lower than estimated, she is not concerned that the State will

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participate. *David Epstein moved, Jerry Godkin seconded, that the Board appropriate a Federal Aviation Administration Airport Improvement Program grant in the amount \$3,333,750; and up to \$412,250 of Airport Fund Balance for local match, forward-funded Alaska State Department of Transportation match and contingency funds, to the Juneau International Airport Runway Safety Area Phase IIB Capital Improvement Project, and forward to the Assembly for final appropriation process. Staff will pursue any eligible reimbursement for contingency funds used. The motion passed by unanimous consent.*

C. Juneau International Airport Design and Construct Geothermal Loop Field for Snow Removal Equipment Facilities Grant Appropriation. Mrs. Wahto said this will be one grant with the Snow Removal Equipment Building, which has already been put forward to the Assembly. The FAA wants to combine the construction of the Geothermal Loop Field grant with the SREB. Although this will be one grant, they can be appropriated by the Assembly separately. The geothermal part is the second part of the SREB-related grant; however, the construction part of it is in with Secon. This will also have a special energy grant with it. *David Epstein moved, Jerry Godkin seconded, that the Board appropriate a Federal Aviation Administration Airport Improvement Program grant in the amount \$2,311,219 to the Juneau International Airport Geothermal Loop Field for Snow Removal Equipment Facilities Capital Improvement Project, and forward to the Assembly for final appropriation process. The motion passed by unanimous consent.*

D. Juneau International Airport Taxiway A and Runway Incursion Mitigation (RIM) Planning Grant Appropriation (Attachment #4, Addendum). As the Airport went out for an RFP for this contract, the Airport had estimated this to be about \$360,000. By the time everything was looked at because it is a new process with the FAA, there is a lot of technical modeling and other things that go on with this that make it a bigger project. The FAA has no problem with funding this. As the numbers ran, the project is more like a \$700,000 project. The FAA will pay the 93.75%, but this project has no State match. Therefore, the 6.25% is all Airport and the Airport will pay \$43,750 for the local match that will be taken out of the Airport Fund Balance. It is one of the many project matches that staff plans to put into a future Passenger Facility Charge (PFC) reimbursement. *Jerry Godkin moved to appropriate a Federal Aviation Administration Airport Improvement Program grant in the amount of \$656,250, and local funding match of \$43,750 from the Airport Fund Balance to the Juneau International Airport Taxiway A and Runway Incursion Mitigation Capital Improvement Project, and forward to the Assembly for final appropriation process. The motion passed by unanimous consent.*

E. Juneau International Airport Geothermal Loop Field for the Snow Removal Equipment Facilities State Matching Grant. This is for the State match of \$77,040 for the Geothermal Loop Field as part of the SREB grant. *Jerry Godkin moved to appropriate a State of Alaska Department of Transportation grant in the amount \$77,040*

to the Geothermal Loop Field for the Snow Removal Equipment Facilities Capital Improvement Project, and forward on to the Assembly for final appropriation, pending grant receipt. The motion passed by unanimous consent.

F. Juneau International Airport Runway Safety Area Improvements – Phase IIB State Matching Grant. This is for the State matching grant for the Runway Safety Area Improvements – Phase IIB. The match will be \$111,125. *Jerry Godkin moved to appropriate a State of Alaska Department of Transportation grant in the amount \$111,125 to the JNU Runway Safety Area Phase IIB Capital Improvement Project, and forward on to the Assembly for final appropriation, pending grant receipt. The motion passed by unanimous consent.*

G. Funding Transfer – Geothermal CIP. Before the Airport gets the State grant, even though the money is in the account because of the State Special Legislative Grant and the Sales Tax dollars, the City has to do a fund transfer into the account before the DOT grant is received and then it will be transferred back. *Dennis Harris moved transfer of \$77,040 of Sales Tax funds from Snow Removal Equipment Facilities Capital Improvement Project to the Geothermal Capital Improvement Project to temporarily cover the ADOT match share; to be replaced upon receipt of the Alaska Department of Transportation grant award. The motion passed by unanimous consent.*

H. Airport Manager's Report:

1. Airport Live "Wheels Rolling" Emergency Drill. A reminder that the Airport will be holding its triennial live disaster drill on Saturday, September 17, 2016. The Airport is still looking for volunteers to participate in the drill. If anyone is interested, please email the Airport directly at volunteer@jnuairport.com or contact Scott at 789-4001.
2. Airport Incident. On Friday, August 26, 2016, at approximately 6:00 p.m., an Alaska Seaplanes Services Cessna 207 made an emergency landing approximately 1500 feet short of Runway 26 in the wetlands. There were four persons on board the aircraft and all were able to walk away from the scene without injury. The Fire Department responded to assess the passengers and pilot and give them a ride to the terminal. Coastal Helicopters assisted in the recovery by slinging the aircraft back to the apron prior to the tide coming in.
3. Delta Air Lines Seasonal Service. September 1, 2016, marked the departure of Delta Air Lines for the season. They anticipate returning to Juneau for the summer season in May 2017. Staff will continue to work with Delta to see about year-round service or lengthening their season. Delta will continue to pay their space rent year-round. Delta began RNP procedures on July 21, and they had to use those procedures when they returned to Juneau and a few times thereafter. Their payload was increased by 23,000 pounds with a departure down the channel. Mr. Godkin asked to

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see the increase in numbers over last year at the next meeting. When asked about an outreach to get Delta year-round, Chair Heueisen said the Airport Manager and the Chamber of Commerce have been talking directly to Delta trying to convince them. They are firm in their standing for the winter that they will not be back. Mrs. Wahto said the City cannot give Delta any incentive that it wouldn't give Alaska Airlines. It is a small group of people who make a lot of big decisions in their Networks Department. She is trying to get in with that group to discuss things. The local management, pilot group, and real estate all understand what is here for Delta and what is here for the community. Their summer numbers painted it and certainly it will take more than a year through winter operations to show what they can do. She will continue to work on this.

4. Airport Engineer Report (Attachment #2): Mr. Nichols reported there are a lot of grant things going on, bid openings, updating grant amounts, negotiating with the consultant for the Taxiway Alpha and RIM Project. He thought that Secon was a good contractor for the RSA IIB project and a good consultant with PDC and their national backup for the modeling and interface with the FAA. PDC merged with R&M locally and they have good ties with the community. PDC and RS&H worked on a very similar issue at Fairbanks with some taxiway incursions and some reconfiguration, which was before the national Runway Incursion Mitigation Program became official. The solutions that they come up with will be implemented as a part of the RIM program. There are three airports in Alaska that have taxiways on the list – Juneau, Fairbanks and Merrill Field. It is quite a bit more involved than expected.

The Air Cargo Hardstand will be rebid in the spring. The original bid only gave the month of September for the project, which is not a good time of the year. Hopefully this will allow them to sharpen their pencils. A part of the concrete underground can be eliminated to cut down the cost to hopefully bring it in with budget. The cargo hard stand has a big square slab. When there is a concrete to pavement transition, it is common practice to have a transition slab underneath the asphalt. Therefore the jet will be turning off the slab in one direction only, so the other side's transition slab can be eliminated.

5. Airport Architect Report (Attachment #3): Airport Architect Catherine Fritz said a lot of time was spent in August working with the details of getting the grants ready and meeting all of the FAA requirements, which includes a lot of contract negotiations with consultants, and force account analysis for how Airport staff will be used on projects. The Aircraft Rescue/Fire Fighting (ARFF) preconstruction conference was held at the end of the month, so the project has been issued a Notice to Proceed. Dawson is preparing to get started, perhaps as soon as next week.

The Airport accepted the ARFF truck. It is licensed and in use on the Airport. Staff is waiting to close out the shop roof project. The roof is awaiting the manufacturer's

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inspection. The manufacturer authorizes certain contractors to do work for them. If the contractor does not follow the details and do it exactly, then the manufacturer will not hold the warranty. It has to do with the City having a Manufacturer's warranty. The roof is not under warranty and the contractor has not been paid.

IX. **CORRESPONDENCE:** None.

X. **COMMITTEE REPORTS:**

A. **Finance Committee:** No report.

B. **Operations Committee:** Committee Chair Mal Menzies said as noted in the agenda, there were two meetings in August regarding the Leasing Policy.

XI. **ASSEMBLY LIAISON COMMENTS:** CBJ Assembly Liaison Loren Jones said the Finance Committee meeting is Thursday night. Hopefully the meeting will put the City on the road to understanding what they are doing in terms of the deficit caused by the Governor's vetoes. There is \$3.5 million of school debt. An Assembly meeting will be held on September 12. The next Assembly meeting will be on September 26. The Public Works, Lands Committee and COW scheduled for September 19th have all been cancelled as five Assembly Members will not be in town. The next COW is October 10th. The election is October 4th. The Assembly will certify the election on the 17th and swear in the new (or continuing) members. Then within a couple of weeks, the Mayor will redo the liaisons, committee assignments and all that kind of thing. The Jordan Creek issue was brought up at the last Assembly meeting. He told the Assembly that the Board was very concerned about that and there are a lot of issues between CDD (Community Development Department), Fish & Game, the Police and Manager. Maybe they can coordinate that.

Based on tonight's discussion, he thought it would be important to be prepared to answer questions from the Assembly of what is in the Airport's fund balance. Members of the Assembly will want to know how far it is being run down. Is the Airport 100% sure it will all be replaced? The same things with the Sales Tax transfer, which bothers a couple of people whenever it is transferred and they say it will be paid back. He wanted some assurance from the Manager and perhaps Bob Bartholomew that it will be paid back. He said if the Passenger Facility Charge is part of the narrative, he suggested that the Airport should be ready to explain what it is to the Assembly.

XII. **PUBLIC COMMENTS:** None.

XIII. **BOARD MEMBER COMMENTS:** David Epstein introduced a fellow FAA co-worker from his previous life – Matt Nedom. He was in town to inspect a fuel tank on Coughlin Island.

XIV. **ANNOUNCEMENTS:** Volunteers are needed for the Wheels Rolling Exercise.

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- XV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on October 11, 2016, at 6:00 p.m. in the Alaska Room.
- XVI. **EXECUTIVE SESSION:** None.
- XVII. **ADJOURN:** *Mal Menzies moved to adjourn. The meeting adjourned by unanimous consent at 6:52 p.m.*