

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD
Regular Meeting
October 9, 2012

MEMBERS PRESENT: Mike Erickson, Rolf Johnson, Dr. Kennon Broadhurst, Lon Gellhaus, Steve Kaiser

MEMBERS ABSENT:

OTHERS PRESENT: Mike Wilson, Bob King, Terry Helms, Jeff Mitchell, Kevin Braun, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:00 am on Tuesday October 9, 2012.

Item #2 - Approval of minutes from September 6, 2012 meeting – Moved by Broadhurst, seconded by Gellhaus.
MOTION CARRIED.

Item #3 Adoption of the agenda – Moved by Gellhaus, seconded by Johnson. **MOTION CARRIED.**

Item #4 – Next meeting is scheduled for Thursday, November 8, 2012.

Old Business:

None

New Business:

Item #5 Bills – Johnson moved approval of the bills for the month of September, seconded by Gellhaus. Johnson questioned the electricity usage on the holding pond. Wilson stated when we pump we usually see a \$200 to \$300 bill. We usually pump 3 to 4 times a year and depending on how much rain we get. Broadhurst stated they see this bill monthly. Does this automatically pump out? Wilson stated before we can release any water we have to test it because glycol goes into this pond. King stated every two months we do a BOD (biochemical oxygen demand) test. Broadhurst stated so we are testing before we pump and what happens if the contaminant level is too high. Yes, and if the contaminant level is too high then we treat it with chemical to get the BOD level down. What about the tack on the 17/35 marking for \$1400, Broadhurst thought that this had been taken care of before. Wilson stated this has not been taken care of. This is our fix for this right now, so we do not get a FAA safety write up. The markings are still visible especially at night from when the runway was moved years ago. Wilson was able to push this \$100,000 project off until 2014 when we do our runway extension. In order for Wilson to push this project out, he had to guarantee the FAA that we would do maintenance on it this year. It is not an acceptable means for them, but they had allowed Wilson to do this for 2 years. What about the shock chlorine. King stated this was used to clean bacteria out of our water tank and used to clean other equipment. Shock is just the brand. Are we now buying Diesel fuel from Ride Line? The fuel was for a City vehicle that we had borrowed which takes Diesel 1, where we use dyed Diesel 2 here. What about the janitorial service, how many hours do they work? Wilson stated 4 hours per day on weekends. Have we ever had a study done on the SRE building on the geothermal on how much are we saving or have saved. Broadhurst stated it would be nice to see as we had spent too much money on geothermal. Is it really what it is hyped up to be? Wilson stated we do not have anything to compare this to as we did not convert a building. It was built new with the geothermal. Councilman Mitchell suggested maybe NorthWestern Energy can give some approximates. Erickson asked how we came out with the tractor that tipped over. Wilson stated it is still being worked on. It will be about \$13,000 or so. It's in need of a new engine; to repair it would be \$15,000. This does not include fixing the beacon and the side window scratches. We will fix the beacon ourselves and just leave the window as Wilson does not see this as a big issue. There is no insurance to cover this as the City is self-insured. Johnson asked so there is no fund within the accounting mechanisms in the City to reimburse the department. Wilson stated we could go in for a budget request. Erickson asked if there will be investigation regarding this? Is the employee still here? We have hired a new employee who starts on the 29th. The other employee resigned shortly after the incident. Broadhurst asked about Detco and Farm power. Detco is the company that we bought a year's worth of cleaning product from and as for the Farm Power charge it's a restocking fee. **MOTION CARRIED approving the bills.**

Item #6 Financial Report – Broadhurst moved adoption of the financial report for September, seconded by Johnson. Broadhurst asked what the Delta bill is for. Wilson stated we are selling sand that they use for weight and

balance. **MOTION CARRIED approving the financial report.**

Item #7 Recommendation to pay Helms and Associates PE #18 in the amount of \$25,860.56 for AIP Proj. #3-46-0001-32-2012 Environmental Assessment – Engineering Services – Moved by Broadhurst, seconded by Gellhaus. Terry Helms stated that we are over budget and hopefully we will get this issue resolved this week. Wilson added his understanding of one of the issues is the person in the FAA Chicago office copied and pasted parts from the Brooking's Airport EA over to ours and left Topeka Shiners issues in our FONSI/ROD. The person in Bismarck started looking into this and said that we are not covering Topeka Shiners anywhere; what is the issue and why don't we have it. She started checking into this and there is really not a need to cover the Topeka Shiner, but they made Helms and Associates go out and do additional work on this with US F&WS because we said we are not impacting the Topeka Shiner. Are we sure we are not impacting them or would it be better to say we "may likely impact, not adversely affect" Topeka Shiners. They had done a 3 page Errata sheet to the EA cleaning up some other things. We may somehow impact Topeka Shiners if we kick water into the Jim River. Broadhurst stated with the overage, this was the contract amount that was agreed to and now we had gone beyond the amount. Helms stated the Board had approved an amendment to the contact about a month ago. The cost is covered up to this point. Helms thinks they are done. We just want to be done as we can't do anything without the EA signed off. We cannot start the work that needs to be done. **MOTION CARRIED approving PE #18.**

Item #8 Recommendation to pay Lien Transportation PE #7 (Final) in the amount of 80,801.01 for AIP Proj. #3-46-0001-31-2011 Ag Sprayer Taxiway – Wilson stated this is just the retainage on the project. Final inspection had been done and hopefully we can get this project closed-out shortly. Moved to pay Broadhurst, seconded by Gellhaus. **MOTION CARRIED.**

Item #9 Recommendation to pay JDH Construction payment application #1 in the amount of \$22,500 for work completed thru September 28 on AIP Proj. #3-46-0001-32-2012 Terminal Baggage Claim and Security Hold Room renovations – Moved by Broadhurst, seconded by Gellhaus. Wilson stated they are making a lot of progress on the project. For baggage pick up the people can wait in the terminal until they see the tug pull up and then they can pick up their bags. We had modified this baggage pick up area the first couple of days. The contractors are really moving extremely fast. Wilson hopes we can get back inside the building in mid-November, but it would be more likely to be early December. Inside they have the stud walls up, holes on the floor for the bathroom drainage. I owe you's from last time. The granite tiles on the floor. There were not just set down, they were double mortared. They came out extremely difficult. They jack hammered these and there was no way that they could be salvaged. The granite wall tiles on the outside, they probably used 3 cans of glue per tile. They popped a couple of the smaller tiles and pulled the cement backer with them. There is nothing to salvage here either. The new product that is going on the outside is floor gras color - darkland. This should match up pretty well with what we have now. The other items that they have been working on are the columns. They were going to remove the columns in the new screening area. It's been decided that we are keeping the columns where they are currently at. Wilson thinks it will work better with the machines. We hopefully will have a decrease in a change order on this as we will not need all the steel to redo the columns up above. For the flooring we are doing welded sheet vinyl similar to what the hospital has in the entire area. Wilson is hoping that it will look good. Wilson asked what the Board's thoughts on this. Johnson stated it will be easy to maintain. Wilson agreed and it has good durability. Wilson added he will probably hire an interior designer to help pick colors. One had contacted him from Carpets Plus. **MOTION CARRIED approving payment application #1.**

Item #10 Financial Close-out Report for AIP Proj. #3-46-0001-30-2011 GA Apron Expansion – Wilson stated we will have a rollover amount of \$146,358.16 to the #31 Grant. Wilson added the Board can review the document. Moved by Gellhaus, seconded by Johnson. **MOTION CARRIED.**

Item #11 B&B Contracting – GA Hangar Access Road

11a: Recommendation to approve Change Order #1 increase of \$24,284.54 in contract amount – Moved by Broadhurst, seconded by Johnson. Wilson stated we had to change a lot of the curb and gutter to moldable curbs. This is why we have item #6, 7, & 3 as decreases. Item #2 was to replace item #3. With the way things were lining up our elevations were going to be way off. We ended up removing a lot of concrete into the old parking lot and having to fill more concrete in this area. We also ended up removing all the concrete in the old road that came in east and west next to the beacon was located. This was torn up when they were hauling base course back and forth. Rather than repair this, it was decided to just put top soil in the area and seed it. Over by Aberdeen Flying Service, we had to cut back further than what was planned because the elevation was a 1' dropped within 2'. So, this was cut back 10' and we put some asphalt in this area to smooth it out. Broadhurst asked what the total price on this job?

Wilson stated it was \$92,848.50. Broadhurst thinks the change order amount of \$24,000 sum is an awful large amount for a job this size. Wilson agreed. Broadhurst asked what went wrong with this; wrong in the planning or where. Wilson stated design and elevation issues. On the design they were leaving in the island and putting grass around the concrete. This absolutely made no sense to him. Wilson had missed this on their drawings. Broadhurst stated if he remembers reading back, we are saving money by letting the City do this. Are we really going to save money rather than getting somebody who knows what they are doing to begin with. The City did not do the construction on this. The City did the Engineering on it. Broadhurst stated isn't Engineering is where you get started as to where gutters are going to be placed and what the slope is going to be and things of this nature. Wilson stated they had the slope and the gutters, but not how they are going to tie into the parking lot. This part was not done well. Broadhurst asked in the end did we save money rather than our usual way of getting a professional. Wilson stated he would think so. We would have ended up with the same project even with the change order and we would have to pay the engineering part of it. Broadhurst asked what is importing top soil. Are we bringing this in? Wilson stated yes bringing it in from another site. Broadhurst asked what about all this dirt pile we have. Wilson stated that it is clay and gravel. Top soil is very hard to come by. So what's all that dirt pile doing out there, Broadhurst asked can we get rid of it? Erickson stated as soon as we get our EA done. Wilson added this is the plan for next year. King stated he would like to say thank you for doing the moldable curb as it would make it easier for the snow removal equipment. Wilson stated he thought that this is what we had on the drawing. It's the difference between Helms's drawing and ones from the City. Wilson did not realize that the City was not drawing curbs everywhere. They were just going to have grass coming up to asphalt. **MOTION CARRIED approving Change Order #1.**

11b: Recommendation to pay pay request #2 (Final) in the amount of \$25,280.50 – Moved by Broadhurst, seconded by Kaiser. MOTION CARRIED.

Item #12 Recommendation for City Manager to sign Amendment #1, State Agreement #714522, total share of \$117,133.04 for GA Hangar Access Road Improvement – Moved by Broadhurst, seconded by Gellhaus. Wilson stated this is the State Agreement to use the Fuel Tax funds. Wilson knows that fixing the road is expensive, but the changes were needed. It looks much better now. **MOTION CARRIED approving amendment #1 to State Agreement #714522.**

Item #13 Receive and place on file 2011 PFC Audit Report – Moved by Kaiser, seconded by Johnson. **MOTION CARRIED.**

Item #14 Airport Manager's Report

14a: Terminal Remodel – discussed earlier.

14b: Load Factor Report – Wilson contacted SkyWest to get this report. It shows the load factor from ABR to MSP and MSP to ABR since they took over. We had our ups and down throughout the year. September we are pushing 70% which is extremely good. Wilson thinks the rate of 70% to 75% is when SkyWest would start looking at a 3rd flight. Councilman Mitchell asked how long will they look at the number to be around 75% before they make a decision. Is it a matter of having 3 consecutive months? Wilson assumes it would be consecutive percentages. Johnson stated he had heard the comments of 70%, 75% and 80%. Wilson thinks Delta had said 75% to 80%. Wilson added if we hit 75%, we should be able to have some discussion on it. Wilson is not sure if we would have to hire someone like Sixel Consulting to show the market. Johnson stated it would be nice to wait until after November. Wilson agreed that we should wait until the end of hunting season. Wilson stated he does not have a month to month breakdown from Delta. He could try to contact his previous contact person to see if they would give us this information. They had given us seasonal information before. Kaiser asked how October numbers look. Wilson does not have this information yet. A month or two ago he had checked. The 17th was full and the 18th had 2 seats available on one flight. When Wilson saw this he contacted SkyWest and asked them to take a look at the numbers. Wilson asked if we can get additional flights. They looked and had said yes we are booking up, we need it but we are probably too late. This is what Wilson had expected, as he had been pushing them all year to get additional flights in. They had said we had to wait. We will have 3 flights for 2 weeks from October 17th thru November 2nd which is not nearly enough. At first SkyWest was going to commit to a lot more, but then Delta said no.

14c: Air Show – On Air Show meetings, Wilson talked to the City Attorney. We will just post that there is a possible quorum of the Airport Board at Air Show meetings and advertise it on the website. The next Air Show meeting is October 18th at 4:00pm. The 501C3, the City Attorney is still working on. Broadhurst stated his understanding is that the Air Show committee is a separate entity not associated with the Airport Board. This is not an Airport Board function. Why are we concerned about the Air Show committee as they have their own agenda and

members? Wilson stated this was just an update on the possible quorum because there are members of the Board that want to go. Kaiser stated it is separate, but we are in charge of the facility and we have to make sure that it is done to safety and Federal standards. Wilson stated what we have to do is security and make sure that we maintain a safe usable airport.

14d: Future Mitigation Contract –Helms and Associates has the agreement together. Wilson thought that they can present this at this meeting, but they have to have an outside consulting firm to review it to make sure that their costs are in check. Wilson is guessing because the amount is going to be high. Wilson asked what the threshold is on the amount. Terry Helms stated anytime you spend a million dollars on a project, the State requires another engineering company to review the hours. Helms stated the scope of this project is to get rid of the wetlands on this Airport. There are 12 that had been identified; totaling somewhere of 44 acres. The question we have to get resolved is do we have to hire a Certified Wetland delineator to mark the exact boundaries or will they use the one we have on the EA. Then, we have to find land to mitigate these wetlands. There was one individual who contacted Helms that they may have some property available. But, where do we mitigate 44 acres of wetlands that the Corps of Engineers is probably going to say during the 404 permit that they want 2 for 1. Where do we get 88 acres to mitigate wetlands? Kaiser asked is there a perimeter. Helms stated at least a minimum of 5 miles from the Airport. Wilson added within the same water shed. Helms stated we have the storm water issue itself that our neighbors are very cognizant of. Johnson asked why somebody would agree to this. Helms stated we are going to end up buying acres of land and take them out of production and they will forever be wetland. So, we have this issue and alongside this issue is how we get rid of storm water. Remember that we can only discharge at a certain rate, so we have to temporarily store it on the Airport but where do we discharge it to and through what. Helms stated to him this would be the hardest project they will do at this Airport because we have to go off site. Everything they had done before they have done on Airport property. This would be the project that they will take the most heat on. As they had promised during the EA that public input is part of this. The approved EA gives us approval to go forward. Now, we have to develop plans on how we are going to get rid of the wetlands and how we are going to get rid of the storm water. Councilman Mitchell asked is the northwest holding pond too close. This is the one the City bought. Johnson thought this would not be big enough. Helms stated he does not know and would guess this would be within the 5 miles. Helms stated why are we getting rid of the wetlands, because of wildlife. As long as we have jet service on this Airport, FAA wants everything 5 miles away which is their criteria. Johnson suggested the Stratford area as it is already wet there. Helms stated they have budgeted for 3 public meetings. They had promised the Jobee Acres group that they can be involved from day 1. Once we get through this project, we would have gotten rid of the water issue which is the only issue that people have on the Airport. The Board also discussed future SD DOT project on highway 12 which the plan is to improve drainage. Johnson stated with the migration of commercial structures coming this way and paved lots keep moving out, there would be more water moving. Where are they moving it to rather than moving it across people's land is the objective. There are going to be some people's ditches that are going to be wet longer. Wilson thinks that ours will be wet less on the work that the DOT will be doing. Helms stated the EA does not have the solutions. It says what we are going to do and the adverse impacts. Keep in mind that we are dealing with 90% Federal dollar. Wilson stated the State portion is 5% for 2013 and 2014 and unknown in 2015. The City share will be between 5% - 7% so we would be better off if we can get everything done in 2013 and 2014. Helms stated if there is no money available to the City that is better money than the Airport money. There is no other money that we get that is 90%. As we work through this process to get rid of the water, hopefully the City will be behind this if we come up with a solution that gets rid of all the water but it may be pricier than what was discussed. We do not know this. Johnson stated if we are going to have public hearings, maybe the Council should be involved in this. Helms stated they certainly will. Kaiser asked what we are doing to rid us of the wetlands. Do we just haul in dirt? Wilson stated we do not have this detail. This is what the next contract is for. Councilman Mitchell stated this last 10 years even 15 years had been a wet cycle. Are these considering wetlands that are cropped off or are they looking at historical. Helms stated they will look at the grass, soil and everything else and they can delineate them very well. They will only have to do the ones that had been shown on the EA. Johnson asked will this improve the instrument approach. Wilson stated this will stay the same. Helms stated it does move our RPZ's in our property, so the City can get rid of the moratorium on building permits. Wilson added it does move the instrument approach, so it may upgrade the lighting as long as they still have MALSRS in 2 years. Wilson stated Jobee Acres did say that they would be willing to possibly put something toward the project if we can oversize and help them with their water issues.

Helms stated Sam Muntean had taken a position in Minnesota. Helms will have two other staff that will be working with him. These staff members are going to Bismarck with Wilson and him today. Helms stated they will not miss a beat on this. Muntean moved closer to home for him and his wife. Helms wishes him well and we all will miss him. Muntean had worked at Helms and Associates for 15 years.

Item #15 Other Items

15a. GA Road repair – Wilson asked Braun how the road repair is working. We had done three concrete spots where the road is heaving really badly. We had it repaired Thursday and Friday. Braun asked if we have notified the private hangar owners that the private hangar gate would be shut off. King stated not all the private hangar owners were notified. Braun stated this is the only complaint he heard because once the FBO's were closed, the hangar owners had no way to get on the Airport. Wilson stated he was in Pierre when the work started and did not realize that this is still closed. Wilson stated we will put a sign up for right now.

15b. Fall Decoration – Kaiser stated fall decorations looks very nice. This is the first time we had done something for fall and he likes and appreciates it very much and thinks the passengers would do too. Broadhurst asked last month Wilson had stated he will check if there are funds for the beautification. Wilson stated the work is done and we should be able to handle this.

15c. Generator – Broadhurst asked if we had purchased the new generator. Wilson stated not yet. For temporary need we have our closing crosses and we will at some point get a new one.

15d. Storm Drain – Corrected and discussed in 15a.

15e. Kraft Air Spraying - Kraft had not contacted Wilson recently.

15f. Winter supplies/materials – Johnson asked if we have adequate winter supplies and materials that we will need. King stated just last week they had checked on this. We have our concrete sand, plugged in the heaters and we have big enough supply of liquid runway de-icer.

15g. Re-instate Board Lunch – Broadhurst asked what do they need to do in order to re-instate the Airport providing lunch for its Board members. Wilson had talked to the City Manager about this and does not think this is necessary. If the Board wants it, we can provide lunch and eat during the meetings because if you are having lunch we have a quorum too.

15h. SDML meeting - Wilson stated they had some good open meeting law and fraud discussions. On the Airport meeting they had better attendance than they had before. Wilson added he is no longer the president, but stayed on as Vice.

The meeting adjourned at 12:26 pm.