

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD
Regular Meeting
August 5, 2010

MEMBERS PRESENT: Mike Erickson, Rolf Johnson, Steve Kaiser, Nate Zeeb

MEMBERS ABSENT:

OTHERS PRESENT: Lynn Lander, Dr. Kennon Broadhurst, John Aman, Darrell Hillestad, Kevin Braun, Gary Dahlerup, Al Ruhlman, Emily Arthur-Richardt, Mark Caven, Julie Johnson, Sam Muntean, Adam Altman
Comm. Mike Wiese, Jeff Mitchell, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:30am on Thursday, August 5, 2010. Added to the agenda are the Airfare Market Study and the request to advertise the GA Apron Expansion project.

Zeeb moved approval of the minutes from the July 6, 2010 meeting, seconded by Kaiser. Motion carried.

Johnson moved approval of the minutes from the Special Meeting July 14, 2010, seconded by Zeeb. Motion carried.

Old Business: (3rd Planter) Kaiser stated we had talked about putting in a new planter every year for three years. We have two that looks nice, but it would be nice to have one as you are approaching the Airport from the north and coming around the corner, west of the light stand. Chairman Erickson stated we will spend all of our marketing dollar this year. Kaiser asked we think about this for next year. The cost for the planters was for materials and the Airport staff built it.

Kaiser moved approval of the bills for the month of July, seconded by Johnson. Motion carried.

Kaiser moved approval of the July financial report, seconded by Zeeb. The July report includes the last five receipts from June since the one approved last month was only through June 25th. Kaiser asked about Performance Aerial. It was reported that this payment was received yesterday. Motion approving the financial report for the month of July is carried.

Lander, City Manager stated before Osborn's leave-of-absence, Osborn was working in two different areas. Osborn was working with Mark Sixel, Sixel Consulting Group about doing a potential grant for a rate buy down for Delta and was also looking at doing a study rate comparison and then turning around after the comparison and negotiating price with Delta. Osborn had two different approaches as to how he was trying to lower the rates within the Aberdeen Airport. We have had discussions with Sixel for the last week and he is suggesting that we go forward with the rate comparison and then meet with Delta to see if in fact we can negotiate our price structure similar as to what Pierre did. And perhaps now is not the best time for us to apply for the rate buy down and that we might have a better grant proposal in the future if in fact we have the rate comparison data to put within the rate buy down. It does not really make sense if in fact we do not have the data to make the application for the grant. Sixel believes that we only have a 50/50 chance of getting the grant at this point. We might be better situated if we did the rate analysis where we can use it at a later time. We can still take the two prong approach, but one is negotiating and if this does not work then apply for the rate buy down at a later time within a grant. The grant's cost was \$7,500 so we would eliminate \$7,500. The rate study analysis is \$5,000 so we end up with a few extra dollars by not going forward with the grant. Lander stated this does not have to be done today or within the next week, but Lander thinks it is important that we start the analysis to be current if in fact we can negotiate with Delta as soon as possible. Kaiser stated he agrees with Sixel that we do the study. Have Sixel do it because it's the lynch pin to possibly being able to negotiate with Delta. Kaiser moved to adopt the rate study analysis, seconded by Johnson. Zeeb asked do we know how long it will take Sixel to compile the data. Lander thought September. Julie Johnson, Absolutely Aberdeen stated they have been pleased to be able to work with quite a diverse task force from around the community on Air Service. Thank you to the City for their involvement, thank you to the Airport for their support. At their last meeting they were able to have Sixel on the phone with the group which was very helpful. Sixel talked the group through his marketing study and this was very enlightening. The group was cheering the Board on hoping that the Board would engaged in Sixel's services as it is being suggested here today. Julie thank the Board for anything that they are able to do along the lines that would service well as a community. Chairman Erickson what were some of the results out of Pierre. Lander stated they would take Sioux Falls rate plus \$40, SF rate plus \$20. In some cases Sioux Falls rates would not be to our advantage so Lander thinks that we have to do more of an in depth analysis rather than following the Pierre model. Lander thought Sixel also talked about looking at Fargo. Johnson asked if there are any intentions to have Sixel travel here as he has on his consulting fee with travel of \$1,500. Lander stated if it is necessary to meet with Delta on an individual basis, yes then we would be looking at the \$1,500 on top of the \$5,000. Zeeb asked would it be our intent to use Sixel as our negotiator. Lander agreed. Kaiser amended his motion to go forward with the rate study

analysis and using the marketing budget, seconded by Johnson. Comm. Wiese stated he endorses the approach and asked when was the deadline for the grant. Lander stated its August 26th and this was part of the problem as Sixel and Osborn had not firmed up as to what they are going to apply for. Lander thought at the last moment Sixel and Osborn were trying to determine whether or not the rate buy would be even operable application. Sixel found out that it would be, but it had similarities as to when we brought in Great Lakes. They don't normally reauthorize a previous purpose, so Sixel felt that there could be some conflict. Sixel felt that there would be only 50/50 chance that we would receive grant funds for this. Motion to go forward with rate analysis and using the marketing budget is carried.

Helms and Associates requests:

Corrections on the pay estimate, it should be PE #16 not #15. Zeeb moved approval to pay PE #16 in the amount of \$12,389.37 for work completed to date on the Environmental Assessment, seconded by Johnson. Muntean stated this billing is finishing up all the billing to date to put together the draft Drainage Study. The draft EA had been submitted to the FAA in April. Muntean had gone through weekly emails asking for an update when FAA will review this. Osborn and Muntean about a week and a half ago talked to Dressler, FAA about this and she said that she will try to get through it by the end of July. Motion approving to pay PE #16 is carried.

Kaiser moved approval to pay PE #1 for the Design Services for the GA Apron Expansion, AIP Project #3-46-0001-30-2010 in the amount of \$23,265.98, seconded by Zeeb. Muntean stated this would be the project that we would be requesting to advertise. The work would be the apron expansion approximately 320'x220' concrete apron that would be out in front of the Hangar 9s new building to give them access and park aircraft and so forth. There would be underdrain paving section the same as the main taxilane area. There would be storm sewer and grading. We will actually be grading more of the future expansion area for the apron so the dirt work will be completed when it is time to add on. The project will also include the relocating of the electrical home run line from the south side of the old Liebelt hangar over to the north side where it would be out of the way for future construction. Motion approving to pay PE #1 for AIP Project #3-46-0001-30-2010 is carried.

Muntean stated the advertisement will be place in the paper next week and the bid opening will be Wednesday the 25th of August at 2:00pm. Muntean added that we have received the tentative allocation letter from the FAA for the grant. The entitlement funding will be use for this purpose. Chairman Erickson asked what the amount is. Muntean stated its \$830,000. Braun asked what will be the completion date on this. Muntean stated on the construction it will be next summer. The project will be bid this year, but because of the late funding cycle and being so late in construction season we are not going to start it and end up with it torn up all winter long. Muntean had determined with both Osborn and King that it would be best to just wait and start next spring so the contractor can get in, get it done and get out the least amount of time. As part of this project, we will be doing some repair on the main GA apron mainly where Txy E and F meet in and a couple of the crack slabs will be replaced which will happen next year too. Chairman Erickson asked how this will affect the fuel haul road. Muntean stated what he had discussed with Osborn is that we probably have to run it on to the taxiway. There's no other way to get around there without a chance of tracking mud through or chance of interfering with construction or vice versa. Zeeb moved to advertised for bid the GA Apron project and set a bid date of August 25th at 2:00pm, seconded by Kaiser. Motion carried.

Chairman Erickson stated his understanding is that we have a little problem with our equipment. It was reported that Tim Kearns from the Weather Service stopped by this morning with a letter that our altimeter needs to be calibrated and then certified by the FAA in Rapid City. Kearns is giving the Airport until October 1st this year to get this taken care of. Chairman Erickson stated Osborn recommended continuing the weather service contract with Studnicka. Kaiser moved approval, seconded Johnson. Zeeb stated the contract is essentially the same from last year. It looks like in section 3 it can be renewed automatically. Johnson thought that with automatic renewals it would have a number of renewals. Chairman Erickson stated as long as the price and everything else stays the same it could automatically renew. Motion approving to continue the contract with Ray Studnicka is carried.

Zeeb moved to receive and place the 2009 PFC report, seconded by Johnson. Motion carried.

Hangar 9's requesting to amend the construction agreement paragraph 7. Altman, City Attorney stated his understanding is that this request had been withdrawn. Aman, Hangar 9 stated he did not get a briefing of Altman's conversation yesterday with Tobin, Hangar 9's attorney. Aman's understanding is that Tobin was going to be at this meeting and then this morning received a message that he was not. Altman stated he met with Tobin as Rasmussen was unable. They talked about relocation of water line which is currently located under the Hangar 9 site. They talked about over sizing the sewer line and see if this can be gravity flow this. The City will pay the oversize cost to switch it from service line to serve Hangar 9, turn it into a main and the City will pay the oversize. This would be allowed to develop the area without having to dig up. City regulation does not allow a shared service line. Nobody likes a shared service line because you do not know who is blocking, if it is blocked who's responsible for maintenance. It's very clear if we can turn it into a main, we are responsible for the main and the user is responsible for the service. When Altman met with Tobin on Tuesday afternoon, the information Altman received is that they will not be pursuing this portion of it. Chairman Erickson asked Altman's suggestion as to what the Board should do. Altman stated unless Aman wants the Board to consider it today, Altman would request that it be table based on representation. And the fact that Tobin is not here, Altman believes that Tobin is not prepared to proceed although certainly Aman maybe. Aman stated obviously he has not been fully brief on all the conversations between Aman and Altman and Lander as to everything that transpired. Aman knows it is still long going,

and stated that he has no problem with this being tabled at his point in time. Chairman Erickson stated he talked to Osborn on this. Osborn's recommendation to the Board is that it be denied, if it was brought today. Zeeb moved to table Hangar 9's request to amend the Construction Agreement, seconded by Kaiser. Motion carried.

Altman stated the large hangar for Hangar 9 was constructed over the water main; obviously it has to be moved. When Altman found out it was constructed over the water main, Altman had been assigned oversight of this project given Osborn's absence. Altman requested to red tag because he was concern about the integrity of the water main with backfill and compaction right on top of it. Since then Altman had talked to Muntean, Helms and Associates and it sounds that it is in a static condition, nothing is wrong, it's not going to damage the waterline. It's a straight line water line that serves the terminal. The terminal domestic water and fire protection downstream from the Hangar 9's site, a couple of hydrants. No problems for now. Altman received a letter from Hangar 9's engineer for abandonment. They are going to have to cut this off and then fill with concrete. Then re-route it closer to the future access road and we also going to run it by the sewer. We probably are going to put the water closer to the road and sewer. Muntean is going to design this and get the proper elevation. Altman stated the red tag had been lifted. Aman stated he did receive a copy of the letter, however for everybody's information the only backfilling that is actually left right now is the end wall. In order to get the plumbing out also requires digging underneath the foundation which is also directly over the water line. Aman is pushing to get B&B out and get started on moving the water line so they can get this thing back on track and moving forward quickly. Aman thought a couple of hours the down time would be reasonable. Muntean agreed with the two cut in and reconections with the 45s and everything else is prep. Aman stated they will coordinate this so it does not interrupt and is being done right as the afternoon flight going out too. Chairman Erickson asked if the plan that comes clear over the clear future. Muntean stated he believes so. They were going to talk briefly about it because they discussed this in a meeting on Tuesday and went over the plan. They sat down to make sure the plan is what the City wants to do. The plan is to tie on to it as close to the taxiway as possible and run it parallel over the access road and 45 back in all the way down to the terminal. So, anymore buildings that would be added in the future will not have to contend with this line. Altman stated they discussed this with Hangar 9 and Lander agreed that it would be appropriate for the City to participate. The City is going to pay for the main pass the edge of Hangar 9's hangar. It's not their responsibility to pay for anymore line than that because they do not have to do anymore than move it around their building. It does not make any sense to move it around their building and when the next guy comes move it around this building. The City is going to go ahead and front the cost to bring it in a straight parallel to the access road all the way down as far as we need to. Chairman Erickson asked will we abandon this and leave it all the way. Altman stated yes. Chairman Erickson asked will we have to fill this too. Muntean stated he and Terry Helms had discussed this and really it's not any concern except for the future if a building is built over the top of it, they would want to be aware of this; probably remove this under the footing. At this time Muntean does not think it's worth the expense. However, if the City would be more comfortable with this, Muntean recommend going ahead and taking the line out and do this as part of the apron project and do the earthwork at that time.

Braun, Quest Aviation stated as an operator at the Airport with the two administrators being gone, if there is an incident out here what do they do as an operator. Who do they contact? Chairman Erickson stated King will be back on Saturday. Braun asked what is the chain of command, if something would happen right now. Braun stated he is talking for Caven, Aman and himself as operators. If there is an aircraft accident, obviously 911, but other situations what do they do as operators at this Airport. Chairman Erickson stated he would suggest contacting Ketterling first and she can contact the Board. Braun asked what if it is after hours (6:00pm). Chairman Erickson stated he can be contacted. Right now if its just everyday stuff, Lander is handling all the financial and things that Osborn would have done. King is handling the daily work on the Airport property. It was reported there is maintenance on call for this weekend.

Johnson asked how we are doing on Board replacement, any progress. Chairman Erickson believes that this is on hold right now. Lander asked if we have suggested anyone. Osborn stated at the last meeting that Board application should be sent to the Mayor's office. Lander stated he will inquire as he was busy with the budget the last two weeks and something could have come in. Chairman Erickson stated Osborn was not really concern at the moment to get a replacement. If anyone has any suggestions or interested, application should go to Lander's office for Airport Board appointment.

Zeeb moved to adjourned, seconded by Johnson. The meeting adjourned at 12.12pm.