

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD
Regular Meeting
February 5, 2009

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

MEMBERS ABSENT:

OTHERS PRESENT: Dave Osborn, Bob King, Emily Arthur-Richardt, Adam Altman, John Aman, Dean Knie, Kevin Braun, Mark Caven, Sam Muntean, Comm. Wiese, Joel Weig, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:32am on Thursday, February 5, 2009.

Bensen moved approval of the minutes from the January 8, 2009 meeting, seconded by Zeeb. Motion carried.

Old Business: (SD Airport Conf.) The bills for registration for people that are going to the conference have been processed. At this time Bensen and Johnson are the ones that had signed up. Osborn stated if there are other members of the Board that are interested in attending to let us know. The conference is here in Aberdeen where it may be convenient for some to attend certain things at certain time. (Emergency Generator) Osborn will bring the bill for the generator to the City to have it supplemented. This was in last year's budget, but the item did not get here till this year. (Brown Co Comm./Master Plan) Osborn went to Brown County Commission meeting to visit about the Master Plan to make sure he knows the new members of the Commission and show them our plan. This was to give them information of what we want to do and get them on to speed. (Tower on Radio) Bensen asked what the status is on moving the tower on the radio to get them on the field. Osborn stated this is at Bismarck and then they have to move them on the line. (FBO Complaint letter) Osborn stated within the packet the Board received last month some complaints that came through the FBO's and at the same time we also included information that there is an Ordinance that talks about people doing business at the Airport without being under a lease or under agreement. When this month's packet went out Osborn had not talked to Altman, City Attorney. Since this time Osborn and Altman had met. Altman stated the allegation at this time is that we have a person providing commercial FBO type services out of non-commercial lease, non-commercial hangar and not approved area and to do so is a crime and is subject to criminal investigation. Beyond this if the Airport Board wishes probably is a violation of the lease of Mr. Riggin's hangar and therefore could be an action on the lease as well in addition to the criminal investigation. Altman stated he is still collecting information. Bensen asked on the lease, is it to Riggin itself or to Hangar 9, Inc. Osborn stated the hangar itself is under Hangar 9, Inc and the complaint itself is of Mr. Riggin and the request itself is separate. Bensen stated to Altman the fact that Hangar 9, Inc would allow the operation out of the hangar would it still actionable on the lease itself. Altman stated if there is in fact a commercial operation going on and Hangar 9, Inc knows or should know this is happening that could be the ground to terminate the lease with Hangar 9, Inc. The alternative would be and this could be with any hangar that the owner had no idea what is going on and had no way of what is going on which would be a defense on any type of termination. Comm. Wiese stated there is a possibility that the Airport Board could take some action against the lease at this point, but probably should not in light of effect of there is an investigation. Comm. Wiese added that the Airport Board has reason to believe that there is prohibited activity that had taken place and could take action against the lease. Altman stated his advice is as the City Attorney and the attorney for this Board is not to consider what he is doing in the criminal investigation when the Board makes a decision on what if or if there is anything they want to do on the lease. Altman stated if the Board feels that they want to do something they can talk about this and since it is contract they could do it in Executive session if the Board wishes, but they don't have to. Altman stated the Board control the facilities and control how they are use and this is done through the lease that are signed by each lessee that is on property and how the Board administered the leases is within your providence as a Board. Chairman Erickson asked what the timeframe of the lease is. Osborn stated we did allow since they were going to be building that this be a month to month until October. Aman representing Hangar 9, Inc stated he believes that this is correct. Kaiser stated this should be discussed in a closed session later since it is a contract basis before the Board closes the issue. Chairman Erickson stated this then would be discussed in Executive Session.

Bensen moved approval of the bills for the month of January, seconded by Johnson. Motion carried.

Johnson moved approval of the January financial report, seconded by Zeeb. Zeeb asked if there is an update on Great Lakes. Altman stated this is in Wyoming and part of the problem is since this is in another State it would be hard for him. Instead of hiring a Wyoming attorney, Altman just calls now and then. Altman stated he is not optimistic. Zeeb asked where we are on the legal process, do we have a judgment against them. Altman stated no as he can't get them serve. Zeeb asked can we hire a processor? Altman stated he can do this, but he does want to file an action suit; what he wants is go

to small claims as it would be more favorable. It was discussed that the bill is over \$35,000, Altman stated it was not that high. Osborn stated the information Altman had was based on what time he filed. Zeeb asked how many more months are we going to bill them. Osborn stated through the contract time which is September/October of this year. Zeeb stated this would be about \$25,000 to be billed. Altman stated he can put a summary analysis for the Board and maybe even take a look at Wyoming attorney. Kaiser asked has anybody ever collected something like this in the past in the airports around the country. Osborn stated he is not sure. Zeeb asked how much money has the Airport lost over GLA. It was stated PFC and rent. Osborn added there was also a grant that was involved in this program. The grant allowed them to fly people to go West and had guarantees for them. They utilized the grant in a short period of time than we expected that it was going to be used. Overall if we take the grant that was involved in this it would be exceeding \$400,000, but they did the services they said they would do. What they haven't done is follow through the rental agreement. Zeeb asked are we actually out money? Are we just billing and not collecting? Osborn stated we are billing for the area which can be utilized if someone else comes and sub-lease it. Motion approving the January financial was carried.

Osborn stated the Air Show committee had met and talked about possible funding item they are going to do. They also talked about the Airport and the people who helps with the Air Show just can't afford to do an Air Show every year. They discussed having an educational program one year and Air Show the following year. This is where they are leaning at. In doing this they talked about educational program where they can still have people with plane and have a breakfast program. They had talked to Kaiser to see if his group would be able to do breakfast or do a meal for this program. They also talked about bringing the planes in that could not make it last year and hire them to come in and give rides. With doing this we do not continually stretch the people who sponsors this program. In looking at trying to gather funding the group is looking at the Governor's million dollar match which the group thinks is still available as they have not heard that it had been rescinded or removed which is used for tourism where we tie together the Wheels and Wings program. The Aberdeen Hotel Alliance is the other group they are working with because the funding we use to get from the City went to this group. This is where the extra 1% in fees that we pay for motels went. This group is actually the one who does the funding out. At the end of this month we will be represented by the Wheels and Wings Program Director who will talk about the downtown program as well as the airport program as we are one of the same now. Aman stated the Aberdeen Hotel Alliance (Bid 2 Board) is actually a self-imposed \$2.00 per night per room that they imposed as hoteliers to fund the organization for the advertising money they allot out. The funding from the City did not go to Bid 2 Board as Aman understood Osborn had said. Osborn stated this is where the City had instructed them to go to find funding for the program. Kaiser asked if we went to CVB at all. Osborn stated because of the million dollar match we cannot go the CVB or the Chamber for funding because of what we are trying to do with tourism and this is stated in the grant. Kaiser thought the Parks department promotion came from the same program and so is the Water Park as he had done the advertisement on it. What they did was the CVB, the Chamber and the Parks Board put together half the match with the tourism fund and then the tourism reimbursed the City for half the advertising the was put in on their behalf.

Osborn stated in years past he had seen more and more comments that the American News is looking at the flights out of Aberdeen and the issues that come along. Occasionally there may be an issue with the early morning flight that needs to have glycol sprayed on it and there would be something going on with the truck. Remember when this building was built one of the things the previous Station Manager (Beckrich) had said to this Board at that time that he would like to have a pad so they can build a garage to put the truck in. So the truck would always start in the morning, they could always do glycol and we would not loose a flight. About the time we started to do this we also know that Mesaba and NWA went into bankruptcy so the funding mechanism disappeared, but the problem with the truck did not disappear. The truck is just like anything else in this part of the country this time of the year there are times that it will not start and we have had some tough mornings. One of the things that Osborn got called on is because of the merger NWA and Delta are looking at redoing all their contracts. Osborn met with the current Station Manager and discussed one of the biggest things they should look at in marketing the Airport is making sure that if there is a plane here overnight that that plane gets out of here in the morning. One thing we can do as a Board is to make sure we have a building that has electricity so we would not have any complaint not being able to take off due to glycol issue. Osborn called Town and Country to get an estimate on the materials for a 16x30 building, 40' sidewall, 12x12 door in the front and an optional door on the side so we can keep a skid steer on this side of the field just in case there is a problem getting out of the building because of snow. The cost for materials alone is \$7,230 plus \$1,000 for additional options based upon a commercial opener. If we loose one flight, we loose more than \$7,000. Osborn would like the Board to consider in our marketing plan to look at buying the material and having our staff build the shed so we do not have the issue. Third Floor Engineering had been contacted as to what we need to do because of the material in the truck. There were a lot of ideas on things we can do. Osborn stated basically our staff could do this without a lot of cost. As a marketing tool for the Airport, this is certainly a way we can market the Airport as we can make sure we have a way to get the plane in and out without having a problem. Johnson stated this would be inside the perimeter, will it meet FAA standards, and will it be on the concrete. Osborn stated we already have the slab and it never came to play because they went into bankruptcy. Kaiser stated so the slab is not being used now. Osborn stated the slab is basically there. In addition Bauer, Mesaba Station Manager went back to his manager and said that they can probably guarantee a little bit of a better service by having this. Bauer had been told by his boss that they don't have a problem with this and can enter into an agreement. Osborn stated this is a win, win. Kaiser stated what would be the Airport's agreement. Osborn stated our agreement would be that we would buy the material and build the

shed and enter into a rental agreement based upon the square footage of the building. Osborn looked at where we would find the fund for this and we would fund it with our marketing dollars or there is a State meeting coming up where we can use our fuel dollars as we do have enough money in fuel tax to do this project. Johnson stated Mesaba will consider leasing the building. Osborn stated yes. Kaiser asked if we can get an agreement signed before we build the shed. Osborn stated he doubts that they will give us the contract and what if we have issues if the State says no, if this is where we are looking at funding. Kaiser stated we can make the agreement contingent upon construction. Comm. Wiese asked what kind of revenue are we looking at for the Airport. Osborn stated they had asked for a figure and basically it would be a monthly fee of \$150 which Bauer's boss does not consider out of range. So actually in about 5 years the materials for the building would be paid for. Chairman Erickson asked about keeping a skid steer in the shed and having enough room to get this out if the truck does not start. Osborn stated having a skid steer in this area will help if there is blowing snow to open things up, even use to clean the sidewalk. The drawing actually have two doors, one is a side door where the skid steer can come out and one for a 12x12 truck. Kaiser moved for Osborn to pursue the cost estimates so it can go to Pierre, seconded by Zeeb. Motion carried.

Osborn stated in the Board packet there is the Activity report for December 2008. Because GLA was still within a year's timeframe on this report some of those numbers are still part of the report. From 2007 compare to 2008 we are down 12% because we had GLA figure in 2007. If we only take Mesaba from 2007 compare to 2008, they actually had an increased of 10.5% on ridership. Chairman Erickson asked about the cargo comparison. Osborn stated he does not have this figure available. Kaiser asked what about other SD airports figures. Osborn stated he had seen that Rapid had a 12% loss and Sioux Falls was around 15%. Osborn stated part of this is what airlines they have, routes, fuel cost, and/or tickets cost.

Jacobson Electric had requested that their retainage be reduced similar to what had been done with UPCI's contract. Muntean stated they had discussed with Airport personnel about some of the items that can get completed in the winter. Some of these were getting number tagged on the signs that had been installed, one sign to replace and few minor items that he needed to complete. These items were completed. By the estimation of what work is left remaining which is installing of three signs, installation of the vegetation range around these signs and make it twice the value the remaining work is about \$20,000 which is 5% retainage on the project. Osborn stated the pay estimate submitted reflects the reduction in retainage. Bensen moved approval of PE #10 to Jacobson Electric in the amount of \$3,371.35 for AIP Proj. #3-46-0001-27-2007, Reconstruction of Taxiway D, seconded by Johnson. Motion carried.

Osborn stated HKG gets paid based on percentage of what gets completed in the project which at this time is at .091% of \$12,179.10. Bensen moved approval of PE #7 to HKG Architects in the amount of \$1,108.30 for AIP Proj. 3-46-0001-28-2008 ARFF Building Improvements, seconded by Johnson. Motion carried.

Zeller Brothers Construction, AIP Proj. #3-46-0001-28-2008 ARFF Building Improvements:

Johnson moved approval of CO #6 increase contract by \$669, seconded by Bensen. The CO is for change in hardware in door 103 and it also had to be a coded hardware to follow TSA regulation. Motion approving CO #6 is carried.

Bensen moved approval of CO #7 deduct contract by 698, seconded by Johnson. Osborn stated there was an issue on the roof of the building. FAA was contacted and was informed of what we were planning to do, what the changes would be and how this would be done. It did affect the integrity of the roof, but it did make it consistent of what was already on the old part. Motion approving CO #7 is carried.

Kaiser moved approval of CO #8 increase contract by \$982, seconded by Bensen. Osborn stated in the foam dispensing room what was not put in the drawing was a drain. When the Fire Marshall reviewed this and in an event there is a leak how this would be handled. The suggestion was to put a floor drain. Motion approving CO #8 is carried.

Bensen moved approval of CO #9 deduct contract by \$20,000, seconded by Kaiser. Osborn stated there were FAA dollars to build the foam room. There were a lot of discussions on as to how we would dispense from this room out to the truck. Rhodes, FAA Safety Inspector was also contacted as he had designed a program in Indiana. After doing all the checking, we found what was expected to be done and it was more than what was expected in our small operation. It works well for the airports that have it, but it cost about \$180,000. We only put in \$20,000 and had asked the engineer to take it out and we will figure out how to dispense the foam that fulfills the FAA requirement. Bensen stated so there could be an increase in contract at a later time. Osborn stated there could be once they figure out a reasonable cost. It was asked how much foam could be use on a plane crash. Weig, AFD stated when we had the crash at the old terminal parking lot they used 250 gallon out of one truck and another 100 gallon out of the other truck; with bigger plane, bigger problem. Motion approving CO #9 is carried.

Bensen moved to reject CO #10, seconded by Johnson. Osborn stated under the contract for parties involved they were required to have water at all times in both the old and the new part. During the construction there were a lot of discussions and they were going to make changes and dollars involved. Under FAA contract we cannot allow a

contractor to make a change that benefits him. The \$2,000 bill is because contractor went ahead to put a water program together so the sprinkler system works so the building can be occupied. Osborn stated our contract was that we have water at all times so that is why he asked that this CO be rejected. Motion rejecting CO #10 is carried.

Bensen moved approval of CO #11 increase contract by \$265, seconded by Zeeb. Osborn stated most of the doors are in cluster on the wall. When they went to move them in the operation room in the new building someone thought they can be mounted individually. What happens is when they torn it out something happened and they had to be in a gang box. Under Federal regulation Osborn stated that we can move things and adjust things based upon adaptable manner. Osborn had asked to deduct what we would be eligible for from the cost and only pay the actual cost of this change. Motion approving CO #11 is carried.

Kaiser moved approval of PE #8 in the amount of \$76,165 Zeller Brothers Construction, Inc, for AIP Proj. #3-46-0001-28-2008 ARFF Building Improvements, seconded by Zeeb. Osborn stated this is similar to what had been discussed with the electrician's contract. This also reduces the retainage for double the amount of what work left to be done. The work left to be done is actually what needs to be done in the spring. Motion approving PE #8 to Zeller Brothers Construction is carried.

Bensen asked about the G&R Controls contract. Osborn stated G&R Control is the climate control for the building. We had this contract since the building was built. Once a year this is reviewed since it is a separate contract. Bensen asked what about contract cost. Osborn reported it was \$1,236 last year. Bensen moved approval to continue the contract with G&R Control, seconded by Zeeb. Johnson asked if the cost change a lot. Osborn stated they have not given us a change in cost. What they do is G&R comes twice a year and had kept some of our cost down. We still buy products, but they let us know when it's on its way and what the issues are before we have a major problem. They also do adjustments on cooling and heating to make sure things are working properly. We still have some issues on the vestibules when it's cold as they freeze up and we have a waterline break and we continue to work with them on this. Johnson stated in some areas they have a different system so water don't freeze and as soon as it releases to suppress a fire it pushes air first then water comes, its like an air lock source. Osborn stated with the stimulus plan there may be some money that would be available to look at "green type" products. When FAA talked to Osborn about what we could possibly do if the stimulus money comes, he stated that one of the request is to look at the terminal building. At this point this contracts works well and we still see that there might be things that could be fine tuned more. Chairman Erickson thought that we took something out of this contract once. Osborn stated we took the SRE building out of the contract last year, so we are only paying for the terminal building and the SRE are in hourly rate basis, if needed. Johnson asked about the radiant heaters. King stated these are for the old Maintenance shop and Fire Station. Motion approving to continue the Maintenance agreement with G&R Controls is carried.

John Aman stated he has been appointed as the spokesperson for Hangar 9 whose members are Dr. Bormes, Dr. Wischmeier, and Morris Riggin. Unfortunately, the two doctors schedule are pretty much set three months in advance and is almost impossible for them to make meetings if they are in outreach clinics or in surgery. Aman has the technical background as far as construction goes to try to help them along with the project. In the last month Aman had met with some of the Board members and looked at the minimum requirements as set forth by Aberdeen Regional Airport for the requirements of a Limited Service FBO. Based on the current hangar in hangar area 19 which is currently owned by Hangar 9 has developed a drawing of what they would expect the building would look like provided the FBO is granted permission to move forward and meeting the square footage requirement which actually will be greater than what the minimum square footage requirement would be for the said operation. Aman also met with Osborn and Muntean from Helms & Associates on the 13th of January regarding the two options that was presented to the Board last month. There were some items that had to be dealt with within the actual application which is why the Board received the addendum to the application basically laying out their choice as far as the two options to move forward. With this the 7460-1 which is the request to the FAA for any alterations or improvements has been submitted to Bismarck (Patty) and has also been reviewed by Jenny Clements at SDDOT. This portion is in the process and it has been formally received by SDDOT and back to Bismarck. As Aman checks this morning before the meeting, there had been no additional action taken. In the discussion on the 13th meeting, Aman also learned that this take somewhat to 4 to 6 weeks hence the reason this was submitted to coincide with the application going forward. If they wait after the approval, basically what they would loose is at least 4 to 6 weeks possible construction time. Aman also had spoken with TSA, Inge Richter specifically regarding the security issues and going forward if granted permission. Aman himself or Hangar 9, Inc will work directly with Osborn for any changes that would have to be made both on the temporary side during construction as well as the permanent side. Johnson stated in the addendum Aman is picking one of the two proposals as far as location and Aman is picking the current location. Aman stated this is correct; they are picking the current location. Aman added the drawing that is submitted as far as the walls are concern showing the four space usage that the Board does not hold him or Hangar 9 to strict conformance on this. Those exact measurements obviously can change as usage can change. They may decide that they want a larger classroom, bathroom configuration may change a little bit, it may be two offices versus three offices, could be a larger waiting area/reception/lounge type area. Beyond this any further actions that would go forward with Hangar 9 like in the future they may want to go into fuel sales or construction of additional hangar space or

something to this effect. They know full well that any action would have to come before the Board for Board approval because it does change their designation as well as any space requirement that maybe additional. Chairman Erickson stated time wise Aman is asking that we do some of the AIP coverable expenses and this is not in our plan. Aman stated this is understandable and from how he understands it is that the meeting that Osborn is attending in March is to layout what the actual plans are for some of the AIP funds. Aman added that Hangar 9 also understands that some of it may have to be paid for in advance and are reimbursable items. Johnson asked Muntean about the sewer service (item 3, p2) that should be funded by city/airport, is this for the whole line, part of the line, some line or any line. Muntean stated none of the service lines are and they are the individual's cost. Osborn stated the Board can asked their questions but he would like to review the ten items on the addendum (p2-3) on the Airport standpoint as far as AIP funding and eligibility. Kaiser asked what services they will offer as they are asking to be Limited Service Operator. Aman stated the services that are being requested are for a flight school and A&P services as previously stated on the application. Kaiser asked what is inclusive in A&P services. Aman stated from his understanding is for Airframe and Powerplant which is service and repair. Kaiser asked what about the spraying services. Aman stated this would have to be continued at the existing location as his understanding of the minimum service requirement because of the chemicals that are used it is not allowed in the General Aviation ramp area and the terminal area. Osborn stated this is correct. Kaiser asked about the number of employees. Aman stated right now it would be the three officers, Dr. Wischmeier, Dr. Bormes, and Morris Riggin. At such time when Aman finishes his CFI, he would either go to work for them as a contracted employee or be on the payroll. Kaiser asked will Aman be full-time or part-time. It could be FT or PT Aman stated as he cannot commit to. If it requires that he is out here his other operation he can take care of a couple of hours a day being his own boss. Kaiser stated he is assuming that there is no plan to offer fuel. Aman stated not at this time other than for refueling of their own aircraft which he thought the regulations allowed. Osborn stated they cannot have fuel storage and have to follow NFPA regulation as far as having fuel in an area. They are not like the other FBO where they have things set up and unless they are doing fuel they cannot have fuel. Aman asked not even for your own aircraft. Osborn stated no. Chairman Erickson asked Aman to give the Board a timeline, if the Board would go ahead with the application. Aman stated obviously to go forward with this and having the basic drawing done, Aman knows from measurement that the building itself can be constructed without any major changes. Aman had talked to City Third floor office and Eric Hase as far as requirements. Aman knows what is required as far as footings for the building. Quite honestly, they would like to break ground as quickly as feasibly possible to move forward as well as be able to get the current portion of the hangar that has dirt floor in it to get a hard surface in there to make it a workable area. Chairman Erickson asked how will they conduct business to make sure all the security measures are met until the changes are made. Aman stated interim basis they had asked to lease the grassy area behind Quest Aviation as their interim parking area. Aman further asked to sign for or purchase 15 coded gate cards and would meet the same requirements for identification purposes as the City has. It would be on a walk through basis as they would not have the parking available behind because of construction whether it is for the building or the parking area. So they would be able to walk through and/or enter from the corner where they're proposing for the access road down to that area. At such time the construction is all done and the area is secured obviously for flying students because of 9-11 they are required by TSA and FAA to take a photo copy of a picture ID, birth certificate and/or a passport to keep this on file stating that they do in fact know and have verified who the pilot candidates are. This is just not for private or student pilot, this is for anybody coming and going to school for any type of rating. Chairman Erickson asked if the current ramp area is big enough to conduct their business or where would they prep plane. Aman stated they feel that the current area is large enough for staging airplanes at this time without blocking the fuel access road. It's been understood that the fuel access road cannot be blocked. Kaiser asked on flight school are they planning on teaching general pilot, what is the curriculum that is plan? As for curriculum that is planned that Aman is aware of is commercial spray plane, ag application, private pilot, sport pilot and one can further advance into instrument rating, commercial single/multi engine, private multi engine through the extent of Aman's qualifications as an instructor and/or as to Riggin. The difference there is if Riggin is the instructor Riggin cannot give the final endorsement for the students to take their check ride and then turn around and walk out the door walk back in and be the designated examiner. So to this extent it would be to what Aman's qualifications are. Aman stated he can't do commercial spraying training or tailing endorsements. Aman stated they can do the ground school as far as C-plane operations here, but the actual flight training would then be done at Mina Lake where Riggin has his plane on float. Chairman Erickson asked Osborn or Muntean for an overview. Osborn stated basically just to response to the request on the addendum. There are a number of things that Osborn sees no problem with and there are some things that he does see that needs more discussion. Osborn wants to make sure that AIP funding is discussed. On the addendum (p2-3) #1 Hangar 9 wishes to exercise the 1st option, Osborn has no problem with, #2 water service shall be 1" diameter as prescribed – Osborn has no problem with other than it has to fulfill the engineering requirement of the City of Aberdeen, #3 service sewer shall be 4" in diameter to be connected to existing sewer main, this is an Airport infrastructure item and should be funded by the City/Airport – Osborn stated he wants to make sure it is known by Aman and the interested parties that looking at this that both existing FBO's owns their own sewer line up to the Airport infrastructure. Aman has to connect to the infrastructure and this has to be their expense. Osborn stated both FBO's were allowed to cross their line, but it has to be their expense. We do not have any City funds or availability to go in and say to make a new line and there may be issues that something happens with one of the FBO's. This is a separate item and it will be at Aman's cost. Aman stated the reason this was stated as such and this goes back to the January 13th meeting it was stated that and it also shows on the ALP (Airport Layout Plan) and the Master Plan that had been adopted of additional hangar space and stated to further grow this area and some

would require additional sewer service. Aman stated Osborn did make a statement that if they are digging out there which obviously they have to, to tie into the 8" main they would consider upgrading the portion of this from the 4" pipe to a 6" for future expansion. With this being said, Aman stated if they are expanding and it does not have to be dug up for future then as Airport property and the main is there, how far does Aman have to dig to connect to the City's main versus to what is considered as additional public access tie in points and why should Hangar 9 pay for all of this. Zeeb asked Muntean how big of a dollar item is this? Muntean stated it's about \$12,000 and this is an estimate and could be higher as this would have to be bid. A diagram was shown of where the pipes are where Osborn stated that Hangar 9 can connect and is shorter compared to where Quest connected who owns their own pipes all the way to where it is connected. Osborn stated they did look what will be a shorter run so it less expensive for Hangar 9 and this would be the way to go for less expense. Osborn stated as we talk about possible expansion one of the things we want to do is as an Airport is there something we should keep open that does not tie everything in. At this point in time having to treat Hangar 9 the same as any other client, this would be their expense. Item #4 relocation of the airfield electrical cables is not required as shown in enclosure 5&6 - Osborn stated he has no problem with this. The only thing Osborn request is that it'll be recheck that we absolutely have no issues because Third floor engineering talks about an easement of 10' and we want to make sure these are measured and everything is staked. Item #5 removal of existing taxilane is AIP coverable expense. This taxilane was installed as a temporary lane while construction was performed on the BII taxilane. Osborn stated when a temporary taxilane is put together with any grant and within that grant there are certain timeframe to actually do a removal if we are not going to use it or as an Airport take it on as an infrastructure and we have to deal with it from this point on. Osborn stated we kept this open because there were people using it and thought that they would continue to use it. If Hangar 9 is looking at where they chose to be, this would have to come up with the fencing and other items. It is owned by the Airport, we will give them access. Being the grant is done, Osborn stated he cannot go back in and ask for AIP to take this back out. This will have to be viewed as an expense of the Airport or the party that will be doing the work. At this point in time, Osborn's recommendation to the Board is this to be Hangar 9's expense so they can develop what they need to do, to do business. Aman stated with this being said does this pass through the 100x100 space that Hangar 9 is asking for immediately to the southeast of the main cableway which is also on the application. Hangar 9 is asking for immediately 5 year lease on the 100x100 location. Aman stated for having saw cut out or any possible fence post or something like that that would have to be put in for security fencing, there will be no reason why it couldn't stay in place until such time as either the lease ran out or they came back before the Board to construct a second hangar. Osborn stated he does not see this as a big issue if it is brought to the Board maybe there's some usable space there. Johnson thought the 100' that Hangar 9 is requesting is for parking lot. Aman stated no, if one come off from the existing hangar approximate measurement from the hangar coming to the southeast is about 41' which put them to the center of the cable box. Johnson stated this could be a staging area if they improve it. Aman stated it could be. Muntean added they could also park aircraft and use this as tiedown in the summer. Johnson added this would not violate the cable run. Aman stated the object is to keep the cable run that currently feeds out to the taxiways and runways in the place of where it is at and not go through the expense of relocating and boring just to make a couple connections. Given this still needs the 10' utility easement on either side based on the measurement the Muntean had given him which will have to be verified. The 10' utility easement will bring it back to 21' from the edge of the building out and Hangar 9 proposes a 16' addition onto the side, there is still approximately 5' between the edge of the building and the utility easement. From this utility easement 20' over would then be the area that Hangar 9 is asking which if 100'x100' deep. Johnson asked if locates had been done. Aman stated he had called for locates last spring more so for planning purposes. Johnson asked if these are still good. Aman stated highly unlikely. As per Aman's old record, all the utilities passed behind the back of the building whether it is electric, gas, NVC, Qwest, the cable and the water main is back there as well. Aman stated the closest one is Northwestern gas main which is 27' off the curve back of the building, NVC had two set of flags one was approx. 29' to 30', the other is 48' off the back of the building which is towards Arment's hangar, City water was 57' off the back of the building and Northwestern Energy was not measured out as it was in excess of 100' and 31' for the cable. Aman shared with the Board the drawing he had of these locates that was done last year for planning purposes. Aman added at the time he did not have any involvement other than knowing the route to take and just giving some advice. Osborn stated they are in understanding about the taxilane. Item #6 chain link fence granting access to this area from the Terminal access road is also fundable through AIP. Osborn stated when this was put together Muntean spent some time with the office in Bismarck to talk about the option of fencing and dollar, what is AIP eligible. Muntean had asked their recommendation. Osborn stated there was a percentage that they were informed that they would pay for or assists with. The comment that Aman made that it is completely fundable may be a missed over thought in the fact that it may not because this is one of those things we have to go through the grant process and we have to asked for funds. Osborn wants to make sure Aman understands there is no guarantee and we will certainly try to assists. The chain link fencing itself has to be an item that has to be up. It has to done and it has to be there to have security which been Osborn's biggest issue (security and safety). There may be AIP funding available as they researched it and been told that there is a probability, but can't tell Aman what the percentage would be. Item #6 & #7 ties in together as #7 talks about access road which both being AIP fundable and if and it shows this, there may be probable funding. On the fence there is a possible \$14,500 and on the access road \$25,000. Osborn stated the cost for the chain link fence for Aman's option is \$36,000 which is a big difference. Osborn wants to make sure that Aman understands in order for Osborn to recommend this to the Board Aman will have to assure him that Aman will put the fence; we will be safe and secure and will not have issues. Osborn will then tell Aman that hopefully we will apply in future year to get Aman's funding back, but cannot tell

Aman when this will be. Osborn stated there is a guide when he does grant and there is a numbering system set in for projects that we do. FAA has a system of what they consider a priority. Obviously a runway is more important than taxiway for a hangar so for the fencing this would be low priority. For example a taxiway has a percentage number of 67 fencing is 17. This will not be a priority item and not saying we are not going to put it in, but it will not be right away. Aman stated Hangar 9 understands this and Aman had also talked to Inge, TSA and Bismarck and understands that in the process there could be a temporary fencing put in place while the permanent fencing is in construction and such is going. Osborn stated temporary fencing is item #8, which it can be done during construction period to continue the safety of the operation. But the fencing that Osborn needs to make sure is there is the security fencing. Osborn wants to make sure it is understood that there will be upfront cost for fencing, access road, parking and construction. These will be Hangar 9's cost which had been compiled by Helms and Associates. Aman stated he met with Hangar 9 the Friday after he met with Osborn and Muntean on the 13th. Aman had expressed this to Hangar 9 and understands that some of it is recoverable expense, but it will not be immediate. Osborn stated what Muntean tried to do with those items was to give Aman what the offset cost would be and it is not a guarantee. This is something we will apply for and will try to help them with. Items #3, 6, & 7 are all upfront cost. Aman stated hopefully some of the additional cost that they are talking about for infrastructure will come forward to commercial and general aviation airports as well. Muntean stated one thing he wanted to clarify is that the fence and the access road are both eligible for AIP funding. They meet the criteria of being public access infrastructure. Then it comes down to priority issues and if funding is available. The Board needs to remember and to keep in mind that we get our entitlement funding, then State portion, and FAA discretionary funding. Any time the Airport will do a project that will be more than the \$1m entitlement the Airport will have to go through FAA and ask for discretionary funding which we have to compete in a National basis. We know that we have projects coming which are relocating the runway ends, filling in wetlands and so forth that will take more than \$1m. One of the things the FAA will look at is that they would want the Airport to use the entitlement into these project and if we don't FAA will not going to either. So, if FAA sees that this Airport is spending their entitlement money on low priority items what FAA sees then is they will view this and look at this Nationally against the other airports that are asking for entitlement funds, have they been good steward with the money that they have been given, have they tried to do the high priority project first or have they been spending it on low priority projects and when a major one comes up we want them to fund it. Muntean stated the Board needs to keep this balance too to show that we are acting good steward on money that we are receiving. Osborn stated we have chosen not to do any project until they come back from the March meeting. Muntean stated the first funding phase was due in March 1st and we had said we are not going to take any action until the contract is seen. What we did say on what we are looking at doing is Reconstruction of existing hangar taxiway to BII, access improvements and tried keep things somewhat open to revise as we work through the process. Osborn stated basically we know Aman's request is there and there may be some AIP money and just wanted to let Aman's partners know it may not be conveniently funded as we do not want to jeopardize any future projects. Aman stated this was conveyed to Hangar 9. Item #8 Osborn stated for temporary fencing this is utilized during construction and it is a limited temporary fencing that has to be approved by TSA. Aman stated while working on the fencing and in talking with Inge and utilizing the current access that they use for the taxiway reconstruction came up with the possibility for getting equipment in as obviously Aman would not want contractor crossing the BII taxiway and going in and out of the gate which was one of the option or in the process of making the access road and extending the fence until they have this side open. Aman stated Inge did allow that a temporary security fence of 4' was probably be suitable while the permanent fence is being constructed and then the part that they have not gotten down to would be the connection from the end of the security fence to the physical hangar. During construction this could be afforded with some form of chain link fence on movable float to keep people off the taxiway and the ramp area as much as possible and this can also be discussed and work through the items as they comes up. Item #9, Osborn did not have problem as it was shown (drawings have been submitted as enclosures). One thing Osborn wanted to caution Aman is to keep an eye on the standards when he is asking to be an FBO for this reason and the purpose is for that reason. Item #10 the 7460-1 was discussed in their meeting. Osborn stated get a head start as this takes awhile. The other thing that Osborn wanted to address was the parking issue which is part of the original application. Osborn's feeling on this is still the same and his conversation with TSA has been the safety and security. In order to be in this type business, Osborn still see it as a risk in security by having Hangar 9 staff coming in where we ask for security fence and why not do the development inside the security. Taking an area that is already in there and utilizing this as Osborn's conversation with Inge is that the first time they use this she'll be here. Aman stated he does not see using the construction area a problem. The problem that Aman see is when they have a student coming in for ground school or flight instruction and there are heavy equipment trying to do the grading on the parking or digging the water sewer service line, they can't park in where what it's suppose to be the parking lot which is why they are asking for temporary basis the area on the outside the vehicle access gate and they will only walk through. Osborn stated to keep in mind what they are fencing in. In their plan it talked about having additional lot in this area and they are fencing this in they are not going to be doing construction work here and they can use this for temporary parking. Osborn stated there are things Aman can do that will be within the safety and security of the boundary. Osborn's thoughts are the fence is going to be Aman's priority and once the fence is up they can work with the other issues. Aman asked if the Board grant approval for the FBO today, even to put a temporary security fence up the snow still has to be moved and get the standard to get it stretch it out, but they do not have a road to drive on so is it feasible to ask that until such time as the security fence is up and at least a gravel access drive is in place that they would be able to park someplace. Aman stated if Osborn wishes that they purchase gate cards and do ID badge, they will sign

out the card and have this on record and also take it back in versus the picture ID for permit badges until such time the things are in place and then there will be no need for students to walk across the BII taxiway to get to the flight school. Osborn asked what kind of timeframe they are looking at from the time the fence is up before they are going to have students. Aman stated they actually have people asking for ground instruction, C plane instruction and crop spraying and beyond this they have not actually put an ad in for private pilot instruction or anything like it other than word of mouth. In interim process, Aman is looking at doing some of the ground school training in his office. Osborn stated he wants Aman to clearly understand that safety and security is the biggest issue. In addition the FAA makes the Airport accountable to make it fair and equitable for everybody. At the point where we grant them to be an FBO, now Osborn has to treat them like everybody else. Now you're asking me to treat you different because now you want to park where the other FBO is. I then have an issue where the other FBO complains to FAA about Osborn giving Aman parking which takes away some of the other FBO's business. Osborn stated Aman is putting him in a spot where he doesn't want to be in as he has to make it fair for everybody. Aman stated these are understood that is why they are asking for a temporary lease on the grass area. Osborn stated he does not see this as problem when they look at the fencing and look at the area for temporary parking. Braun from Quest asked if this temporary parking will be adjacent to the Quest's hangar. Aman stated it would be to the back side of Quest hangar. Basically from the vehicle access gate behind where Quest parks their fuel truck. Osborn stated it would be up to the tool shed. Braun stated they really do not use this area for parking, but what Braun could foresee happening is he hopes that they would take care of this area from the snow and from the mud standpoint. Braun asked how many parking spots Aman is looking at. Aman stated he thinks this area measured out to 19 temporary spots and to use 19 spaces he does not foresee this. Braun stated in their situation with the asphalt parking lot, they actually park down to the tool shed, and they are fairly and consistently full. What Braun does not want to happen is student ended parking in their area because Aman's area is full of mud or snow then there will be boundary problem. Aman stated in the temporary basis obviously the students will be instructed that they can't go beyond that point and if they see them park there they will be sent back to move the vehicle. To this extent also, a good neighbor would say if your parking lot is full by all means they would let other customer's park there too. Chairman Erickson asked does Aman have any liability if someone ran into Quest's building. Aman stated he thinks this would fall under the general liability insurance that Hangar 9 would have set in place to cover any or all damages. Braun stated that there is a fire hydrant in this area also. Aman stated obviously they cannot block the fire hydrant and thought that there is a 12-20' radius. Osborn stated he wanted Aman to know where Osborn stands as he still sees this as an issue from the application. With Aman representing Hangar 9 there will be a lot of up front cost for them and for this Board to understand on the AIIP, we know we'll do it and we'll file for it, but we don't want them coming and saying that they will get it right away. Osborn will not speculate on the time or the amount; we will do our best to assist, but upfront there will be no cost to the City or the FAA for Aman to do this project. Chairman Erickson asked with the 100x100 addition will they be asking for public access on this. Aman stated he would guess that this would probably go to the back of the other building as he cannot imagine this being a public access point. Aman could see it similar to Quest or Aberdeen Flying Service hangars where they are currently located that the access is always from the ramp side whether it is through a walk thru door or lift door to gain access for the airplane. Kaiser asked Osborn and Muntean about discontinuing the use of Riggins operation at some point. Muntean stated no this was in the Master Plan. Osborn stated Riggins has one tie in and his requirement is that he has a bathroom for his customers and he had an agreement per se with Caven when he was employed at AFS. When Riggins left this employment he had no availability so his contract could be in question, but we had allowed time to resolve this issue. Kaiser stated this would only apply if Riggins is doing instruction on the other side of the field, but not for when he is doing spraying. Osborn stated basically by Fair Labor Standards the square footage that one is suppose to have includes a bathroom or have access to a bathroom if necessary. Even if Riggins does business or not, the area that he is renting is part of the standards. Riggins has to have arrangement. It does not mean that he has to have a bathroom on site. Kaiser asked if we have the updated cost as he knows the previous cost. Muntean stated the cost would be similar the change would be the addition to the building which will be their cost and the other is the relocating the electrical cable which is \$18,000. If they are able to do the addition to the building where they do part on the back and part on the side this cost would eliminated. Aman stated the cost estimate as he understands is based on if this has to go out for bid and obviously it could be less as it would be privately funded. Osborn stated he wants to make sure even though the addendum to the application had said may not be as they say. Aman can take the information back to the owners and at this point in time this still comes back to Hangar 9 as to what they are proposing and what they are planning to do. If they need time to make sure they understand these things, this Board would certainly allow the time or if Aman is asking for something today. Aman stated having spoken with Hangar 9 back in January, they are aware of it. They would like to see this as quickly as possible and certainly it's kind of a parallel thing where they need to be granted access to establish the FBO quite frankly before they would spend more money developing drawings and plans for the addition. To meet with Osborn, Muntean and a couple of the Board members to find what issues truly needed addressing to try to move this forward over the initial hurdle. They are aware that the items that are AIP qualifying will more than likely paid for up front and are reimbursable item whether this is 1, 2, 5, or 10 years. Aman asked the Board for a motion to either approve or disapprove the Limited Service FBO knowing that some of the items security wise, Aman, Osborn and Inge with TSA could work well with the peculiarities in the temporary basis while the access road and the security fence is being put in place. Zeeb stated before the Board makes a motion would it be out of line for him to ask for Aman and Osborn put together a plan that Osborn is comfortable with the Board approving as far as parking and security. Osborn stated the original application talks about parking by the tool shed and there will be issues with TSA. If the Board asks for Osborn's

opinion today unless Hangar 9 makes a decision to do all the parking and get the fence up to do their business, he will recommend it. Only because this goes back to Osborn's initial information that there will be safety and security issues and if act upon this and parking. Osborn stated this will not disappear until we decide how this will be handled. Aman stated they can do something and if she (TSA) sees a red flag she generally calls back with a suggestion and it can be tweaked this way or that way. Aman does not have a problem sitting down with this. This is kind of a two fold as we need to either approve or disapprove and work through it. Osborn stated he knows that Aman wants to move forward and suggested to get an approved parking area so we will not have a safety and security issue from TSA prior to asking for a vote from the Board. Johnson asked will this be a month from now. Osborn stated he can call for a special meeting and a lot depends upon when if he can get together with Inge, sit down and do a plan where they are going to park, how they will take care of security of the field so we do not have an issue with TSA. Comm. Wiese asked Muntean and Osborn if we have minimum facility requirements for FBO. Both stated yes. Does the facility now meet the requirements? Osborn stated as it stands right now it does not. The application did ask for one year to build the building to meet the specifications. Muntean added they need additional 1,200 sq. ft and need water and sewer. Comm. Wiese stated he does not want to complicate things, but how do we justify allowing them to operate as an FBO if they do not meet the requirements. Osborn stated under the standards we can allow them time to build the structure to meet the requirement and operate as an FBO with the understanding that this will be in writing and would be done in a certain time. Comm. Wiese asks can this be time or facility improvements, access and so forth. Osborn stated this is a two fold thing as security has to be in place in order to operate. Comm. Wiese stated this is why he asked as he had been doing planning and zoning for a long time and they have put stipulations on time, etc. So the Board can approve them on being an FBO to the standards with certain stipulations including access, safety, fencing requirements whether this is done in two weeks or ten months. Muntean stated this can be approved and say that they cannot operate until they meet the security and safety requirements. Johnson stated we would not have to defer it. Comm. Wiese stated what ever the Board decides the issues would be which the biggest issues are access and safety. Kaiser stated what he thinks needs to be done is for Osborn and Muntean to put together the stipulations carefully in writing (the things that they are concern about right now) and run it through Aman and Riggin. Osborn stated he can get something to the Board. We know that we have a safety and security issues then we can go the next thing to actually give them allowance to be in business with those things being met and TSA signing off. Kaiser moved for Osborn and Muntean for a resolution to have something in writing of the current issues, seconded by Zeeb. Motion carried.

Osborn stated the Great Lakes Region has realigned again and as of February 2 our safety inspector is going to be Kenneth Taira.

Osborn stated if the Board chooses to have an Executive Session the Board can move forward without Altman as he had another appointment at 1:30p and can just get information to him.

Braun from Quest stated he wanted to bring this to the Board and back to Osborn and King. This is a problem that they had encountered last year and had experienced it again this year. Quest discharge pipe for their lift station and the sewer system is frozen which make their sewer system unusable. They are temporarily by passing it to keep going. This pipe for the first 30 years the system was never bothered. Maybe it is coincidental, but the previous 2 years of three this pipe had froze and is in the area that was cut and redone by the City three years ago to accommodate the BII taxiway expansion to move a small addition of Dr. Eckrich's hangar to the other side and this is where it froze again this year. Braun is asking for consideration as they had spent thousands of dollars last year and they have to keep operating. Braun feels that he should have some consideration on this problem because it had surface the last 2 years out of 3 and there was no prior history of it freezing. Coincidentally the packet that the Board has includes the discharge pipe that Osborn had addressed. Johnson asked how far out is this from Quest's building. Braun stated it is actually way back by Dr. Eckrich's hangar. Kaiser asked what would be the fix. Braun stated he does not know maybe warm weather as it help last year. Zeeb stated no one had told Braun what could be done. Braun stated he will let this come from the Airport staff. Osborn stated last year when this was the first year that this came up and the Board has to understand nothing happened on the first year. We had an issue with the City going in and looking at items that are privately owned. Osborn went to the City Attorney to see if we can dig up couple of areas to try to see if we have involvement to do things. They did allow a City unit to come out. Backhoe came out and uncovered the line in more than one spot. The City uncovered two spots; one prior to where we made the connection or change and one afterwards to make sure there were no frozen area in between. There was a lot of freezing in the area and from around here we had a lot of up heaving so it is hard to say if this is our fault, their fault, or who's fault. One of the discovery Osborn had was the depth of the pipe regardless of what we did the pipe was not that deep. Muntean stated the way Braun describe this to him it is a force main system. Osborn stated he knew Braun's experienced the problem and tried to do whatever we can to help; we got some City supply and opened it up and looked at it. Osborn does not know if this is from anything we did and truly don't believe that it was anything that we did. Braun and Osborn had the conversation about this. Osborn stated he did not know that Braun was having a problem again this year. As far as the City when he heard it last time they had asked if we are having some freeze up some where else and at that time there was so much going on with frost. Osborn stated now that Braun brought this again Osborn would do the same thing and does not know if he's got other things he can do. Zeeb asked what the ground surface was or does it have to be asphalt. Osborn stated it was a ground burial and we actually moved

one side of a building for Dr. Eckrich's for when we increased the hangar area taxiway. When this was done Quest's line actually ran under it. We had to change the direction to bring it around and better than a year after this is when Quest started to have problem. Zeeb asked does it freezes around the joint. Braun stated what they did last year when we opened up the ground is they put two clean outs; one clean out goes towards the facility and the other one goes towards the line. They went down and used a fish rod and the pipe was froze about immediately right by Dr. Eckrich's addition which is the area that was disturb and the pipe was moved for the addition. They started yesterday to get this open and probably gone through about 20' of pipe of ice so far and haven't gotten through it yet. Osborn stated what they did not talk about last year was with Quest's line out there when we were at the old SRE (maintenance) building we had our own bathroom and utilized this. This is kind of in the same area along the same line and we don't use it. When this system was used, there were certain amount of heat that went through it and now that there is less usage. Osborn is not sure if this is part of the problem since we are not using this area. Johnson thought that enzymes would help. Braun stated to keep in mind that this is a 1 1/2" (force main) lift station line, not the main line. Braun stated what building Osborn is talking about is on the other end. Braun's opinion is that the last two winters has not been the coldest winter we had in forty years, why does it freeze in the same spot that's been disturb or replaced which three years ago they never had a problem. Braun stated the Board does not have to act on this, but wants them to think about it. Bensen asked if the pipe is still frozen now. Braun stated yes and he will try to get through it this afternoon. Bensen stated if it still frozen is there is a way we can do a cause and affect to find out what is causing it. Braun stated the area that was dug up last year was about 6' to 10'. The City had dug up where they spliced on the existing line and into this area is where they get ice going to the new pipe of the lift station to the City side. Osborn asked King how deep was it what they dug out. King stated what we hooked on is maybe about 3' to 3 1/2'. Chairman Erickson asked how often the pump kicked on. Braun stated it has a float on it and it's has about 10,000 gallon barrel. Kaiser asked how many feet from Quest building until he encounters a problem. Braun stated its frozen back behind the red hangar by the second rows of hangar. They actually pumped it all the way out there and all the way up to the old maintenance shop. Comm. Wiese stated for whatever reason the problem Braun is having is where it's been moved. Braun stated this is where they are at now and is hoping that they'll be able to get through the ice. Braun asked King how much pipe was replaced. King stated he thinks its about 160'. Braun stated he just want to put this out before the Board.

Zeeb moved to adjourn, seconded by Johnson. The meeting adjourned at 1:52 pm.