

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD

Regular Meeting

April 8, 2010

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

MEMBERS ABSENT: Chuck Bensen

OTHERS PRESENT: Dave Osborn, Bob King, Dean Mehlhaff, Jon Swenson, Dean Knie, Emily Arthur-Richardt, Reed Rasmussen, John Aman, Adam Altman, Les High, Sam Muntean, Kevin Braun, Darrell Hillestad, Brett Anderson, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:30am on Thursday April 8, 2010.

Johnson moved approval of the minutes from March 4, 2010 meeting, seconded by Zeeb. Motion carried.

Old Business: (State Issues) HB1083 was one that did die, but at the end of the session there was funding that was approved on the last day which did come out of the Aeronautics fund. (Quest – Car Rental) Since last month Braun was sent a copy of the car rental agreement, so their attorney has time to review it. (Drainage Study) Muntean will check with HDR if April 28th or 29th will work to do the Public Officials and the Public Hearing meeting on the Drainage Study.

Johnson moved approval of the bills for the month of March, seconded by Zeeb. Motion carried.

Kaiser moved approval of the March financial report, seconded by Johnson. Motion carried.

Osborn stated they had another Air Show meeting. We now have a commitment from the Lion's Club that they will serve food for 3 days. Osborn asked the Board for \$2,000 which will pay for half of the Air Show cost for the group that is coming. There will be other expenses that will go into this, but this will help the committee to have some funding to have this program for the community. Johnson moved approval of the \$2,000 donation to the Air Show, seconded by Kaiser. Motion carried. Chairman Erickson asked about the meeting as he had missed it. Osborn stated they were certain things assigned to individuals as far as timeframe and they would find their own volunteers for what they are working on. The group had looked at more of the evening program. Osborn had talked to Altman, City Attorney about possibly doing a hangar dance. We asked about providing alcohol at the dance and we can do beer to keep it simple. We will utilize the City's license that we have for the Airport. Kaiser stated with the Aberdeen's Lion's Club, there are two different clubs which also the NSU club, in Groton, in Ipswich and the Plains club. Some of these clubs will be asked to do the Air Show work with Aberdeen. Aberdeen Lion's Club is taking it on and being responsible for everything.

Osborn stated Sixel Consulting Group started the leakage program for looking at people that may be flying outside our community. This started yesterday. We are working with the travel agents to see what kind of leakage we have. Osborn received a copy of the letters that was sent to the two Travel Agencies. They assume this process will take about a month to complete. The questions that they asked were airplane flown, date issued, date of departure/return and the cost of the fare. Kaiser asked does the study include anything outside of the travel agents. Osborn stated they did say that they will be looking at Orbitz and other agencies that do electronic ticketing. The problem that comes about with this is that when tickets are sold through Orbitz it's sold through their zip code. They are trying to find another way that they can get this and they are researching this now. Kaiser asked are we going to try and add to this study at all with some other local information because obviously if you haven't gone to a travel agent, are they going to have information that is reliable without. Osborn stated the other thing that they will be looking at is the colleges as they use the airlines a lot. They are doing letters to them also. At this time they are looking at other areas that there maybe ticket sales. Kaiser asked if Bauer, Station Manager has any input at all as to how we can get other information. Kaiser thought that we should asked at least as the information would be important to Delta as well. Osborn stated part of this study is to look at other regional areas too. Kaiser stated one of the things when they do marketing study, generally in the marketing business; they do two different looks of things. One is kind of the mask which maybe we will get at least part of from the travel agencies, but we sit down with maybe a core group and discuss the issue with them before developing the marketing plan. We get the actual thoughts of people that you would not be able to get in the other type of study. Kaiser thought that maybe we can do something in this direction. Osborn stated he can certainly bring this up to Sixel to see if they have a core group and how they

started the process. Kaiser stated or if they think we could do it and add to the study by having 20 to 25 people (focus group) talk to us for an hour or two and take down what they say.

The State of South is doing a Statewide Aviation System plan. This was brought up at the Annual Airport Conference. What the State had said is they are working with every airport in the State to try to give everybody an idea what outcome comes from your airports; what effect does your airport have in your community. The State is doing a system wide plan and they had involved Mead and Hunt, Kirkham and Michaels, Helms and Associates, and an Economic Development Research Group. They are going to each community. We start a packet of information that we will fill out for our Airport. It will include information from the FBO's, visitors, and from many different areas. The purpose of this is to get our community a better idea of what an economic base this Airport does provide. This study will be a better than a year long study to try to get the information for all the airports.

Kaiser stated they had talked in some of the meeting with the group aiming at getting the third flight reestablished as well as improving air service and air advertising. One of the things Kaiser had volunteered for is that he would write a progress report article about the need for supporting our Airport. Kaiser distributed a sheet of what he had come up with and asked if any of the Board members have some input on the outline he has come up with. Kaiser did talk to the Chamber about this and they said that they will run it. The Board can email Kaiser their input and when he has the final story he will email it to the Board and Osborn.

Osborn stated he would ask this Board for him to go to the Small Airport Air Service Conference in Denver because they had added Frontier Airlines as well as Sky West. Having contacts with other airlines they may be looking for markets. We certainly want to make sure and attend and let our name known if there are other areas they are looking at. This will be in June and the cost for the conference alone is \$600 plus expenses. Osborn believes he has this in the travel/education budget. Kaiser asked if Osborn is going alone. Osborn stated if someone else wants to go he will look at the budget.

Zeeb moved approval to pay Helms and Associates PE #15 in the amount of \$13,181.39 for work completed on the Environmental Assessment (EA), seconded by Johnson. Muntean stated they are still working on revising the EA and waiting on some information from the Core of Engineers to give us jurisdictional determination on all the wetlands and who it would affect including the ones on the off site alternative. They are also waiting to hear from the Historical Preservation Society to give us what items on the off site alternatives could be potentially historic. Once these two items are received it would just be incorporating it into the document then it can be sent back to the FAA. Kaiser asked which Historical Society. Muntean stated the State as they have jurisdictional determination of historic properties and structures and also in archeological. The new runway alternative would impact about six residences with related structures. There are some that is potentially historic. Anything over 50 years old is considered potentially historic. Motion to pay Helms and Associates PE #15 is carried.

Kaiser moved approval of Dakota Contracting Corporation Change Order #2 increasing contract amount by \$7,965 for AIP Project #3-46-0001-46-29-2009, seconded by Johnson. Muntean stated the pump's control is set up with 3 phase power; reason being is that the pump is less expensive and more efficient with 3 phase power. 3 phase power is not available at the site. The Variable Frequency Drive (VFD) is actually a system designed to run pumps at a different speed. Osborn added this change order is also to include additional 61 days into the contract. Muntean stated and the reason for this is the equipment delivery date is out there and they can't order it until the change order gets approved. The additional 61 days is just for the Lift Station improvements not for any other work out there. The rest stays with the original completion date of April 30th. Aman asked if Muntean is talking about a Rotary Converter instead of a VFD. A VFD will augment or take 3 phases and manufacture it to like a DC 3 phase and be able to speed up or slow down motors to operate more efficiently. If we are just trying to take a single phase and converting it to 3 phase, then we are just talking a Rotary Converter and manufacturing a third leg. Aman stated he has 20 years experience of electrical contracting. Muntean stated honestly he can't answer this as he is not an electrical engineer. Muntean added he knows that they had used converters on lift stations before and not sure if it is a Rotary Converter and they had multiple problems. They had used VFD since then and haven't had any issues. To answer Aman's question, Muntean would have to contact West Plains Engineering to get more information on it. Zeeb asked if this would be a lot cheaper than bringing 3 phase power in. It would be and Muntean's recommendation is to go ahead with the Change Order. Motion approving Dakota Contracting Corporation Change Order #2 is carried. Muntean stated with this Change Order we are still under with the grant.

Osborn stated we use the Wildlife services and we do this on a year to year basis. In years past we always had given Antonides 100 hours, but he did increase his rate. Osborn had not been able to get a budgetary increase based on the new rate, so we had reduced his hours to fit the budgeted amount that we do have. We will do 78 hours as maximum at \$45/hours. Antonides had not in the last five years exceeded the hours that we have given him. Antonides had been very conscious about it and it is good to have this contact if we have any issues with wildlife. Kaiser moved approval to continue the Wildlife Hazard Management contract with Bill Antonides d/b/a Gander Island Consulting Services, Inc, seconded by Zeeb. Motion carried.

Osborn stated after the list of surplus items went out to the Board, we found 5 doors and would like to add this to the list. A new list had been done to go to the City. Kaiser asked if these were extra doors. Osborn stated these doors might have come from the old terminal and the Fire Station and is still in good condition. Zeeb moved approval of the Surplus items, seconded by Johnson. Motion carried.

Osborn stated Swenson would like to utilize an area just like any other crop sprayer. Osborn and King had talked about location as we talk about Swenson's application. We have a spot that is available next to where Riggin is at right now. We should not inhibit each person's business. Swenson did receive a copy of the standards and our minimums. Swenson's responses are based on the minimums. Basically Swenson had stated that he will follow the requirements on all the minimums. The request for the Board is to open up a lease to have an Ag services. Osborn added in order to follow the standards that we have, when Swenson has an Ag pilot chosen we will have to have a copy of the Ag pilot's license and the certificate from the State so we can do a background check. Kaiser asked if the space for chemicals will be shared. Osborn stated there will be separate space. They will have separate responsibilities. Kaiser asked if we know if Riggin is leaving his space. Osborn stated Riggin has a contract thru July of this year. Johnson stated time is the essence with leases and construction. Swenson of Performance Ag Services stated that they would like to do something this year. His business is out west of town on hwy 12 and been there for about 5 – 6 years and had grown pretty well. Right now Swenson stated that they are somewhat like a cash and carry business where they sell chemicals, but they do not do any application. Their business has grown quite well, but at a point of plateaus. In order to grow or to do more they have to expand their services. Ground application is one thing. It takes a lot of man power and they are not opposed to this, but it is a competitive market. Aerial application is a growing business. Dean had been in it and knows and has a great business in Ipswich and has a very nice airport he operates of. In Aberdeen, Swenson had talked to Beving about the possibility of working with him. In fact Beving was at Swenson's office yesterday. With Beving to be honest, Swenson stated that he had talked to him several times, but he's in, he's out. A person can't push it off for another year so Swenson have to make a decision to have someone come and help him grow his business; enhance his business. If they are to lease a spot, they would want to do this now so they can get some type of building in place so they have some place to protect the chemicals as he has investments in these too. As far as insurance, they have no problem on putting the Aberdeen Airport as an additional insured. This is a given when someone is operating in someone else's property as far as they are. Swenson is looking at the contingencies on all of this, but they would like to move forward as quick as possible. Sure, they could operate off in another airport in another town, but you're talking 45 miles or so and it doesn't make much sense. They could not operate off Riggin's as this is his business and Beving's is his. And who's to say that in six months from now that Swenson and Beving could not enter into some type of agreement or a working relationship, same with Dean. They're both small operators and sometimes when you're small you need to work together. Swenson would like to see their ability to probably do some dirt work, have a building or if not a building some type of mobile office put in place for the operation because it is the spring of the year when people needs their field sprayed. Swenson stated if Performance Ag is to put something here, it would be a plus for the Airport and plus for them and plus for Aberdeen. If somebody sees something that they are doing wrong or incorrect, they need to address them. It's a plus for what he wants to do, but they do need to move forward as quickly as possible. And anybody like the 137 that people need to be approve, anybody that is on there will have this. They have to have their certificate on location. They don't want any problems either, they want something that would make them money not cost them money. They want to make it work and want to have a good clean business on this Airport. Kaiser asked if Swenson has a pilot hired. Swenson stated he has an agreement with a pilot at this time and he would come in. Chairman Erickson asked if the applicator will be directly working for Swenson, Performance Ag. Swenson stated he will be doing the booking on all the acres and there will be shared profit. Chairman Erickson asked if we have a problem with the applicator we will come to Swenson. Swenson stated this is correct. It would be his building on site and he will be responsible. Johnson asked about the 7460 delay. Osborn stated the 7460 would be the one thing that would hold up as far as business. Right now 7460 is still not the priority, but with the Board's approval today at least Swenson can get started on this. As we had done with Riggin, we can allow Swenson a year to get the building on site and still be in business and put things together. Kaiser moved approval to enter into a lease with Jon Swenson, Performance Ag Services, seconded by Johnson. Chairman Erickson asked if anyone has any problem with this. Those who were in attendance had none. Motion to enter into a lease with Jon Swenson, Performance Ag Services is carried.

Osborn stated Aman came to the office and has a request from Hangar 9. Aman stated the request before the Board is from Dr. Wischmeier who came to him approximately two weeks ago who wishes to have a canopy or car port on the side of the building to afford individuals the opportunity to unload from their vehicle under the cover in the event of inclement weather. With the original 7460 for the new building the lease and all associated areas have the building placed right against the utility easements. According to the lease any structure of any sort cannot be built within the 10' utility easement nor directly over the cables in any way shaper form. In order to facilitate the car port, it requires shifting the building 30' to the SE or closer to the terminal and then leasing 30'x100' or 3,000 add'l sq. ft. for the placement. Then also afford some herringbone parking from that back to the corner of the building back towards the parking lot areas as was drawn from Helms and Associates outside of the secure area and then placing the security fence up at the ramp side between the two buildings to stop traffic from entering onto the ramp unless they have a card or they are escorted on for unloading larger baggage or the off loading and departure from the ramp area as well. The second part of the request was asked to get a Right of First Refusal for a space of 200'x80' from the adjacent hangar towards the terminal for future expansion or at least given first option if they would choose to expand for future hangars. The lists of aircrafts that they are getting calls to come over are quite honestly going to fill up the remainder of this 10,000 sq.ft. facility quickly. They are looking towards the future for additional aircraft right now. Johnson asked if we have to waive something for the utility easement. Osborn stated one problem that he and Aman had discussed is that the Construction contract is very specific on the easement area because this is where our main runway lighting goes through. The contract that was signed did state that there will be nothing built over this area. They could put asphalt on it, but could not build over it. Their request now is to allow them to

build on there. Aman stated they are not asking to build over the easement. They are asking to shift the building 30' and lease the additional 3,000 sq.ft. to create the setback or to adhere to 10' setback on either side of the utility cable and to create the car port plus additional parking. Chairman Erickson asked where the other 200'x80' in relation to the new hangar. Aman stated the 200'x80 would from what Aman calls the SE corner of the new hangar which would encompass when its all done everything up to the line about with the corner of the fence or about where the haul road comes in that they were utilizing to bring the concrete trucks for the Taxiway reconstruction. Kaiser asked how many feet do we have in the total area from the utility easement to the fence. Aman stated from where the current stakes are at, 285' would get to the corner of the fence where the haul road is at. From the utility easement to the fence would probably be about 415'. Muntean stated that the total expansion for the GA Apron (Phase 1) as the Master Plan shows is a little over 600'. We are planning to do 300' over which will be large enough for Hangar 9's new building. Kaiser asked is Hangar 9 just moving the building 30'. Aman stated yes. Kaiser added this is all that is being added to the east of the building. Aman stated it would shifting the 100'x100' building 30' to encompass the ability to drive in through the access road and underneath the canopy, then enter into the building and then from there have access to the ramp. The 30' has to be leased and paid for by somebody in order for Hangar 9 to utilize it either for parking or to construct on. If they are taking 18'x30' out of the center of it, they might as well rent the whole 3000 sf.ft. and be able to utilize it. Johnson asked Altman, City Attorney if we are better off to rewrite a new lease or to amend or does it make any difference to the Board at all. Altman stated it really does not make any difference. It would probably be best to just do an amendment and relay it back to the original date. Osborn wanted to make three points to the Board. Osborn stated he knows that Aman was not on board with all the things that are going on, but in the very early discussion when they talked about the 100'x100' building one of our concerns has always been the lines that are out there because they come from the main building. Osborn hopes that Hangar 9 remembers or Aman was informed of the fact that there is a main waterline out there in about roughly 80' to 90' above the area that Hangar 9 may be building at. This will always be a problem for Hangar 9. Another point is that item #2 of what Hangar 9 is requesting. The 200'x80', this Board had a number of discussions that if there will be movement of the runways being diverted and separated there is going to be a possibility of a problem with another FBO having no access to his business if taxiway 'B' goes away. Osborn wanted understood that there are a couple of issues here that are long term issues. The third thing Osborn wanted to point out is that if there are issues as far as the land being the first option, it may be something that is discuss with the other FBO who had already to talked to this Board about space if we move runways. Osborn stated he does not know if we can make a commitment on the land request. Aman stated the reason for their second request is for future expansion and that we are all aware of the dilemma that Caven would be in with the shifting of the runways. Aman stated Hangar 9 just would like the opportunity that at said time they have an option for even a portion of the land, if they do not want to lease the whole thing at that point in time. Or it need be and the Board wishes Aman can talk to Hangar 9 and see how much they want to do it right now and they can lease it right now and they can have it for future expansion. The cost per square foot for expansion for five years or whatever is truly not a huge of a price. If the Board does not want to act on giving the Right of First Refusal, then they can resubmit with a square footage for future expansion (80'x100') effective such date or to be added on to the lease at annual renewal or however the Board wishes to have it done. Johnson stated he does not want to deny it or does not want to approve it. Johnson wanted to table Hangar 9's second request as there would be due diligence on the Board's part to figure out if we could do this. Johnson stated the Board should split Hangar 9's request if the Board will approve request #1 and table request #2, if this is acceptable. Chairman Erickson stated he agrees that this should be handled as two different requests. Aman stated the only reason that it was submitted as a request was that he had checked with Osborn and had asked in one of the previous Board meetings if Caven had any intentions. At that time and if Aman is not mistaken Caven's request for space had been withdrawn and this was the reason it was submitted with this request. Johnson moved approval of the addendum to the lease for request #1 and table request #2, seconded by Zeeb. Chairman Erickson asked on the security fence that is going between the buildings, will this be a gated access. Aman stated yes, this will be a gated access. It would be very similar to what Quest and Aberdeen Flying Service has with the exception that this gate because of where the entrance to the FBO would be will also be up at the ramp side versus setback. Johnson stated it would run parallel to the face of the buildings. Aman stated this is correct. Chairman Erickson added and this will only be the only access to the airside. Aman stated this is correct, short of going through the FBO. Altman stated he is not sure what Aman's construction schedule is, but unless the Board has information that Altman does not have, Altman would prefer to have the firm set of drawings potentially to the level of plans and would also prefer the Airport Engineer review this as well before approving any kind of amendment knowing that it may put Aman's construction schedule back and Altman is not trying to do this. By briefly talking to Muntean, Altman is not entirely convinced that the Airport Engineer would be in favor of the request without a chance to review. Regarding the second request, requesting for First Refusal, will this be dealt with a separate motion. Chairman Erickson stated that Johnson would like to table this. Altman stated he had never seen any of this on Airport property so he should at least do some research about whether it is legal, let alone advisable. Altman will report through Osborn on this. Aman stated the engineer's drawing for the actual 100'x100' building; he is waiting for delivery by mail now so he can submit not only to the Airport Board, but also to City's Third Floor for the entire drawing. With the approval of this, Aman also has to resubmit to FAA for a new 7460 because of the shifting of the building. Aman stated he knows he is 30 to 60 days before he can start construction even though the building will be delivered in about five weeks. Until he has an approved 7460, Aman cannot move forward. Altman asked what Aman is looking for is a consensual approval subject to final site plan or drawing. Aman stated before he can even submit the 7460, he can't do anything without the Board's approval for the leased space and the approval for allowing the shifting of the building. Once this is approved then Aman can submit the 7460 through FAA in Bismarck and DOT in Pierre. Altman reviewed what the Board received from Aman on April 1st. Altman stated his recommendation would still be to ask the Airport Engineer if he wants

more time. Altman would soon like to know as the Airport Engineer is in charge of the future construction plans whether the new proposal fits in with the future expansion plans for the apron. Muntean stated his concern with this as they talked briefly is that now by shifting the building over; there is 50' of space in between the two buildings of apron space that can't be used as apron. It's space that is taken up, but they not ever able to develop that area. It makes sense now to look at if they can relocate the electrical line. Muntean understands that they need a drive through spot to get to the ramp and a drive so they would probably need at least 20' which was there before. Now we are talking 50' of ramp that is going to be used up for parking and a road. Is there more efficient use of that ramp space? Aman stated technically wouldn't it be only 20' where the utility easement is. Muntean stated for what he understands the car port is 30'. Aman stated yes. Muntean stated Aman has 50'; 20' for the electrical easement and 30' for the car port which is just parking. Typically the FAA says you do not need parking against the ramp, you can put parking in the back. We put hangars and buildings that need to be brought into the ramp against the ramp. Osborn stated when he and Aman talked; they talked about the line itself. If it was possible, if their group wanted to move the electrical line, then they can put their car port right there without shifting. By moving the line over when we do the apron area that line could be moved under the grant in the apron area. Aman was going to talk to Hangar 9 about this and this was the suggestion when they met. Aman stated he had modeled the request somewhat similar to the parking area, if we do not want parking area this is fine. Using Quest parking lot where their gate is, obviously they are not wide as this and they still have the building on both sides of the easements and the leased space. Muntean stated and Aberdeen Flying Service has parking next to them. Muntean is not saying we will recommend against it. It's just is there other possibilities. Aman stated pending approval for the additional leased space, they still have to submit the 7460 to FAA. As we all know this takes 30, 60 days or it could be as much as 90 days before they can get an approved 7460. Muntean asked if the car port is for people to be out of the weather to get into the building. Aman stated yes, as this is where the office is. Currently the office space for the FBO is going to be 30' wide across the front of the building and 36' deep which will afford the restrooms and the lobby area and flight planning. The second floor would then be a restroom and a classroom. Osborn stated obviously Muntean has a couple of concerns and would like to recommend that we get the couple of questions answered by FAA. We do not want to risk if we got funding for an apron and that 30' may jeopardize some of that funding, Osborn would like to make sure we get some of those answers first before Osborn asked the Board to approve the request. We can work together with FAA within the next week and try to get some answers. Aman stated this is understood and he does not want to jeopardize this either, but the same token another 7 days is another 7 day with FAA's air study. Osborn stated he thinks Aman can still file the 7460 that this is a tentative change to the plans. Johnson moved to table his motion, seconded by Zeeb. Motion carried with Kaiser abstaining. Johnson moved to allow a week's time to study the design and get any recommendation from the Airport Engineering firm and meet on April 15th for a Conference call at 11:30a, seconded by Zeeb. Motion carried with Kaiser abstaining.

Altman stated it is important to inform the Board that the permits for the construction of the expansion of Hangar 9 ceased to exist as of yesterday. The project has been proceeding in violation of the agreements twice now. As the Board may recall the agreement requires that except for some concrete putting the foundation work, no work was to proceed absent the erection of the temporary security fence. Altman received a report from Osborn or King about three weeks ago that Hangar 9 was building out which is pretty visible, wall is going up. Altman gave Aman a call and asked him to stop until the security fence is installed. There was snow on the ground as Altman recall at the time, but it was starting to melt and for some reason Altman thought this might cause a problem briefly with the security fence. The snow is gone now and for what Altman's understanding is they were working on the project again on Tuesday. Based on this, Altman asked the Building Department to void the permits. The City is not particularly interested in incurring any TSA fines because we haven't enforced our understanding of what is required by TSA to maintain Airport Security during the construction phase of the Hangar 9 expansion. Altman stated he can either leave it to the Board to figure out how to proceed next or Altman can continue to work with Aman on how to fix the construction so the security of the Airport is not jeopardize. Johnson stated the Board will put this back to Altman. Altman stated he is more than happy to do this just because if something comes up today the Board here. What if something comes up tomorrow and the Board is not here and it takes 24 hours to reconvene. Altman stated he is more than happy to work with Aman as he is not difficult to work with, but Altman did not want to step into the Airport Board's province and responsibility. Johnson asked at what point on some of the discussions have to be handled by Board's approval. Altman stated the only discussion that have to be mandate by Board's approval are changes to the contract. Osborn asked as far as voiding of the building permit, in the series that we develop the response to get things back on track and not have security or safety issues; which both are there, do they have to reapply for a building permit or can the previous be reinstated. Altman stated this is a question for a building official. Chairman Erickson stated normal process is to Stop Work Order. Altman stated the difference is that Third Floor did not shut it down because they are not going to be willing to enforce the Construction Agreement between the Airport and Hangar 9. Kaiser stated the only issue is the fence. Altman stated to the best of his knowledge. Osborn stated it is not. There are other issues based on the contract and the agreement they were to use gate #1 to bring construction and other people through. They have utilized gate #6 which from the very start it's been Osborn's exercise right to say he see a safety issue; this is an active taxilane. The other day they had a person there who left and exited across that taxilane, did not use gate #1 to come back out; this is an FAA safety issue. This issue in itself is something we talked about from Day 1. Osborn wants to make sure they utilize gate #1. The other thing is that under FAA rule and standards we should know who is out here working. We did not get informed of who was out here working and we had talked this over before. We had people that were there from commercial programs, a plumber and that plumber was not brought through gate #1. In the past they had a porta potty and they had someone that left. They went and tracked mud across an active taxilane

and when they left there was no escort. The gate was open that person that drove through drove off and the Airport is now open to a security issue. There had been a multitude of issues. Osborn stated he and Aman had talked on some of the issues. Osborn and Aman had talked about stopping when he started putting up the addition; stick built this is not concrete work. The contract stated specifically when the concrete is done they have to put a security fence up. Osborn reminded Aman of this and asked him at that time to stop. Chairman Erickson asked where Aman is, on Helms and Associates designing the fence. Aman stated to his knowledge Muntean has the access road and the fence design drawn and it might be ready. Muntean stated they are 60% complete on the design and specifications of this. Osborn stated they are talking permanent fence and this is different. Muntean stated that part of the permanent fence can be put up right away and part of it will have to be temporary throughout the construction of the building because the permanent will have to tie into their new building. Chairman Erickson asked and the temporary fence has to be what. Osborn stated it has to be 6' high according to the TSA's request. As we talked last month, knowing that snow is just coming off the ground it does not have to be bolted down on the ground or fence post in the ground to make it somewhat permanent, it could be on platforms. We had discussed different things that they could do. These are things they can do right away without having to wait for a permanent fencing. Zeeb asked is there a reason the temporary fence is not up. Aman stated 6' tall temporary fencing is not available right now. Aman can get 4' tall fencing and knowing that they will not going to breach the 8' tall perimeter fence they are still within the secure area. 6' tall fence also will not stand up on plates. It will require long rods and many sandbags to hold it up. Aman asked one gentleman from a construction company that had a lot of problems with even 4' tall fence and the wind blowing it over. Aman would be happy to put up a 4' tall fence around the area that they are working on right now. Aman added he error yesterday on bringing the plumbers in. When the plumbers pulled up to the gate, they haven't called. Aman was actually talking to a mechanic on his aircraft and the plumbers pulled up. Aman pulled up to the gate and opened it and pointed over to where he wanted the plumbers to go and he sat and waited, watched the gate to close. The structure Aman started building as he was going to try to put heat on the ground to thaw the ground insulation blankets. It hadn't kept the ground from freezing and before he lost 80' of wall because of wind, he put some wood on and tried to stabilize it to keep it bolted down and tie it in. Other than this Aman was continuing with the concrete; in order to finish the concrete he needed the sewer and water dug in so he can get it back to grade and pour the concrete. Aman still has a call into Cory Vosika which is one of the fencing companies and he's out of town and is not due back till tomorrow. Osborn stated but to keep in mind after Aman talked to Altman that day about no more work, Aman came to Osborn's office and asked to go ahead and Osborn said no, not until the temporary fence is up because this is our agreement with TSA. Osborn stated he understands that there had been some wind, but when Aman was told he had been doing construction that had discussed Aman went ahead and put the walls up. Aman stated he had the walls up when Altman called him that day. Osborn stated Aman put 4x8 sheets of plywood on those walls after they had the discussion of no more construction. Aman stated he did to help secure and tie it together. Osborn stated this is part of construction. Hillestad, a local pilot asked anybody inside the fence as far as TSA is concern; they are pilots, they have hangars and they have a badge to get inside the fence. Does this break any rules? Osborn stated it's not the pilots or the people that have badges that come in that is the issue. The issues are that are there other people that they are bringing in. The Construction agreement was very specific and Aman was talked to specifically about the walls by Altman and Osborn. The walls that are going up are not part of concrete. Hillestad stated he understands this, but we were taking about the TSA and if this is our agreement that's fine, but we were bringing the TSA in. Hillestad was just saying that if Aman is a badge person it has nothing to do with TSA. It has to do between Osborn and Aman. Osborn stated it had nothing to do with TSA as is does with the gates and security of the Airport and the safety of the Airport. Muntean stated there are two issues. One is non-badge people doing work; this is a TSA issue. The second issue is that they are not to do any work on the structure until the temporary security fence is up. Osborn stated to keep in mind that the safety and security of the Airport is one of his jobs and it does make it a difficult situation. We certainly want this to be here because we've gone out and applying for AIP funding for an apron. We are talking about three quarter of a million dollars worth of concrete. Osborn does not want issues with TSA or FAA and his job is to oversee it and monitor it. Hillestad stated he understands all of this. Kaiser asked to help him understand the security on the Airport. We have another fence that Aman is within as long as the gates are closed, but we need a temporary fence where. Osborn stated the temporary fence that he has will connect to the fence that we have up to the white hangar and comes over to his existing building and it will come back to the fenced area. Kaiser asked isn't it enclosed already. Osborn stated this is the problem as when Aman had someone here the other day from the plumbing agency that contractor was out there. They had not have FAA training on an Airport area. Kaiser stated he understands this. He is trying to understand the fencing. Muntean stated the fence is supposed to keep people working on the building off of the Airport. Once there is a fence between the building and the active area of the Airport then that building is considered outside of the Airport. We are modifying the existing fencing. When the temporary fence comes up the building is now on the land side instead of the air side. Once it is on land side there is no control over of who can have access because they can't access the air side. This would take care of all the safety and security concern. Kaiser asked if the east side is gated or not gated. Osborn stated it is not gated now, but when they open it, it can be gated. Aman stated currently it is not and it is closed fence and they have no intention of breaching that point until construction would start either on the access road and or the permanent fence. Or if Aman can get the bids for digging the sanitary sewer in, yes they have to breach it and yes they will put up a fence and tie in. Kaiser asked where the breach was in the system when Aman was working. Osborn stated the breach with the person the other day was the plumber they brought in gate #6. Aman stated this is where he said that he had error. Kaiser asked how important is that issue if our fence is up and the temporary fence is not. Osborn stated the issue is two fold. One if Osborn sees security issues the Airport itself put ourselves up for some major fines. Osborn saw issues and we attached those. Secondly, the Construction contract that was approved by this Board specifically delineates that when they start construction it

does have the temporary fence in place. This is a contract issue as well as security issue. Muntean stated if this were an AIP project we have to submit a safety plan to FAA to be approved and anybody who is working inside the fence would have to do two things. They have to get a badge and have to go through a driver's safety class. In addition we would have to put up snow fencing inside all around the construction where people would be working so they could not get from the construction area to an area where there is an active aircraft. To eliminate having to get badges and the driving class and keeping a current list of people who is on site all the time, fence it out by putting in the temporary or permanent fence and then anybody can come in without a badge or going through a class. So for this particular project people that will be putting up the fence will have to get badged and go through the training and anybody else after this will not have to. Hillestad stated to clarify, if somebody from Quest or Aberdeen Flying service has someone working on a door in their hangar this needs to be fenced off or badge. Muntean stated if this will be on a temporary basis and somebody from Quest/AFS who is badge and has had the training has to escort them and has to be present with them at all times and escort them back. Osborn added any hangar owner that wants work done because they do have gate cards and are badged have the same responsibility. Muntean stated the other issues with badges is that the Airport has to keep track of all the badges that are issued and get them turned in when they are completed. We are fighting now with a contractor on the Taxilane project from last year to make sure he gets all those badges turned in. If they don't in a timely manner, the Airport then doesn't meet their requirements with TSA. Chairman Erickson stated speaking for himself it is nice enough now that we can probably get temporary fence up. This will satisfy the Board as far as they are concern in the project. Chairman Erickson realizes that Aman is an authorized person out there doing the work most of it himself, but this was in the contract and we have to follow it. The issue is to buy some post and get a fence in if we are going to continue, but it is already up to Third floor and the City Attorney. Chairman Erickson added that the Board has not a lot to do with it right now. Aman stated he does not know if Altman can have it reinstated as Aman has a call into Cory Vosika and hoping for a return call tomorrow. 6' tall temporary fencing is not exactly easy to come by. Kyburz Carlson had offered a 4' temporary fencing. Aman stated he is not looking to open the fence and expose the Airport in anyway. Aman added he did error yesterday and is not sure about the porta potty incident as he was not here; however he did clean off the mud off the taxiway. Aman stated he can get fencing and put 4' fencing around the construction area for additional containment. Aman does not have any plans, with doing the construction himself, to breach that fence until such time they start on the sanitary sewer or they start with rerouting the permanent security perimeter fence or the access road. Osborn stated one of the things to keep in mind is and thinks that this had been discussed before is the fact that 6' was the minimum by TSA's standards. Aman stated this is understood. Osborn stated if it is easier for Aman to buy the fence he needs and use this to set it up as the temporary by all means go ahead. Aman stated he had seen the email response from Inge Richter, TSA, but he does not know as far as if there were any telephone conversation going down prior to the email that was sent to Richter. Osborn stated we passed along Aman's request for Richter's review. Aman stated there are a lot of 4' fence that is available and if he buys a 6' fence what will they do with 6' fence. Zeeb suggested maybe get 4' fence two rows high if this works. Aman stated we are talking almost 1,200' of fence now it becomes 2,400' of fence. Zeeb stated this is understood, but the length of fence has not change since the contract was signed. Kaiser stated he does not think putting one fence on top of the other will work; this would be an engineer's question. Aman stated as long as it lays together and you cannot get into the two panels that keeps that in tact. Osborn stated the comment that Muntean made about possibly doing the permanent fence right away then it will be a shorter run. Osborn's personal feeling is why not use the 8' fence that you are going to use rather than buying 6' fence. Aman stated they can get the 8' fence, however they will have to be advanced the money from the City for this because this is an AIP fundable project. According to the City contract they were going to advance the funding for the security fence and the access road. Osborn stated as per our agreement these things are not an advanced per se; they are to be billed and then once the engineer's sees it then it gets paid by the City. Aman stated the language that Mr. Lander had used when they met was that the City would advance the monies for these two projects, AIP dollars. In a sense it kind of puts it back somewhat in Osborn's court. Aman is not trying to push the button. Muntean stated this would be fine, but to make it eligible for AIP funding we have to bid it so Aman cannot get the fencing materials until we can get it bid which would be about 30 to 60 days. Aman understood and if Hangar 9 purchases the materials they will not be eligible for AIP funding. Osborn stated under the agreement we made with FAA by the way it was discussed Hangar 9 can go ahead and get the work done, it has to be approved through engineer that it would be AIP eligible then the billing is processed and then sent to the City and this would be the way the FAA would allow it for AIP eligibility. Osborn has to make sure that the City gets reimbursed. If there was a comment made that says that we were going to prepay, this is not how the City will be reimbursed. Osborn believes that the item that was presented to the City was we would assist in the program based on the fact that the City of Aberdeen would be reimbursed and Osborn thinks that the contract states this also. Altman stated in order to by pass the temporary fence and put in a permanent fence right away, the permanent fence would have to be designed by the Airport Engineer, it would have to be bid out per specification, we would have to take the lowest responsible bid and the fence would have to be installed upon specification by the City's Engineer. The City Engineer would make a request for payment to the City Council; the City Council would then pay the Engineer's request and seek reimbursement through AIP funding. In the event the AIP funding will ultimately denied, the City will then seek payment from Hangar 9, Inc. Altman stated his understanding the design for the permanent fence is only 60% complete, maybe it would take another week to finish it, then bid, award it and then construct. It would probably take about 6 to 8 weeks at the earliest before construction could start. Hillestad stated he is thinking of building another hangar and asked if he would have to put a temporary fence also. Osborn stated Hillestad is talking about a hangar compared to an FBO. There is a difference in the fact where it is placed; the access by the public and things like this. Kaiser asked if the 4' fence would meet the requirement. Osborn stated Aman had originally written a letter to us asking about 4' fence. Osborn had told the Board that we would go through TSA and get their input. We sent

Aman's original request onto TSA. At that point in time they said they would not want the 4' fence, they want 6' fence minimum. Swenson stated what is wrong with following the rules. If it takes more time, put the time into it. Swenson stated he is not trying to mean, it's just the TSA rule. A zoo has a fence around it and it has cages inside. TSA wants that cage inside to keep the workers inside the zoo. This is just so reasonable. Chairman Erickson asked if the temporary fence was up, where the contractors would go. Osborn stated the fence (by the white hangar) will be opened up and they can open it up to gate or temporarily until they get their gate ready because once they have containment they do not have access to the field. It would just be a circle inside. They could just come and go. Chairman Erickson stated but there is no road there. Aman stated there is no road there and at the time we actually discussed it there was water just about knee deep. Anderson a local pilot stated it seems to him with several projects with Aman's deal, future FBO, and other projects that might be building on this new ramp space they all going to need a temporary fence. It seems that maybe as a City or an Airport could have an inventory of things that would fit for building for more than one person. Osborn stated this is the first FBO who had applied to work in this area. We had done a lot of work with FAA to look at all the issues and TSA. This is different because of the rules that came into play with TSA and safety. We have to make sure we are following this. This is also new to us. This is a continuation of security based upon someone new coming into the area that does not have the security that the other FBO's have when it was built. It makes it kind of odd and a little different and a lot of work. Chairman Erickson asked if TSA has specs for temporary as he is looking at this as a semi-permanent fencing as you can't put up a temporary fence. Muntean stated the TSA does not have a standard specs for it necessarily. They want it to meet their security requirements, whether temporary or permanent. Temporary fence basically you do not have to anchor it on concrete, it could be on stands. We've done it at the ARFF station, we bid it as part of the safety plan and Mohr's Fencing did it and just push poles into the ground and hang the fence on it. Chairman Erickson asked this is just the way it has to be is on the ground because if the wind blows it then we have another security issue and who would be responsible. Muntean stated it would be the entity doing the construction that would be responsible for security. Johnson stated we knew it was going to be wet and we also knew it was going to dry out. We should not be talking in April. We should have had these discussions in January. With the construction season for Swenson's business everyday counts. He has a whole different program. He can't make money twelve months out of a year spraying chemicals; he's got to do it in a very short period of time. Osborn stated to keep in mind that when Swenson builds on the other side of the field he will have the same issue. Things we have to do to make sure security is taken care of. Johnson stated he was referring to that we have so much time invested in this. Knie asked with Swenson's construction would also have to use gate #1 which is right by the terminal which is better of a security risk than coming through gate #6. Osborn stated being this will be on the opposite side of the field we would not be taking traffic across the field. We will look at the safety of the Airport at the same time. We will probably look at the Melgaard Road area that will have some security issues taken care of. Knie asked still with Hangar 9, if they are coming in gate #1 isn't there a bigger security risk coming in by the terminal than coming in gate #6. Osborn stated not as if Aman is bringing people in he is escorting them in. We expect that Aman has the knowledge of what had to be done on the Airport and would not have an issue. Knie stated in other words there should not be an issue on either gate then if Aman is bringing people in. Osborn stated there is an issue of safety at gate #6 because of the active taxilane. It's not the issue that Aman is bringing then across. The contract talked about using gate #1 being used because of the safety of people and aircrafts. This had been discussed in a great length of not using it because of the FAA safety issue. This was the agreement and the agreement had been breached. Osborn stated this is a safety issue the day the gentleman left with the plumbing issue; Dr. Eckrich has a plane out of his hangar and was ready to come down that active taxilane. Knie stated he had sat over there and waited for a fuel truck to go by too. To Knie it is not a safety issue worrying about it. You can see out of a plane and if you see somebody coming you know enough to stop. Osborn stated the difference is that there is a contractor who knows nothing about an airport. Knie is talking about a fuel truck that goes with one of the FBO's that had been trained. These people are on the airport and they are badge and had gone through our training. They have a reason to be there. The contractor doesn't; they do not know anything about airplanes or runways or taxilanes. Part of the safety plan that we do with AIP is to protect the public and the people. Aman stated he was there when the contractor left out of the gate. He was on site the entire time. Zeeb stated with Altman's question if the Board wants him to work with Aman through this issue or if the Board wants to. Zeeb stated the contract we had is still a good contract and workable contract, so if Altman can work with Aman with these issues for a time standpoint and to help Aman and Hangar 9 to best that they can. Chairman Erickson stated we all see everybody's side in the whole issue whether we agree or disagree. Chairman Erickson added his memory is not real clear but he knows that the City Manager mentioned something about loaning money in their meeting. Chairman Erickson doesn't know how this would work with the conjunction of bidding and such, but it was mentioned that there could be a possibility. Chairman Erickson suggested to Aman meeting with the City Manager. Aman stated he can meet with Altman and Muntean. Certainly they do not want to purchase 6' fencing materials, when it is spec it has to be 8' to go around, then we are stuck with 1,200 ' of 6' fencing. Chairman Erickson stated that it is amazing that looking at a lot of other airports as he goes by and look at their fence, everybody have a whole different realm of what kind of fence and how tall it is. Osborn stated to keep in mind that during the period of time when there was a lot of fencing done, there were different fences like wildlife fence or what the containment is for. Even in our own Airport, we have two different sizes of fence. This was based on previous AIP funding that was available and agreed to at that time. Every airport has some differences, but they also have a certain responsibility to secure it.

An update on Osborn's meeting in Deadwood. AIP funding was discussed. At this point in time, there is still no bill for funding. The last time when Congress went on recess they did a 30 day extension. Prior to this the House had requested 3 months extension, but as they kept making changes they went down to 30 days. We are waiting to see what they are going to do. We have

been told by FAA representative that very possible there maybe another 30 days which would possibly put us in an issue in the summer time to get contracts done and AIP grants. Our project for this year is waiting on Federal funding.

Hillestad questioned the new taxiway for hangar #6. Hillestad added we probably can't do anything now since we already spent millions of dollars to make it worst. Basically it made his hangar unusable because you always push your airplane in by hand to put into your hangar. Now that we change the crown to the top and it goes down on both sides and there is a trough there. It's impossible to put your airplane in the hangar by hand. It made his hangar unusable. Whoever needs to look at it, Hillestad is willing to pull out his airplane. Chairman Erickson asked how big of a drop in the grade. Hillestad stated it's huge. Before it was crown in the center, it went up and you can turn it and not get it in the crown, but now the distance of the wings when you turn it you're in that trench and there is no way to get the airplane in. Basically Hillestad stated his hangar is unusable. Hillestad doesn't know what we can do to change it. As soon as everybody starts flying again and they start using their hangars again, we are going to get a lot of complaints. Hillestad stated he had to get four people to get his airplane back in the hangar and usually they do it by themselves. Muntean stated he will look at it after the meeting. Chairman Erickson asked to let them know as he is not familiar with this.

Osborn stated the City of Aberdeen is in the process of redoing its website. Osborn's understanding is the City had bought a program from Civic Plus. Osborn has a packet of information on this if the Board would like to see it. They are going to be working with all the departments and kind of redoing the whole website for the City. There will be a lot of things changed, but if there is input and someone wants to add to the Airport this is the time we get information from people of what else they would like to see for the Airport. We had discussed working with the airline to get the arrival/departure information and connect this at the same time.

Osborn stated at the ARFF Fire Station we had a warranty issue. We had a number of the heaters that had malfunctioned or caused problems. One of the furnaces had actually been taken out under warranty and is being replaced. During the winter months there was an excess amount of soot and problems with some of the burners. We have been working on this and Osborn thinks it will be resolved, a lot of it under warranty. Johnson asked if more than one furnace had problems. Osborn stated there was actually three. One was a wiring problem, the other two sooted up. They had cleaned one and seem to be running fine. The third one they actually took out and sent it back to the manufacturer.

Osborn stated the marketing group would like to know if any of the Board members would like to work the Air Show and to let them know as they can certainly use the help.

Osborn stated there was an article yesterday that Spirit Airlines is the first airline in the United States talking about charging for carry on luggage.

Kaiser stated he thinks that everybody noticed that Delta has decided to do Watertown as a separate flight. The flight from Pierre will no longer stop in Watertown so they have a direct flight to Minneapolis and they also have the Denver service continuing. Osborn stated part of the meeting in June with Frontier Airlines and Sky West, both go into Denver. Having them as possible people to visit with, it opens a door. It's not that we are not happy with Delta, but the public always tells us they would like to go west. We still have to invest in this as a possibility.

Zeeb moved to adjourn, seconded by Johnson. The meeting adjourned at 1:35pm.

