

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD
Regular Meeting
December 3, 2009

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

MEMBERS ABSENT: Nate Zeeb

OTHERS PRESENT: Dave Osborn, Bob King, John Aman, Kevin Braun, Mitch Aman, Sam Muntean, Mark Caven, Jeff Mitchell, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:32am on Thursday December 3rd, 2009.

Bensen moved approval of the minutes from November 5th, 2009 meeting, seconded by Johnson. Motion carried.

Old Business: (Signs) Osborn stated both Quality Quick Print and Service Signs are giving us quotes. At the same time we also received the logo for Delta, so we will do this all at one time. Osborn hopes that this will be done before the next meeting. Kaiser asked what specifications did Osborn states for the signs, will it be lit? Osborn stated no. Under the City regulation if you already have a sign you cannot have more than one sign on property. We are able to take a piece of plastic about 12" wide with 8" letters. Both people that do the work have said that 8" would be adequate to read. Kaiser stated he had talked to the City Manager yesterday about this issue who is complaining to him about the sign as there is no way to know which way is to the terminal. Kaiser informed him that we are taking care of the problem, but Kaiser stated he objects going to 12"x8". Osborn stated there are other 8" letters out there and obviously this can be read. Osborn will bring this up when he gets the bids. (Beving) Osborn stated Mr. Beving was informed of the one year timeframe for the hangar spot he is looking at. Mr. Beving was really appreciative and wanted the Board to know that he will get back to us as soon as he has more information as to what he is going to do. (Caven – AFS) Osborn stated there was a question last month as to Caven's application for land. At this time due to the fact that Hangar 9 did get a contract that this is not one of his consideration at this time, but knowing that runways will be moved this will be one of his consideration in the future. (Revenue based on flights) Osborn went back to 2010 budget and looked at landing fees which we budgeted \$25,000. Of this roughly \$19,000 are fees that we normally would get from the airline. With the decrease in flights we would probably go down about \$8,000 in revenue. Other items that could be affected are commissions. These commissions are based upon car rentals, if their numbers are down we possibly can see less commissions. This is hard to project so there is no estimate amount on this. The other item that is in consideration is Passenger Facility Charge (PFC). This fee is based upon the numbers that used the Airport. If the numbers goes down, then obviously the figures goes down. But keep in mind one of the things that came up for writing the next Transportation bill is they are considering taking PFC's from \$4.50 to \$7.50, so we may see this kind of a wash if we see less passenger and the fee allowance goes up to \$7.50. Also with the PFC we are to the point of rewriting our original PFC requirement, but we can actually get an extension as we actually have not had the passengers, so we will ask for an extension on this. Bensen asked when the amount increased, do we need to do another submission in order to get the increased amount. Osborn stated he thinks that we only have to inform our FAA designee that there is a change in fee allowed and that we would be using this fee. Osborn stated he looked at some history and what Hupp had done is a letter stating since PFC has changed, we would like to start effective at such date. Bensen thought that we had to go through a new application process, but this had been awhile. Osborn thinks it would just be an exemption to the application as far as what he had read. Kaiser asked what our 2009 PFC revenues is. Osborn stated 2006 is \$97,000, 2007 is \$102,000 and thru October it's \$83,000. Roughly we would be in the \$100,000 range. For next year we have projected \$80,000 as we were going to three flights.

Bensen moved approval of the bills for the month of November, seconded by Johnson. Bensen asked if the De-icing is to cover the whole winter. King stated this is ½ the payment and we will have another one in January with the new budget. Osborn stated De-icing fluid since last year had more than double in price. Last time we bought it, it was at \$2.79, now it's at \$6.16/gallon. It is a significant amount. What we use to purchase for \$14,000 for the whole shipment, it's now \$27,000. Johnson asked about the Small Storage building. Osborn stated we are still waiting on the 7460. Motion approving the bills for the month is carried.

Johnson moved approval of the November financial report, seconded by Bensen. Motion carried.

Kaiser stated we have basically a Citizen's Committee made up largely of leadership in the committee to look at seeing what kind of reaction we can get to the flight cutback and part of this is marketing. The letter writing campaign is what Kaiser hopes to be one of the major successes. Kaiser stated they all received a copy of a letter from Carl Perry to Delta. Perry apparently has been able to open up a dialogue with the people at Delta. Of course Perry and Progressive Financial is a major customer in general. Delta seems to be listening to him which is a good sign. Kaiser stated as far as marketing goes they are looking at different possibilities and nothing had been finalized yet. A draft copy of the Air Service Marketing recommendations was distributed. Kaiser likes the ideas of billboards and television. Kaiser added that Julie Johnson, Absolutely Aberdeen thinks that television is

too expensive. Kaiser thinks he can make it cheaper than Julie Johnson realizes and that he can have her look at this idea. Kaiser added he is also really big on Table Tents. The Table Tents, they had looked at our marketing study showing that nearly half of the people said had never used the Aberdeen Airport that are Aberdeen residents. So advertising to them through the Table Tents would be a good idea, if we can get them used at a number of places. Delta is just not helping us. Telling more people to fly out of here and get a price of \$680 to Chicago is hard. Johnson asked if there is a proposed budget. Kaiser stated they had not talked about the budget, but did talk to Julie Johnson about this who felt that maybe the Absolutely Aberdeen funds and maybe some Development Corporation funds might be made available. Osborn stated one of the things they asked for yesterday was to put together a budget because our marketing dollar if we are going to look at Small Community Grant and next year's show which we already committed to, we only have \$15,000 for next year which is pretty well gone. Kaiser stated he told them when the Marketing Group met that the Airport marketing funds is spent. Kaiser stated right now it would be nice to have a deal with Delta where we can partner together and Delta might put out at least a lower fare even if they are not going to coop the advertising effort. We are trying to get a dialogue going and it seems that Perry seems to be successful. Osborn stated we did ask for some sort of a budget yesterday. We do not want to stop the progress, but we also have to be realistic just in case we have to go back to the City for funds as we do have limited resources. Chairman Erickson asked there was an email of how many members were attending. Johnson stated there were only two who attended the meeting. Osborn stated it really does not matter because the American News was invited. If they don't show, it is their choice. We are not breaking any rules if we have a quorum, the American News will be invited. Kaiser stated the one thing he is worried about is that he thinks that we should invite all the media in the community, not just the newspaper. Osborn stated under the City policy there is one official and this is the newspaper. Kaiser asked is one official under the State law. Both Osborn and Councilman Mitchell stated this is correct. Councilman Mitchell stated we can certainly invite, but there is one official.

Helms and Associates pay requests:

Bensen moved approval to pay PE #6 in the amount of \$13,335.75 for Construction Administration and Resident Engineering Services for AIP Project #3-46-0001-29-2009 Hangar Taxilane Improvements, seconded by Johnson. Bensen asked how far along is this project. Muntean stated about 90% to 95%. One of the main portions of work that needs to be completed is the Lift Station rehabilitation (new pumps, new controls, and SCADA systems) and none of this work had been done yet. They were going to start this today and found that they are still missing parts. Johnson stated this is 95% done on the physical work and about 85% on the billing. Muntean stated roughly. Motion approving to pay PE #6 is carried.

Bensen moved approval to pay PE #11 in the amount of \$10,963.13 for work completed on the Environmental Assessment (EA), seconded by Kaiser. Kaiser asked for an update. Muntean stated they just delivered the preliminary draft to Osborn today and this also goes to FAA who will review it first. Then once we incorporate all of their review comments it then becomes a draft at which time we can publish it for public and agency comments, other Federal and State agencies for their review. Muntean stated we will have a public hearing on this after the FAA gets through their review and changes are made, where we will make a presentation and open up and answer questions. Johnson asked who we expect to attend the public hearing. Muntean stated users of the Airport and people in the surrounding area that may be impacted by the actions. We will put an announcement in the paper as far as publishing, make it available for 30 days so people can come and review and look at it prior to the public hearing. Osborn stated they also made some communications with City Planning and Zoning and others about getting together to talk about some of the requirements that would come out of this. There are things that are not always just on our property and affect others so because of this we want to make sure we have others involved as it just not an Airport issue. We need to make sure we get this group together especially when FAA is still doing their review, so if some things comes up we can say where we are at with those. Muntean added part of the EA included a Drainage Study. They had looked at all the wetlands that we are proposing to eliminate, to evaluate how much storage and run off we would be affecting then look at some options. This is part of the cost also. The Drainage Study is in the draft format now, they have gotten basically all the modeling and data done for the existing conditions and they are now evaluating some of the options of what we can do which is more mitigation issue not needed for the EA; predevelopment data for the EA. Chairman Erickson asked what the future holding capacity we have to put in and what is it based on. Muntean stated there are three different things we have to mitigate for. One is loss of detention; all the wetlands hold certain amount of water that is not release. It is roughly 125 – 126 acres feet of water that we will have to create holding for somewhere else. The other thing is the rate at which water runs off the site. It leaves the site in nine different spots. We also need to maintain control of these points so that we aren't increasing the amount of runoff or the speed at which it runs off. The final mitigation is the actual habitat that we are loosing when we fill in the wetlands. We need to mitigate this and create it somewhere else. The caveat to these are that we cannot create a hazard within 10,000 feet (2 mi) of the Airport, so we cannot create wetlands or storage within 10,000 feet of the Airport that is still going to be an attractant. But storage really has to be replaced either on Airport or very close to it, so we can get the water to it without crossing other properties. The wetlands themselves these can go how ever far we need to and there had been some discussions. Osborn had said that there are other City owned properties that could be used and create wetlands on those and enhance them for wildlife. Councilman Mitchell asked if Osborn is thinking of the NW property. Osborn stated South and East is what he is looking at. What we have is that we already have someone with water problem themselves with land development and we will try to work with them to mitigate some of their problem as well as ours. Councilman Mitchell stated one of the reasons why the City is looking to do the holding pond in the NW corner and purchase that property is that because there is a lot of wetlands on it. We are actually able to bank some wetlands for future projects that we have to take wetlands out. Osborn stated they will be meeting with Bobzien, City Engineer and other property owners and if Bobzien has this knowledge he will obviously share this with them at that time. Osborn stated to keep in mind when they talked about acre feet it can go 10 feet down 12 acres wide. Muntean stated we cannot create an attractant to wildlife within the 10,000

feet. This is going to be the next step, going into the design of mitigation option and can we incorporate them and not only improved the Airport, but improved the City and other residents around here also. Is this something that through cooperation and sharing we can come up with things that are cost effective for everybody. This is why we need to work with the City and residents. Motion approving to pay PE #11 is carried.

Bensen moved approval to pay PE #4 in the amount of \$164,309.71 to Dakota Contracting for work completed to date on AIP Project #3-46-0001-29-2009 Hangar Taxilane Improvements, seconded by Johnson. Johnson stated a balance of \$64,000. Osborn stated to keep in mind the work they are doing in the SCADA system to get this complete is a big part of this balance. There is an issue with painting. They did do some painting and they did not do it complete. We are not sure if they will be back in the spring. We assume they will because of the temperature that they painted that was done. Osborn added that Muntean had a request from the contractor at our next meeting to reduce retainage. We do have one claim based on a piece of property and Osborn will try to make sure that this person gets this done prior to us reducing the retainage so we know it is covered. Chairman Erickson asked does everybody have access to their hangars now and is everything opened up. Osborn stated yes. Motion approving to pay PE #4 is carried.

Osborn stated there was some discussion prior to this contract going out as far as a Sprayer living on property was questioned by Planning and Zoning. The problem was that there was an issue with possibly somebody living on property. We had sat down with Planning and Zoning and others to talk about because of the chemicals that are on site we want these chemicals protected as well. There are issues and the City had looked at this for over ten years without having an issue with this person and his protection of the chemicals is much more of a problem to worry about whether this person lives here or not. He is only here during the spring season. He does have a regular residence that had been established outside and has a permanent address. By doing this, this fulfills the need of the City. The City Attorney has written a note to let us know that Brett Bill's issues and concerns had been taken care of. At this point, Osborn stated that we are asking to renew Martin Beving's contract with the adjusted rate that put him to the same standards like everyone else. The City Attorney has reviewed this contract and is okay with it. Bensen asked does this cause any issues with TSA, living on property. Osborn stated no, Beving knows his responsibility with his gate. Beving had one issue and this was based on a storm that came in where he had lost a plane and was out checking on something. Other than this, Beving had not have a problem with TSA either. King stated Beving actually lives outside of the fence, not on the Airport side. Osborn added this is still on Airport property. Bensen moved approval of the renewal of Airport Lease #9 to Martin Beving DBA Beving Aerial Crop Service, seconded by Kaiser. Motion carried.

Osborn stated he wanted to incorporate the response that we received from our initial letter for the owners of Hangar 9 to make sure the Board understands where they are and what is going on. Osborn and Aman talked the other day just to make sure if Aman wants to update the Board of where they are and what is going to be happening. Osborn stated we have Aman as a contact person and his contact number. Osborn's biggest thing is as we start to do some of the signage he wanted to see if we needed to do signage for them also to make sure we have the right name. Osborn added there is a concern to some of the business owners if we have a third FBO or not and when are they opening. Aman stated if the Board is not already aware, they did start construction as far as the addition on to the hangar last week and poured footings Tuesday afternoon for the 16x48 and moving forward with this. Aman found that Riggin wasn't happy with the inside as it was too warm, so he had taken out the northwest corner of the building to air it out. They are moving forward with this part of the construction as quickly as possible. Aman has blankets down and hopefully can keep the ground from freezing so that he can get the plumbing in by next week. If not the hangar is not going to freeze yet so they will get concrete in and will have a workable space. As quickly as they can get back to it next Spring if nothing else. Aman met with Muntean briefly who will check with Terry Helms to find out when they can get together the bid specs and proposals for the access road and the fence so they can get it advertised and bid as well as going and meeting with the City. To the extent of signage and logo, Aman had spoken with both Riggin and Dr. Bormes who does not have a logo as of yet. In talking with Osborn and David Bunsness with the City, Aman would like to probably put this out to the one of the places like Logo Tournament to see what the grad students can come up with. Aman does want to further research Hangar 9 as the owners had stated this is how they want to do business. However, Aman's wife had come across something and may or may not have a conflict because there is something out there that Hangar 9 deals with remote control airplanes. Obviously they will not going to announce Hangar 9's opening like June 1st or July 1st or something to this effect until they have all their ducks in a row. As quickly as they can get a logo and this will all come to play and Osborn and the Board will be given this information as quickly as they are certain what it is going to be. To this extent trying to put together the final drawings and submittal for colors for the 100x100 hangar, Aman would like to have the deposit and the engineer's drawing hopefully by the end of December, middle of January so he can have it out for bids. In talking with a gentleman, Aman's goal is to have the entire hangar on the ground by April 1st. Reason being they are talking about two trucks that will be about 80 to 90 thousand pounds range and Aman wants it here before they institute the road restrictions. Johnson stated this does not happen on US Federal highways. Aman stated he will not take any chances with as much water we have right now. Aman would just soon have the building sitting right here ready to go up than sitting somewhere else. Chairman Erickson asked if this answers the questions that somebody had. Osborn stated basically this talked about where they are with things. Osborn asked if Aman changed the design from the original design from where we marked stuff out as it looks like they are going north northwest. Aman stated just on the north side and this was submitted originally when it was just going to be just this building. It was going to be 16' to the north northeast and another 16' towards the cable vaulting, but since they will put the 100x100 this will house the actual FBO and the small hangar will become the maintenance facility. Osborn stated he had asked Muntean if there was a different drawing as Osborn has a drawing that still

shows the side so he was checking to make sure. Aman stated the change was submitted with elevation and floor plan through third floor and this should have come out with the request for the building. Osborn stated he does have the third floor info as we always get a copy of what goes through third floor. The only other thing that Osborn wants to comment on for Aman's information is that Osborn does see something about fuel. Osborn wanted to make sure that Aman goes through the permit through this Board. The Fire Marshall has already looked at it, but be cautious that this Board knows that this is what Hangar 9's intent. Aman stated he had spoken with Osborn as far as possible fuel sales as well as Mike Thompson, Fire Marshall. At this point in time, Hangar 9 is aware that before any of this can happen they do need to come back before the Board and request a change in status as they will be going to Limited service to Full service because of the fuel sales and they are fully aware of this. To the extent of this, it's only been an inquiry through Midwest Pump and Tank just as to the cost on two in ground 12,000 gallon or 15,000 gallon tanks and the associated apparatus to allow for fuel sales. Aman stated he thinks it backed Dr. Bormes off a little bit when he saw the price tag for just materials. Aman stated until such time Hangar 9 wants to do this he will leave it just in their preliminary planning stages and knowing that before anything else is done they will or instruct Aman to bring forth a request for change in status. Osborn stated he wanted to bring this up to make sure that the Board is aware that Hangar 9 is looking at other things. Osborn was shocked with the report that talked about nothing above ground. Aman stated in talking with Thompson, they would sooner see the in ground tanks and obviously with the fiberglass tanks, it's a lot easier to do. Osborn asked if Aman has any idea of a possible date that Hangar 9 will be in service as a FBO. Aman stated it's going to be warm. A lot of it is going to hinge on when they can get the sewer and water service in. If Aman can't get roughed in for the plumbing that will go into the 16x48 side, he will not have anything more but a portable john available for employees or workers. They will not have water. Aman is hoping that they can get moving forward as quick as they can get sanitary sewer dug in and the access road and the fence so that they do not have an issue. Osborn asked if there are any other parts of the business that is being done that would consider a FBO operating right now. Mitch Aman asked who wants to know. Bensen stated him as a Board member. Osborn stated basically we offered Hangar 9 a contract to be a FBO. We have two other FBO's operating here and we need to make sure everybody knows what is going on. What we are trying to do is to say are you operating as a FBO or not, when will you be operating as a FBO because they are things we have to oversee also. Osborn does not know if they have a date for this. Aman stated that currently they are not operating as a FBO as obviously they do not have the facilities to do this. Just as quickly as they can provide the basic minimum services would be when. Osborn stated there are different aspects like flight training as they do not really have to have the building expanded out. This Board allowed them to this in the meantime, so they can be in business and this was the purpose they wanted the contract immediately so this could be done. Osborn asked what other concrete work they are doing on the extension of the building. Anything more outside now from what they have done is what they are doing for the year. Aman stated he still have to dig out inside of the footings and get this down to minimum height so that they can rough in for the plumbing and then bring this back up to grade and put rebar into the concrete floor. None of this had been done and a lot of it is going to hinge on what Mother Nature's does and hopefully the blanket that Aman had don't allow it to freeze from the top down. Osborn stated or Aman can use a heated surface that actually goes in there and blows warm air. Osborn asked when Aman is planning on doing this. Aman stated he is hoping to be able to dig down and have it ready for plumbing rough in starting Tuesday of next week. Osborn stated the reason why he is asking is to make sure Aman understands that under the Construction contract it does states once they have the construction concrete done they have to put the fence up. Osborn needs to make sure Aman is looking at that concrete and how he will get post on the ground for the fence by the contract so we do not have any issue with this. Osborn wanted to make sure that everybody are understanding that there are parts of the contract that he wanted to make sure we do not have any issue with security or other things. Muntean asked if they are able to put temporary fence. Osborn stated temporary fence is allowed as 6' fence; they can do post or plates. We just have to make sure as this is going along that they are following what's in the contract. Johnson stated once Aman knows it will just be finding some way on getting the post. Osborn stated this is what he is worried with the weather changing and Aman is trying to get the concrete in and they don't do the other part, we can have an issue with that too. Kaiser wanted to clarify if Riggins is considered a full time employee of Hangar 9 or is Riggins still doing things as Riggins on property. Aman stated Riggins is one of the three principals of Hangar 9. To this extent, Aman is not sure if Riggins would be considered as employee or one of the owners. Johnson stated until they are operating he supposed it would be neither. Kaiser stated this is his question as he did not want to say that Riggins is forming things as a FBO and the Board has not said it is fully up to status. Mitch Aman stated Riggins also has his business as Riggins Flight Service out in Mina. Aman stated Riggins is acting as Riggins Flight Service and also acting on behalf of the FAA. Kaiser asked when Riggins is here or when he is at Mina. Aman stated when Riggins is at Mina. Riggins is also acting as a representative of the FAA when he is performing check rides as a designated examiner. Aman stated he does not know how to answer this question. Johnson asked which runway does Riggins uses in Mina. Mitch Aman stated there are a couple of private strips out there (Weber and Johnson). Aman added Riggins also uses Ipswich. Osborn stated we are just trying to make sure that the Board is informed of what is going on and even the FBO's that are here understands what their position is and everybody knows that they are not operating as a FBO at this time and they are still doing some things to get ready.

Osborn stated he received an email yesterday concerning the large aircraft security program, 12/5 rule. They had about 10,000 comments that were given to TSA. From this, they have said that they are looking at with respected trusted pilot becoming responsible for safety and security of the aircraft that the guidelines will most part likely be replaced by voluntary GA vulnerability assessments, so they may be changing this. The other thing they talked about that is being revised is the weight threshold on the proposed 12/5. Osborn stated he does not know whether this means this is the way this was written whether they will go to lower weight class and make it more vulnerability where everybody reports. Aman stated he can't imagine them lowering the weight limits, possibly increasing the weight limits. Aman personally commented on this as GA pilots 99.9% of the time they knows who

they are flying with at all times. In Braun (Quest) or Caven's (AFS) situation, 99.95% they know who they are chartering at all times. Osborn stated this is what the 12/5 rule is proposing is the pilot would do the check.

Just information for the Board, Osborn stated there was a vehicle accident involving one of the City vehicle and a car. This claim is being done and worked on at this point in time.

The Liability insurance for the Board had been completed. Because we are a separate entity, Osborn thought we were under the City umbrella and we were not. We were excluded years ago. Now this Board is covered under their own policy.

Johnson asked if the vehicle accident included the battery incident. Osborn stated no. We did have a staff member who did have an incident taking a battery out of the fire truck. The battery blew up in his face. Everything is fine. This guy had worked on cars all his life. It was a freak accident. He went to the doctor and went back to work the same day. We probably have to replace his glasses. It was very fortunate nothing else happened beyond this.

Osborn stated Muntean had given him the CIP (Capital Improvement Plan) that was discussed and we are sending it off to FAA. During the last year, we talked about having a problem in finding a tractor that fits the buy American clause. We can't find one. We had asked FAA if they will allow us to take this off this year's project including the snow pusher and put it into next year's project. FAA will allow us to do this. Osborn stated we do have some funding that we can take care of snow pusher this year and FAA will reimburse us. Osborn stated we will go ahead with this and possibly purchase it before the next meeting because we can spec it out based on the vehicle, it is not a large item and we can pay for it out of our budget and get reimbursed next year. Johnson asked how does postponing it works. Osborn stated it puts it into the grant, takes the money back out so we have the money for next year again. What we will do in the meantime is put a bid spec together for the type of machine made in America and there is only one. We have to do the bid spec then we have to get FAA to agree to allow them to buy it because it is sole sourcing. But what we can do is we can do it to multiple dealers that all have it and see if we can get multiple bids.

Kaiser asked on marketing if there is anyway we can donate some on kind labor from the Airport staff to help with any thing that may come up. It would be a nice gesture on our part for marketing if we could possibly turn over a few hours of Airport staff. If there is a project that is coming up that Osborn can use himself, King or Ketterling, we will certainly donate that time as it does market the Airport. Osborn stated he will let Lander, City Manager that this will not be an issue.

Kaiser asked about the seagull issue. Osborn stated this is a seasonal thing. We will see this for about a period of two to three weeks timeframe that they start congregating. This year it was actually longer. This is something we are always cognizance of.

Kaiser asked if we have any Delta jets land. Osborn stated during the hunting season we had a number of jets that were in. If they have an issue or divert a plane or cause a delay, they will look at what they can do to get the people in and out of here.

Mitch Aman stated he received an email from AOPA that the NTSB accused the FAA that they are not putting enough emphasis on runway safety. This will probably come down the wire in different various sources. Osborn stated he remembers reading part of this article and they were talking about the fact that there are actually more incidents, but less physical life loss or major injuries, but NTSB has to review all these incidents.

Bensen moved to adjourn, seconded by Johnson. The meeting adjourned at 12:30pm.