

Regional Airport Board

Meeting Minutes

3:00 pm

FBO Office – Kelso/Aviation

January 21, 2016

Call to order

David Futcher called to order the regular meeting of the Southwest Washington Regional Airport Operating Board at 3:07 pm on January 21, 2016 at the Kelso Airport Fixed Base Operator (FBO) meeting room.

Pledge of Allegiance and Roll Call

The Board and attendees said the Pledge of Allegiance. Chair David Futcher reminded the group that there were comment cards available for written Public comment. The following were present: David Futcher (DF), Norm Krehbiel (NK), Chet Makinster (CM), Jeff Wilson (JW), Paul Roesch (PR), Steve Taylor (ST), Karyn Anderson (KA), Dan Johnson (DJ). Dennis Weber provided notification that he was unable to attend this month's Airport Operating Board meeting.

Approval of meeting minutes

The Operating Board approved the December 17, 2015 Operating Board meeting minutes and the December 23, 2015 special meeting minutes.

Chet Makinster motioned to approve the minutes for December 17, 2015 and Norm Krehbiel seconded the motion. Chet Makinster motioned to approve the meeting minutes for December 23, 2015 and Jeff Wilson seconded the motion to approve the minutes. All were in favor of approving with no corrections.

Treasurer's Report

Brian Butterfield (City of Kelso Finance) shared a one-page treasurer's report handout of the budgeted revenue and expenditures report for the month of December 2015. Brian reminded the Board that the numbers were preliminary as it is the year end.

Brian explained that currently received was \$522,000 in revenue and \$576,000 in expenditures. Additionally, that of the \$522,000 in revenue, approximately \$400,000 in subsidies and capital grants totaling approximately \$180,000. Brian explained the actual fund budgeted revenues, December revenues and year to date revenues. Brian highlighted that they had recently spent in December approximately \$93,000 on the 3 Airport projects. Karyn directed the board members to page 2 of their board packets explaining that the Reid Middleton general claims for the Beacon project was approximately \$20,975.88, the Fencing project was \$26,195.30, the Sullivan project was \$31,701.45 and the Stopway project was \$14,128.26. Brian added that the

reimbursements to be received from FAA will be approximately 95%. Also, included within the revenues is a \$25,000 commitment from the Port of Longview that they have not received to date.

Norm Krehbiel said the \$25,000 will be coming soon from the Port of Longview. David Futcher asked for clarity regarding the 95% and group discussion that the reimbursement would be 90% and 5%. Jeff asked when this information becomes available. Brian replied that the month end information is typically available earlier in the month, but with this being the year end the Finance department held everything until today to be sure they had received all of the bills. Steve Taylor added that the expenditures for the projects are reflected in the Expenses Budgeted and Actual report (page 2). Norm added that the Port of Longview processed the check yesterday for the \$25,000 and that the City of Kelso should be receiving it any day.

Agenda Items

a. General Claims– (attached in the packet)

Karyn Anderson pointed out that they covered the general claims amount within the treasurer's report handouts provided within their packets. She then directed the Board to the table on page 2 of their agenda, reminding the Board members that the general claims reflect billings from the month prior. Karyn explained that the Airport is processing \$47,352.56 dollars in bills and pointed out the additional Reid Middleton general claims for a grand total of \$140,353.45. Karyn added that out of the \$47,352.56 figure, that \$15,000 was the general claim that the Airport received for the Financial Services Agreement. David Futcher asked if there was any other review. Karyn added that she met with David Futcher (Chair) prior to the Board meeting to review the general claims and reminded the Board that they typically vote to approve the general claims. *Norm Krehbiel motioned to approve the general claims. Jeff Wilson seconded the motion. All were in favor of approving.*

b. Public Comment

David Futcher asked if there was any public comment from the audience members. There was no public comment.

c. SWRA 2016 Operating Board Chair Position.

The summary sheet provides an overview of previous board discussion regarding the Board Chair position along with the appointment of the SWRA Board members from 2012 to present. David Futcher opened the floor to discuss the Board Chair position and asked if the board members wanted to continue to see him as Board Chair for 2016. The Board would like to continue with David

Futcher as Board Chair for 2016. David Futcher asked if there was any action to be taken, Karyn replied that there is no action required with this agenda item.

Jeff Wilson offered that the Board could motion that this is an annual process with no predetermined appointments. Jeff further explained that he is suggesting this because of Chet Makinster's question from the previous meeting minutes regarding if the Chair would continue to be the same appointment or not. And therefore a motion that from this day forward these are annual terms, that the Board will vote on it, and as a housekeeping item for the business identified during the first meeting of the new year.

Norm Krehbiel motioned to appoint David Futcher City of Kelso Representative for the Chair for 2016. Chet Makinster seconded the motion. Group discussion. All were in favor of approving the City of Kelso Representative for the Board Chair for 2016.

David Futcher asked Paul Roesch if the Board should make an appointment for the Vice Chair of the Board. Paul Roesch replied yes, that they should make an appointment for the Vice Chair. Chet Makinster motioned that the at large position would be the Vice Chair position in 2016. Jeff Wilson seconded the motion. All were in favor of approving Norm Krehbiel (at large position) for the Vice Chair position in 2016.

David Futcher asked the Board members since it is the first meeting of the year, if there is anything they would like to discuss and/or conduct differently. Chet Makinster said that he would like a bullet on the agenda for the Board to provide an update. Karyn replied that she has added that already to the agenda, page 6, agenda item #10. Group discussion regarding the public comment period. Jeff Wilson said that during advisory or action items that public comment be provided before a vote is taken on an action item. Chet supports that and would like to see a timeline on public comment. Krehbiel said he would like to have the comments at the time of the discussion. Steve suggested that at the beginning of the meeting that public comment is restricted to items not on the agenda, reserving agenda item public comments when those agenda items are being discussed. Jeff Wilson asked if the comment would be taken pre or post motion and that he would prefer post motion. Group discussion. Steve offered that the Board would have their initial discussion on an agenda item, questions asked by the Board with staff, and then open to the public for comment, prior to the vote. Jeff Wilson added that he agrees with this and reminded the Chair that it is in the bylaws regarding the Chair's decision to have a "Q&A" (questions and answer) discussion period.

Paul Roesch confirmed with the Board that they have decided to continue with their past practice. All agreed.

d. SWRA Airport Management Services Transition update and job announcement.

Steve explained that following the December 23, 2015 approval of the agreement by the Airport Board, that the City of Kelso has been actively involved in the management transition. Steve added that as of January 1, 2016, Karyn Anderson came on as a City of Kelso temporary employee working with the management administration role at the Airport and has been a great assistance with the transition at the Airport, to him, to Dan, and Randy Johnson as well. He wanted to thank Karyn and thank the Board for allowing this transitional arrangement to take place.

He informed the Board that the City of Kelso approved the agreement on January 1, 2016 and will be looking for signature today, that the agreement is finalized, and both bodies (Airport Board and City of Kelso Council) have approved. Steve added that on January 7, 2016, City staff, and Jerry Sorrel met with Sharon Zimmerman for a valuable and productive turnover meeting covering maintenance and future airport projects and was a good hand off.

Steve went on to explain that he has been busy meeting with representatives from Reid Middleton, Airport tenants, businesses, BNSF and with Kelso Aviation (the Fixed Base Operator). The Airport transition committee has finalized the documentation and supplemental questions for the Airport recruitment, it is underway, and can be viewed on line at <http://www.kelso.gove/jobs/airport-operations-manager>.

Steve thanked the Airport transition committee for their assistance and asked the Board for direction regarding next steps. Steve explained that the committee currently has a board member, Dennis Weber, represented and asked if there were additional members that would like to serve on the candidate selection committee. Jeff asked why the position closes on February 12, 2016. Steve replied that is the date for the initial review, and that it doesn't technically close until filled. Jeff asked how it was advertised, because the Washington public port association has a listing of aviation markets, and wants to make sure they are taking advantage of that to solicit candidates. Steve replied that Scot Walstra was responsible for posting the information on the Port's association website, and other committee members posted the advertisement with various sources. Jeff asked what employment term was posted. Steve replied, a full time City of Kelso position. Paul Roesch reminded the Board that within the Interlocal airport management agreement between the Board and the City the term runs until December 2017 and noted the April 2017 date and hiccup that potentially occurs. Steve added that he would like to see that position funded for two years. Group discussion.

Chet Makinster motioned that he would like the Airport transition committee that has been working with Steve to continue. Norm Krehbiel seconded/agreed. The Board would like the Airport transition committee that has been working with Steve to develop the Airport operations manager position, to continue working with Steve to interview the Airport Management candidates. Additionally, the Board would like a meet and greet with the candidates, and would like the candidate to attend the regularly scheduled Board meeting to be allowed to be part of the agenda.

- e. Reid Middleton Project Update: The Sullivan Hangar Demolition, Fencing and Tower Replacement Projects (estimated at \$703,000)

Steve Taylor introduced Don Barclay with Reid Middleton, explained he would be providing an update on the projects and an opportunity to answer any questions that the board might have. Don referred the Board to the Airport aerial project map handout within their packets. Don explained the Airport projects:

The Beacon Tower Replacement project and Fence project have been combined as one project. That this project is at a conceptual level, moving toward the 90% design and submittal to occur mid-February.

The Sullivan Hangar demolition project is also at a conceptual level, that there is work to be done to get to the 90% design, initially requiring more permitting, a hazardous material survey that occurs next week, with the 90% due at the end of March.

Don explained that all three of these projects will be bid March, so that they can update FAA with the amount that is needed for the projects. FAA needs this number in order to provide the grant offer as they will not base the grant amount off an estimate. Don would like to get everything into FAA sooner rather than later. David Futcher asked about this process. Don replied that the grant application is a formal process, that FAA knows about the projects because of the Capital Improvement Project process, and they typically begin offering grant money beginning in May/June timeframe. Don added that these two projects will most likely go to add in late March.

Don provided an update on the Airport Stopway project. That FAA is requiring an Environmental Assessment (EA) for the Airport's Stopway project because there was a modification to the Airport Layout Plan (ALP), and the rule is that if there is any modification to the ALP it will require an EA. Don will have a conference call with the Corps of Engineers and FAA to discuss the EA, that they have done most of the Environmental for the Stopway, and that has been submitted. As far as the design, last year REID Middleton realized that they

needed a better idea regarding the ground water levels at the Airport. In August 2015 they had two monitoring wells installed that Dan has been monitoring weekly. The Stopway design will be in late spring and the Capital Improvement Plan has a Stopway construction date of 2017. David Futcher asked if they need to get bids a year plus *before* completing the work. Don replied that the Stopway is not a FAA funded project. Steve added that we could construct in 2017 however, we don't have the money, after the design there will be approximately \$100,000 left in the County grant. Jeff asked for clarity regarding the acronym's used during Don's presentation and if an EA differed from an EIS. Don apologized and explained that EA, meant Environmental Assessment and that is a formal way of presenting the permits and is not the more involved Environmental Impact Statement (EIS) process. Don shared that FAA is now calling an EA a two-year process. Jeff thanked Don for the additional information and clarification. David Futcher asked if there were any additional comments. No additional comments. David thanked Don Barclay for the project update.

Jerry Sorrel

Jerry Sorrel informed the Board that the existing Rotating Beacon is one of three left in the state. It is an original rotating beacon that was used for Air mail, that the tower has been replaced, but the beacon itself is from the late 20's early 30's. It was part of the Seattle to San Francisco Mail run by the old biplane pilots. He wanted to share this information to raise the discussion whether or not there is a 501c3 non-profit corporation that may want that tower for a museum in lieu of salvage steel. Group discussion.

f. Airport Management Updates and Airport Board Updates.

The Airport Board summary sheet for Management updates: The Stormwater refund figure is \$10,088.91. Steve shared that the Three Rivers Wastewater Authority (TRRWA) is moving forward, location and condition of the line, everything has been approved in relation to the permitting, and the project will happen later in July/August timeframe to afford drier conditions. Steve added that it will not interfere with operations of the runway as it is located outside of the fence.

Karyn provided an update regarding the December storm damage. She explained that in December during the wind, flood and rain storm event, that the Airport had experienced wind damage to Hangar Row C. Additionally, she has been working with Washington Cities Insurance Authority (WCIA) and Evergreen Adjustment Services (EAS). They are compiling estimate information, waiting to hear from EAS regarding the comparable estimate, and packet that is being put together for WCIA. Once completed, we are told we will hear back from them regarding next

steps regarding repairing the Airport's hangar. David Futcher asked if it was rendered unusable. Karyn replied no, that there were temporary repairs completed in the interim to the roof, and in addition there was sign damage at the FBO entrance which Dan was able to repair. The insurance adjuster did include that in the comparable estimate.

Karyn explained that the Airport lights and Beacon were not operational one day. After assessing the system in the FAA City Electrical building, Karyn explained that it was a photo cell that needed to be replaced and potentially a bulb within the Beacon that had burned out. In order to reach the Beacon at the top of the 70' tower, Steve Taylor made some phone calls with his contacts and was able to get the Longview Fire Department out to assist in reaching the top to assess what was damaged and what needed to be repaired. Karyn added that this was great partnership and coordination that enabled the Airport to make the necessary repairs. Dan added that they learned that there were only 4 photo cells left, that the ballast had failed within the Beacon, and the bulb was replaced. Jeff Wilson added that he thinks the 501c3 is a great idea, but since the property is owned by the City of Kelso, isn't the mechanism already in place to amend the FAA contract as it relates to the project and, if that were to happen does that interfere with the grant funding process. Group discussion.

Steve Taylor provided an update regarding recent coordination with Life Flight, reminded the Board that they provided the Airport with a letter of intent that they are interested in siting crew's quarters along with a space on the ramp for the helicopter parking. Steve explained that they are in the process of negotiating that, determining a location for the structure that it is favorable, and working through next steps regarding agency approval. Steve added that it would be a mobile structure and land lease.

Steve Taylor provided an update regarding the coordination with the FBO regarding their contract and that Kelso Aviation – Denny Wise has provided notice that he wanted to renew his contract. Steve explained that the contract has different arrangements that make the contract a multifaceted arrangement. Steve believes a decision needs to be made and a transition of a new Airport Manager may not occur until April 1st, so something needs to be negotiated in the interim. Steve asked the Board if they would like to see a long term renewal of the contract or a shorter term lease agreement so that the new Airport Manager can review once they are on board. David Futcher asked if Steve had a recommendation. Steve replied that he doesn't want to tie the new Airport Managers hands, but how satisfied are we with the services, and who could replace if not. Group discussion. Board members prefer a short term agreement

to allow flexibility and are agreeable to an 18-month agreement. Steve added that Denny Wise was agreeable to an 18 month or shorter term agreement as well. Steve thanked the Board for their direction.

Jeff Wilson asked how the Board would feel if the Port of Longview hosted a special meeting or workshop with the purpose of discussing the resolution for the Port of Longview to take over ownership of the Airport. Jeff added that this discussion was not taken to the next steps or given due diligence. Jeff added that he will need to seek permission and does plan to have this as a discussion item at next week's Port of Longview meeting. David Futcher asked if Jeff was looking for a joint meeting between the Port of Longview and the Airport Board. Jeff replied yes, that it would be a Port sponsored meeting and open to the public. David Futcher asked if Jeff was requesting the Airport Board members and governing members from the agencies. Jeff replied yes. Group discussion regarding Port of Longview interest and who would be invited dependent upon the interest of the Port of Longview Commission. Jeff explained that he plans to determine this at the next Port meeting. Norm added that he believes this is an extension of a potential offer somewhat contingent upon the response from his fellow commissioners and assuming there is a favorable response, the questions should it be one member from each agency, council, or county commissioner or a larger group of elected. And obviously the public is invited and the Board may wish to have Paul Roesch Airport Attorney there as well. Jeff Wilson added that he would imagine that the invite list would include the voting members and Steve Taylor would be extended an invite as well. Jeff thanked the Board members.

David Futcher asked that the Board take 5-10 minutes for an Executive Session. David also added that he would like to get the Molt Taylor sign up. David was notified that the Molt Taylor sign is up at the Airport.

Dwight Irby asked to provide public comment on the condition of items at the FBO. Currently the FBO bathrooms are in need of repair and he wanted to bring this to the board's attention so that the repairs would get done and so this is considered within the contract. Steve acknowledged that there is a section within the contract that would address this and that it is being reviewed with Kelso Aviation. Mike Houchens (audience member) asked if Kelso Aviation had first right of refusal and then wouldn't need to go out for an RFP. Steve replied correct and that the compensation level is up for negotiations as well, and if they could not come to an agreement, that the agreement would not renew. Tara Marine (audience member) asked if they had a lease coming up, with the absence of an Airport Manager, who can they talk to. David Futcher replied that the city is handling that and to talk to Steve and Karyn. Karyn introduced Tara Marine

and Jeff Record, that they were AMA interior solutions, a service provided at the Airport, acknowledged that their letter of intent was received and shared with Steve Taylor, and that they will be looking into that as they work with the FBO contract.

Brian Butterfield commented that last Spring during the Accountability Audit, the auditor's comments to collect on past due accounts and that they weren't charging the penalties for tenants that don't pay on time. Brian wanted to let the Board know that they are working with the Attorney regarding a standardized term that could be charged to each tenant since there are four different penalty rates throughout the current contracts. Brian added that as of February 1, 2016 the Financial Services Office will be imposing penalties that are outlined within the terms of the lease. Group discussion. David asked about tenant notification, if they would be notified. Karyn replied that she finished crafting a tenant letter today, that Steve has signed the letter, and that it is ready to be mailed out to all of the tenants. Paul explained that the City of Kelso would need to blend the changes in an existing policy and that some of these contracts have lapsed or terms have run. In the case of a contract lapsing you could impose a policy however, if you have a contract that says three additional years with no penalty, then you can't impose a penalty. Group discussion.

- g. Review of Action Items, Good of the Order, Board Chairman wrap up and next meeting date.

Review of Action Items

David Futcher asked Karyn to provide the action items. Karyn read the following back to the Board members:

1. The Board has approved the meeting minutes provided within their packets for December 17, 2015 and December 23, 2015.
2. The Board has approved the December General Claims.
3. The Board voted to appoint the City of Kelso Representative for the Board Chair for 2016.
4. The Board motioned to approve the at large position to Vice Chair in 2016.
5. The Board directed the Airport transition committee that has been working with Steve to develop the Airport operations manager position, to continue working with Steve to interview the Airport Management candidates. Additionally, the Board would like a meet and greet with the candidates, and would like the candidate to attend the regularly scheduled Board meeting to be allow that to be part of the agenda.

Jerry Sorrel

Jerry added that the EAA chapter meets the first Thursday of each month. This coming meeting on February 4th, 2016 the EAA will have a FAA representative out of Portland to provide a Safety Recognition Award to Dwight Irby for 50 years with no accidents.

Executive Session

Paul Roesch explained to the Board that if they were going to go into Executive Session that they must state a specific reason for the Executive Session and that with the Airport Attorney present, that it must be that it is for a threat of litigation not just a general concern. Also, they must identify who is going to be in the meeting, in addition to the four board members, specifically the Airport Attorney or anyone else they would like to have at the meeting. That will be documented in the minutes, and need to identify the length of time needs to be stated specifically. If they need more time, than they would have to go back out and announce that there is going to be an extension of time and that is the process. David Futcher announced that the Executive Session would be to discuss potential litigation, that 10 minutes is sufficient, that they do not expect to take any action during the Executive Session, and the four Board Members, Paul Roesch and Steve Taylor will be attending the Executive Session.

Dwight Irby asked to add comment, that Karyn was a good pick for the job. Steve Taylor and others agreed. Karyn thanked Dwight for his comment.

Meeting time 4:25 p.m. Executive Session, everyone leaves other than those identified, recorder is stopped, and no minutes taken during the Executive Session. Meeting time 4:35 p.m. David Futcher announces that they are back from Executive Session that included the present 4 members of the Board, Airport Attorney Paul Roesch and Airport Manager Interim Steve Taylor, that we discussed potential litigation, and we are back, we took no action.

There are no additional items on the agenda. Meeting is adjourned.

Sign in Sheet/Attendees: Dan Johnson (City of Kelso/SWRA), Bill Smith (Tenant/Pilot), Jerry Sorrell (Pilot/audience member), Jeff Record (business owner), Scot Walstra (EDC), Brian Butterfield (City of Kelso Finance), Tara Marine (Tenant), Don Barclay (Reid Middleton Consultant).

Minutes respectfully submitted by: Karyn Anderson