

Regional Airport Board

Meeting Minutes

3:00 pm

FBO Office – Kelso/Aviation

July 16, 2015

Call to order

Chet Makinster called to order the regular meeting of the Southwest Washington Regional Airport Operating Board at 3:00 pm on July 16, 2015 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 and also during a moment of silence remembered John Leber who recently passed away. Chair Chet Makinster reminded the group that there were comment cards available for written Public comment. Chet Makinster took roll call, at this time, the following were present: Chet Makinster (CM), Dennis Weber (DW), Norm Krehbiel (NK), Sharon Zimmerman (SZ), Brian Butterfield (BB), Dan Johnson (DJ), and Karyn Anderson (KA).

Approval of minutes from last meeting

The Operating Board approved the June meeting minutes. Chet Makinster motioned to approve the minutes. Dennis Weber seconded the motion. All were in favor of approving the meeting minutes with no corrections.

Treasurer's Report

Brian Butterfield (City of Kelso, Finance Director) attended the Board meeting to provide the Airport Treasurer's Report. Brian Butterfield provided the Treasurer's Report update for the Operating Board. As of June 30, 2015 the revenues are approximately \$415,000 dollars and this includes approximately \$73,000 in rural county funding and a Port of Longview contribution (not yet received) but recorded as revenue in the amount of \$25,000, and \$260,000 dollars in subsidies (Board member entity contributions). Brian also shared that operating revenues are approximately \$57,000 dollars. He added that expenditures to date were approximately \$233,000 that this included \$73,000 for capital expenditures for the stopway project and \$160,000 for operations which is a net loss of \$103,000. Total revenues over expenditures are \$182,000 dollars. Additionally, Brian reported that the Airport's cash on hand was approximately \$535,000 dollars and that this included \$359,000 restricted cash for the runway extension project and approximately \$176,000 in unrestricted cash. Brian offered to answer any questions at this time. *All acknowledged the Airport Treasurer's Report without any questions or changes. Dennis Weber motioned to approve. Norm Krehbiel seconded the motion to approve.*

Agenda Items

a. General Claims– (attached in the packet)

Sharon Zimmerman reviewed the General Claims with Board members. Karyn shared that the Airport is processing a total of \$63,698.07 in general claims. Sharon explained that one of the bills received this past month was a water bill totaling over \$4,000 dollars, that there was a leak identified, and is currently being repaired on the Airport in the utility vault where the Airport's wash rack is located. She explained that over time the leak was recognized with Public Works and the Airport was working with Public Works to fix the leak and identifying the issue. She plans to follow up with the City to see if that bill can be adjusted because it is normally a \$50-\$60 dollar bill that came in at approximately \$4,400 dollars. She added that Rosemary is on vacation and therefore she did not pull together a spreadsheet for this discussion. Dennis Weber commented that the Board was just provided a copy of the spreadsheet not too long ago and so there aren't a lot of changes. Sharon replied yes, it is an update of the general claims and expenditures for the past month. Sharon offered that the general claims were here and if any of the Board members wanted to look through them they could. She explained that Chet Makinster also reviewed all of the general claims at the Airport.

Dennis Weber motioned to approve the general claims. Norm Krehbiel seconded that motion. All were in favor of approving the General Claims as presented without changes.

b. SWRA 2016 Budget (Exhibit).

Sharon reminded the Board members that last week they met to develop the 2016 Budget at the Airport Budget Workshop in an effort to meet their timelines in having a budget available for coordination with their entities by August 1, 2015. She highlighted the Board member direction that she received during that budget workshop and captured it within the staff summary. Sharon described that the direction included: that the board recognized the opportunity and need to increase the amount of their contributions from \$65,000 per entity to \$76,000 and that \$11,000 dollars from each entity would be applied towards maintenance projects, crack sealing projects, and hangar project repairs; moving forward with that concept to outsource mowing and that contract mowers include all costs labor (fuel, supplies, equipment and maintenance repairs to do that work) not including inflation; and modifying the FBO line item to reflect the \$10,000 that is needed for the FBO contract versus the current \$24,000 dollars. She added that is an annual fee and that this contract ends the last day of May 2016.

Sharon went on to explain that after receiving the workshop direction from the Board, she developed the proposed budget including \$300,000 dollar capital improvement program grant money. She added that this dollar amount was included in the spreadsheet she had provided the Board but it wasn't a major point of discussion. She then developed what the revenue would look like and what the expenditures would look like. She focused the adjustment towards the repairs of the landing field, asphalt, hangars, and electrical. In summary, she said she was adjusting funding resources that were previously going towards staffing and now towards actual maintenance projects.

During the budget workshop meeting there was a motion made and passed by supermajority regarding these concepts. Sharon has spoken with Paul Roesch (Airport Attorney) to gain a better understanding of what action is needed regarding the budget exhibit, and Board's adoption process. Sharon explained that she and Paul both recognized that there is coordination that has to occur but that this is not the resolution that requires the supermajority. Sharon then handed over the discussion to Paul Roesch.

Paul Roesch explained to the Board that he has been thinking about the process and it is his view that the Board could approve the budget in this form in order to pass it on to the member entities, a motion with the board that you have today. There was supermajority action taken at the last meeting (July 9, 2015) and there will be supermajority action taken when the budget is actually approved during their October meeting with the four entities present.

Paul added that today there is a sufficient quorum for the Board to take action to approve a resolution and to approve the budget as presented, if that is the Board's wish. Chet Makinster asked for clarity and explained that he thought this was already voted on with a supermajority vote. Paul explained that what they have before them is a concept that they would be passing on to the four entities. With these three sheets of information it seems to be appropriate for the board today to label this concept as acceptable, if that is what the Board wants to do. Norm Krehbiel added that this is basically showing that the intended effect of the motion last month and has resulted in the budget that the Board wanted. Paul Roesch replied that the obligation of their Interlocal agreement is to present a budget to the four entities that includes a listing of revenue and expense. Paul explained to the Board that they didn't have that last week, they discussed a lot of parameters, and reviewed a lot of sheets, and the concept is what the Board approved. Today, Paul explained, that detail has been flushed out into a document that in his view is sufficient for the Board to meet their obligations to the four entities based on their Interlocal agreement, that the supermajority action was conceptually, and today the Board is approving the detail meets the concept

that they approved last week. This gives the four entities than the stamp that the Airport Board has approved these three pieces of paper. Paul Roesch added that it may appear to be overkill, but his view is that it is not because the Board didn't have the format of the budget in the form of these pages. The board thanked Paul.

Norm Krehbiel motioned to approve the 2016 Budget. Chet Makinster seconded the motion to approve. Dennis Weber added to the original motion to approve the 2016 Budget "as a reflection of the four member entities desires". Norm agreed to add that language to his original motion. Dennis Weber than seconded the motion. Chet Makinster asked if there was any discussion.

Norm Krehbiel added that on the revenue side there shows a Port of Longview local match for FY 2015 FAA grant related project and asked if that revenue was new funding or what is left from the local match of \$25,000 dollars. Sharon replied that this is what is being assigned from the \$25,000 to that line and the rest towards the capital projects moving forward. Norm asked again, if it was new. Sharon replied no. Norm explained that he was asking because the Port Commissioners haven't discussed anything further regarding that \$25,000 dollar local match. Chet asked if there were any other questions or comments. Dennis Weber said no but that he wanted to let the group know that he did share with his colleagues the rational for the additional monies and focusing on the maintenance issues and they said "ok". Norm asked the other Board members if it mattered to them that this document shows \$76,000 dollars, as opposed to \$65,000 dollars and another \$11,000 dollars for maintenance projects and if his memory is correct thought that was the intent that he heard from David Futcher at the Budget workshop, that David wanted them almost separated. He added that he isn't sure if it matters to the Port but believes that it was important to the one entity that isn't here today. Dennis Weber replied that he recollects that as well, that it was added into the total expenditure side. Norm added that perhaps this is handled by a "note". Sharon added that it was after the meeting that David provided Karyn with additional written comments. Karyn suggested that a note could be added to the document. Chet Makinster reflected back to his meeting with Sharon this morning while reviewing general claims, and believes that people need to understand that the Board is focusing on maintenance at the Airport and perhaps separate the maintenance funding. Norm and Chet both agreed that is what they heard at the last meeting.

Paul Roesch asked Sharon where the \$44,000 dollars was reflected in expenses. Sharon replied that she captured it in a multiple line items, and has moved things around in order to accomplish more projects. Group discussion. Sharon added that essentially it is what she shared with them during the Board meeting, the masterplan, the 2015 current budget, and that she went back to that workshop

comparison document to ensure the FY2016 met that goal. She was able to take the 2015 current budget, with the \$25,000 dollars, \$38,000 was the line item for the maintenance expense, and focusing on that and getting to the \$44,000 dollars, and knowing that \$25,000 of that was for the cathodic protection project. She added that the Board was down under \$13,000 going towards maintenance projects so then she updated it to make sure she was allocating it within that maintenance line item, and it ends up being \$62,000 dollars. Dennis Weber agreed that Sharon should make a note.

Paul Roesch added that Sharon could direct a footnote 3 on the revenue page and the footnote 3 than references the 4 line items for the 4 entities of the \$11,000 dollars allocated towards maintenance. Norm Krehbiel replied that he believes that would satisfy the intent from the Board last week.

All Board members agreed that the motion would also include footnote 3. Chet Makinster asked if there were any further comments before taking the final vote. Norm replied no. All members were in favor.

c. Stopway Project – Contract Amendment for groundwater monitoring wells Update.

Sharon shared with the Board members that Reid Middleton has been doing the work for the initial design, field work to gain a better understanding of what the site looks like. One of their observations was that there is a high water table. Sharon understands that in the City of Kelso Public Works they just recently had a utility project that needed redesign because of the water table and what they ran into. Reid Middleton is recommending that the Airport install a couple of monitoring wells to obtain groundwater data for evaluation to inform design and for inclusion into the construction contract. Initially the estimate of \$12,000 dollars that Sharon continued to refine the scope with Reid Middleton and it was recognized that about half of that cost was for staff coming from the consultant's office to perform the reading and then traveling back to their office. Sharon believes that she can provide the reading under the direction of the consultant in order to reduce that cost from \$12,000 to approximately \$6,600 dollars. Sharon was bringing this forward to ask for approval to amend the scope, to have those monitoring wells installed.

Sharon explained to the Board that the Stopway project is funded with the Cowlitz County Rural Economic Development Grant funds for design and permitting work and of those dollars the Board does have grant money available to do this work.

Norm Krehbiel motioned to approve this amendment. Dennis Weber seconded the motion. Chet Makinster asked if there were any further questions.

Dennis Weber asked if this was the first expenditure out of that CCRD funds identified for the wetland issue. Sharon replied no that there has been several different reports for the permitting process and just for this year that work totals \$73,000 dollars. Chet Makinster asked Sharon the timeline, and because of the situation with BNSF and water flow, he is wanting to know if this will help tell the Board where some of the water is flowing, coming from, and might help that project too.

Sharon replied that it will help with several different projects, not only does the Board have the Stopway project but the overall south end of the Airport has a lot of low points. She added that she is anticipating that the south end safety and regrading project where they are filling in the low areas, and removing of trees to provide a level open field in the runway protection zone, and that this information will help inform that project as well.

Norm commented that as far as water flow this is just measuring the elevation below the surface. Sharon replied yes. Dennis asked if they would be monitoring in the rainy season as opposed to August when it's the driest. Sharon replied that they would be collecting a years' worth of data that they need information as soon as they can get it. Reid Middleton needs about 4 or 5 months' worth of data to begin projections to inform the design phase. Chet asked if they had time available. Sharon replied yes.

Chet Makinster asked if there were any further questions. Steve Taylor asked if there are 3 different grants from the rural economic development fund or are there two. Sharon replied that there are a total of 3 projects, and through coordination with the county we were able to combine all three of those with a common year end date of when the grant funds end. Steve asked if the total of all is approximately \$595,000. Sharon replied that the total of all of the CCRED grants, 3 total, there have been expenditures, this included the runway extension project which was back in 2011-2012, and did not recall those numbers off the top of her head. Sharon said these contract numbers reflect Reid Middleton's previous contract and changes that have occurred over time. Steve asked when the design and permitting is completed, there will only be \$75,000 dollars left for construction. Sharon replied correct, that is based on the information we have currently. Steve asked if she has the estimates at this point for how much the stopway construction will cost. Sharon replied no because it all goes back to design and there are a lot of unknowns, but once we have the design we can seek additional funding. Group discussion. Dennis Weber asked what the Masterplan

estimate was for the stopway project. Sharon replied that she believes it was \$700,000 for the entire project, but that was 2011 and it was a planning document.

Chet Makinster asked for a final vote. All were in favor of approving the amended scope of work.

d. City of Kelso Contract Notice.

Sharon shared with the Board members that at their June 18th 2015 Board meeting they determined to move forward with a notice of termination with the City of Kelso \$30,000 dollars a year Finance contract for providing financial services to the Airport Board. The thought was to add in a clause because the current contract term is for every calendar year and requires a 180 day Notice to change the contract prior to the end of that term. Sharon added that they have gone through and done that process and provided the notice of termination. Sharon explained that it is not her intent to terminate the contract rather they needed language change regarding the term of the contract, in case there is a change in ownership so there is not an obligation for a yearlong contract for these services. This is for information, that this is an update, and has been completed and provided to the City Manager with hopes that she will receive back an updated contract. Steve commented that he has it on their upcoming agenda.

Chet confirmed that this was just an update and no action was required by the Board. Paul Roesch added that the wording within the notice is his wording. Steve said he really liked Paul's wording and that he cut and pasted it for his needs.

e. Mothers of Military Support (M.O.M.S.)

Sharon shared with the Board members that she has been working on an account and the billing of a storage unit. According to the records, the tenant's bill has accumulated over time with no activity. Sharon shared that she had an opportunity to find outreach to the tenant, find out if the tenant was using the unit, if there was a need for them to continue to use the unit

Sharon was able to determine that there were items left in the unit, that the tenant thought those items had been removed a long time ago, and didn't realize it was still full. Staff worked with the tenant to have the tenant retrieve the items from the unit, and a waiver of consideration was applied toward the outstanding balance. She wanted to share this with the Board that the tenant was very pleased and looked forward to working with the Airport and being involved in future air show activities. Sharon added that it is a very good organization and that she was able to rebuild some of these relationships. Dennis Weber commented that this can occur when there is a non-profit, and a change in leadership occurs. Paul

Roesch added that he took a look at this and he offered that a consideration waiver recognizes the cost of collection, probability of recovery, and burden on staff time which made it not worth pursuing this non-profit. Additional consideration is that they are likely to provide show opportunity at the Airport. Norm added and to avoid any appearance of gifting of funds. Paul Roesch replied yes, and that is why this is worded with “waiver for consideration” and would be appropriate to an auditor. Norm asked if the Board needed to ratify the waiver or just make a motion to ratify, and asked what Sharon/Paul were asking the Board to do. Paul replied that this was brought to the Board’s attention for them to simply be aware and he wasn’t sure if anything needed to be done on the City’s end since they are referenced within the summary sheet. Sharon said no, the account balance was originally accrued under the City operating the Airport. Roesch replied no, there is no action required of the Board, that they can take action if they would like to. Chet Makinster asked the other Board members if they would like to take action. All Board members agreed to simply accept the information as an update agenda item and to not take action.

- f. Other Business: Hangar Occupancy, Emergency Services meeting/inspection, Airport Underground Storage Tanks retest, Airport facility updates, Airport ownership transition update, and Kelso to Martins Bluff improvement project.

Hangar Occupancy Report

Chet Makinster asked Karyn Anderson to provide an update.

Karyn shared with the Board that they at 81% occupancy rate (total of 57 hangars leased). She shared that there has been a lot of activity at the airport now with the nice weather. She described the Occupancy rates within the various Hangar Row A, B, and C. She added that if she includes Prime Development Hangars than they Airport is at 86% occupancy rate. She also let the Board know that the occupancy rate for the Airport hangars was at an all-time high during the 4th of July Holiday weekend, that it was in the high 80’s, and that several of the Hangars in Row A had been leased to the Experimental Aircraft Association Pilots that weekend.

Karyn also shared that the Tenant Appreciation Day was a success. That there were pilots that were headed north to Arlington but due to weather decided to land here at the Airport and we extended the invite to the BBQ to the visiting pilots. Also, that same day Karyn shared that she was out showing hangars to another pilot and family from the Ridgefield area. She wrapped up by saying hangar occupancy rate is up, pilots are flying, the weather is nice and we are hoping to see that number to continue to increase.

Dennis Weber asked what it takes to qualify for the runway extension. Sharon replied that it takes a lot to consider when working with an “extension”. Sharon added that she thinks the level of activity is very good and getting stronger here at the Airport. She adds that when it comes to the difficulties of a project and the runway extension, FAA will not fund a stopway, they will fund a runway extension. In her most recent conversations with FAA, FAA representative thinks the Airport might even be approaching a count threshold. She added when you start to consider switching to the extension project, it triggers the complexities of doing a runway extension such as airspace thresholds as well as triggering Federal nexus.

Dennis Weber asked if funding was more available as a runway. Sharon replied not necessarily. Chet Makinster asked if we were putting a runway in. Sharon replied yes and with the stopway project it will include paving and runway markings. According to the consultant, when it comes to changing the Stopway over to an official runway extension there would be required striping modifications.

Dan Johnson added that other considerations would include moving of the PAPI's, the taxiway would have to be put in, and there is not enough room where the buildings are at, and as far as becoming a runway it will be a while.

Chet Makinster said he is pleased to hear that it will be an actual runway. Paul Roesch asked what does moving from a Stopway to an Extension do for the kinds of Aircraft that can land here, and once the pavement is down for the Stopway can the same quality complexity of Aircraft land on that as well as the formal extension.

Dan Johnson replied that the Stopway will be the same construction as the Runway. He added that the purpose of the Stopway if an aircraft takes off and has complications they have the stopway to stop. Chet Makinster asked if Warren could address this for the Board. Warren Longden replied and said that it is a stopway built to runway standards and this allows pilots to use it for takeoff. The pilots cannot use it to land on because that creates a problem with FAA. It allows the Pilots room, provides them with the 5,000 feet that they require most aircraft to take off on. Warren provided an example, explaining that Foster Farms uses this Airport, their Aircraft is a Citation 10, and they can't legally take off here unless they have a limited amount of fuel on board. So, if they want to fly to California, they need to take off from here, go to Portland to pick up fuel, and then fly to California because their weight restricts them due to the length of runway. Paul Roesch added that with a Stopway that issue is then resolved even though it is not a runway extension. Warren Longden replied yes, that issue is

resolved. He added that what makes it a runway is that they can land on it, that this is where the actual force of the Aircraft will be, and that is why he said it needed to be built to runway standards. Warren then explained that Aircraft will always land shorter than where they can take off. He explained that is the problem with taking off in the north end of the runway, and if the pilot had an engine failure then it gives you the extra runway to stop, that is why it is called a stopway. Group discussion. Norm Krehbiel added that they may have a plane that can land in 3,000 feet but it needs 5,000 feet to take off. Warren Longden said yes, that most Aircraft can land in 3,000 feet, but pilots can't fill up with fuel and people and take off from this airport. Warren went on to explain to the Board that the Pilots must have a runway stop capability, and what that is if you have an engine rotate past a certain point you must take off, and if there is an engine failure below a certain speed, according to regulations you are required to stop. Right now pilots don't have that room here at this airport. Warren added that National Business Aircraft Association has certain requirements that are regulatory restrictions for the pilots, and he has certain exceptions to that because of the training that their pilots have. Warren added that FAA uses Learjet's for the flight checks here at the Airport. Group discussion regarding the landing at the Airport.

Airport Facility: Safety and Maintenance, Development.

Sharon provided an update in regards to the Airport's FAA grants and the WSDOT grants. That she put a couple of calls into WSDOT Aviation, that they were originally supposed to award those grants on July 6th and then on July 15th. As of this afternoon WSDOT Aviation grants have not been awarded. Sharon believes this is because of the delay in the state legislature adopting their budget. Sharon committed to letting the Board know about the awards as soon as she hears.

Sharon added that she recently spoke to Mary Vargas regarding the FAA grant applications, that Mary is in the process of programming the grant, and she said that they should be receiving a letter within the next week. Sharon has additional documentation that has been provided to her by FAA that will need to be filled out and submitted and signed by Steve (City of Kelso) prior to issuing the final grant awards. Sharon ended with explaining that this is an ongoing and changing process, and that we are staying on top of it.

Airport ownership transition update. (update opportunity)

Chet Makinster asked if anyone had any updates regarding the Airport ownership transition. Norm Krehbiel explained that the Port of Longview is currently in flux, that they are currently going through the appointment process that he expects

the appointment of the third commissioner by August 11, 2015 and the swearing in ceremony on August 25, 2015. Norm went on to explain that the Port of Longview still has the election to replace Darold Dietz's position. The Port currently has 8 candidates for Lou Johnson's vacated position, that they have meetings starting next week, and that they are open meetings. Paul Roesch asked if Mr. Johnson was done and out of office. Norm replied that Lou's resignation was effective June 30, 2015. Chet Makinster asked if anyone else had anything else to add. Steve Taylor (City of Kelso) replied that there was nothing new to report at this time.

Kelso to Martin's Bluff Improvement Project. (update opportunity)

Sharon provided an update on the Kelso to Martin's Bluff improvement project. She shared that the contractor began work approximately 2 weeks ago. Sharon hadn't been able to coordinate with anyone regarding their concerns about the project. However she did put a call into FAA, Mary Vargas, and Mary was able to team Sharon up with BNSF on-site project manager. Sharon met with the project manager, it was a very productive meeting. She shared her concerns about the Airport's property that is located within their construction zone and that they were using part of the Airport's property. She received confirmation that BNSF believes the Airport mapping is correct and will need to negotiate a construction easement. She isn't clear how big that will be, or how big of an area that will include, and the activity is that is associated with it. Sharon added that she is very interested in the perimeter fencing, is concerned with wildlife crossing the runway, understands that the fencing would be located within the object free area, and this is not normally something FAA supports and approves, however recognizes that a fence doesn't move and animals do, and that this isn't the perfect situation, they still need to come up with the overall best solution. Discussion regarding best placement of fencing and best solutions for the Airport. Sharon added that she is pleased, that she will be provided with a site visit next week to get a look at the storm drainage, so that she can report back to the Board regarding how their concerns can be addressed, if there is a concern. She added that a lot of this has been just trying to see their plans and gain an understanding of what they are proposing to do. Steve Taylor asked Sharon what project is moving forward to FAA for funding and he asked didn't that include fencing of the entire area.

Sharon explained that the Talley Way fencing project only includes fencing along Talley Way and doesn't include fencing along the rail road because there needs to be a lease agreement in place with the railroad. However, because of the activity that we are seeing in the Talley Way Airport Area, such as people flying kites and

trespassing in the runway protection zone area, it is prudent to get a partial fence in place.

Overall, Sharon is pleased that they are beginning to understand her concern and were able to confirm where the stakes were located and recognize that they did have some needs there. Chet Makinster asked when Sharon was having the site visit and walk around. Sharon replied that she was meeting on Wednesday morning of next week at 7:30 a.m. to walk along the common property line to see what is going on. Paul Roesch asked if that was survey lines. Sharon replied right now they do have a fence up and she is assuming that it is following their property lines but because she doesn't have that level of detail yet, she believes that when she walks it with them it will follow the property line.

Additionally, next week Sharon will be meeting with Senator Cantwell's staff and providing them with an update regarding what they have been able to move forward with.

Paul asked about the survey lines. Sharon explained that back in 2002 the City/Airport conducted a boundary survey, it was recorded and she has spoken to the surveyor and confirmed that you would expect to see certain stakes out in the field, and if they are disturbed there are certain processes that they would need to go through.

Additionally, Sharon shared that about three weeks ago the Airport received a surprise visit from the National Guard unit from Idaho. They explained that they were in the area because the National Guard units in the various states are doing coordination regarding emergency response such as in the event of a major earthquake and where resources are located. It is assumed that Idaho is going to be our first resource for Washington State. She went on to add that they have done a lot of studies, that this Airport is a Tier III Airport and it is a major resource point for them, assuming that Sea-Tac and PDX is gone, and Paine Field would not be operating at the level it is currently. She reminded the Board that recently they went through an exercise of signing a Memorandum of Understanding with the Military and it is associated with this effort. She shared that staff provided the National Guard with several documents, master plan, and aerial maps.

- g. Action Items: Karyn Anderson was asked to read back the meeting action items to the Board members. Karyn read the following back to the Board members:
 - 1. The Board has approved the meeting minutes.

2. The Board has approved the treasurer's report.
3. The Board has approved the general claims.
4. Sharon will provide the Board with a copy of the general claims spreadsheet.
5. The Board approved the 2016 budget as a reflection of the member entity desires. The Board has requested a footnote be added to the budget spreadsheet.
6. The Board has approved the amended scope of work for Reid Middleton.

Chet Makinster said that he would like to make a comment to address something that he said at the previous meeting. He wanted to say that he wants to make sure that he is very clear in saying that he thinks that the Board members and Airport staff/management is doing a really good job. His comment at the last meeting, may not have come across like he'd hoped, his intent was to say that there are a lot of people that are trying to tackle something that may not necessarily be in their back yard (area of expertise), and background. He meant it as a positive comment and thinks it is going really well, and it wasn't meant as a slam to anybody.

h. Public Comment and Other General Business:

a. Public Comment:

Scot Walstra

Scot wanted to share with the Board that he thought the Tenant BBQ/Lunch that took place was a good deal, good food, and he thought it was a pretty good attendance for a week day mid-day event. Scot added that he had a chance to visit AMA (Aviation, Marine, Auto – Airport business) and thinks it is a good outfit. Karyn quickly shared with the Board that there was a document within their packets, this was a collage of photos from the event and that there was a brief description at the top of the document describing who attended. Scot ended by saying that he thought it was a good event, that the outreach is being expanded and he enjoyed it. Chet Makinster said thanks and that was good to hear.

Dan Johnson

Dan Johnson shared with the Board that he is currently employed with the City of Kelso, that it was his goal to make this his career to retire from, at this facility. Dan said that he has had more responsibility in the past as airport

management, maintenance, and taking care of the grass. Dan added that he had been the airport manager, things have changed and change is good. He has obtained his Underground Storage Tank Certification, Depredation Permit, and Herbicide Certification.

He also shared instances, where he has been contacted at night at 11:00 p.m. to come down to the airport because someone had crashed their car through the fence, after responding he did his best to fix the fence, and ensure that people couldn't just walk through the Airport and do what they wanted to do.

Dan also shared that it is common for him to be here more than 8 hours a day, he doesn't mind extending himself to get things accomplished, and isn't complaining about the hours. Additionally he acknowledged some of the accomplishments in regards to working with the larger aircraft which concluded in a 12 to 14 hour day. Dan referenced that there was historically a plane crash that took place and he was able to assist with that, and followed the necessary procedures.

Dan added that he doesn't think that the contractors will have the permits and certifications that he has and he feels the quality that he is able to provide for the City of Kelso and the Airport will dissipate considerably. Dan shared another example of when he was at Fairbanks International Airport, when a blade operator knocked over a light, FAA came out and it took 2-3 minutes to change the light. He then explained that if a light is knocked out here, it would be about an hour to change the light because it is old and adhered to itself and corroded. Dan shared that if three lights are knocked out in a row that closes this Airport because if the pilots see three lights missing they may think that is a Taxiway.

Dan shared that he is bringing these items to the Boards attention to support himself and his work, because during the budget workshop the Board agreed to start working with outside contractors, and that he is seeing that he is not funded at all. Dan expressed how much he appreciates this Airport, which he enjoys working here, and he will not stop giving 100%. He said to the Board that he would appreciate it if the Board would think about this and that he doesn't personally believe that a contractor will be able to give the Board/Airport the same quality of work that he can.

Dan added that he doesn't know the math on how much the contractors will be, that Sharon is doing the math on that, and adds that maybe it will be less and maybe it won't. He asked the Board to take a "big picture" look at the

budget. He also realizes there is a time span of about 5 months that this could develop or collapse. He said that he would appreciate if the Board would advise the other Board members and think about this themselves. He ended by saying he enjoys working here, likes doing a good job, and thanked them for their time. Chet Makinster thanked Dan for his comments.

Warren Longden

Warren introduced himself, saying that he has the same problem that Dan does here. Warren said he was in Aviation for over 50 years as a pilot, pilot mechanic, business operator, and as a chief pilot. He is currently the Vice President of his company Long Air, Inc. working with his son. He is a big supporter of this Airport and has donated thousands of hours to this Airport. Warren shared his passion for this Airport and his hopes of seeing it grow and added that he represented Clary Aviation, Blue Herron Aviation which is J.H. Kelly, and Long Air, and that we all feel the same way about Dan. He shared that he doesn't think the Airport can have contract people that might be part time, do a job and then leave.

Warren said that he thinks Dan is here 8 to 10 hours each day and Dan helps with early morning departures, and helps to take care of the jets that are taking off, and he has personal contact with people that come in here. Warren added that he feels that Dan helps with things like FOD control, light assessment, flag control, runway assessment, and hangar maintenance. He added that he doesn't think you will get those services from a contractor.

Warren also shared with the Board information out of Part 139 in the FAR's which discusses certain certifications such as wildlife management, airport condition reporting, public protection, pedestrian ground vehicles, signage and lighting, airport emergency planning, traffic and wind direction indicator, handling and storage of hazardous substances/materials, rescue and firefighting, vehicle communications, to name a few. Warren said that the Board/Airport needs to take advantage of these certifications, our corporation wants to take advantage of that.

Warren described that they are a full time service, that Long-Air is sometimes at the Airport at 4:00 a.m. and last night he was at the Airport 9:30 p.m. Warren expressed his desire for that kind of service, more than 12 hours a week, someone to call, and someone that is here in town. Dan is in town. Warren says he can't get anything done unless it is an emergency and he can take charge himself. Warren added that they comply with all of the rules and

procedures, they have vehicles with lighting and radio control, vehicles that have strobes on top of them, and the same training that Dan has had.

Warren added that he would hate to see Dan leave and if they make it a part time job Dan will have to leave. Warren expressed his concerns regarding the budget. He believes that there isn't near enough money in maintenance on the equipment, and pointed out the mower deck and tractor repair line items that total only 62.50/month. He shared that he can't maintain his tug for his one aircraft for that amount and said that has to be changed. He added that Maintenance has to be done on this equipment and he knows that because he has a tug that was built in 1935 and he keeps it because you cannot buy tugs like that anymore and they are a masterpiece. Warren added that his maintenance costs on that for JH Kelly is \$75.00/month and explained that it pulls around a 5 million dollar airplane.

Warren said that Dan is responsible for maintaining equipment and if he gets stuck out there we are going to shut the Airport down. He reiterated that the equipment needs to be maintained and in the past it was not maintained at all because there were contract people doing it. Warren shared they had a problem with Clary's Aircraft and contract people hired to mow, and that another tenant Dwight Irby, who isn't here tonight, had a problem with mowing, that he almost landed on top of them because they didn't listen to the radio.

Warren shared that he feels the Airport doesn't have that problem with Dan. He thinks Dan is capable and knows what the requirements are. Warren said that if the Airport hires contract labor than they are responsible for those contractors if they haven't had the same training, then the Airport will be responsible for that.

Warren said he has a couple of other issues and is directing it towards Sharon. Warren than shared with the Board that he has offered the Airport use of his brush hog and they haven't taken him up on offer because of liability reasons. He doesn't feel there is any liability for the Airport to use his equipment. He added that he offered the equipment free and they still didn't want it. Warren said that he caught Dan one morning standing on top of a ladder and if anyone knows anything about OSHA/WSHA, an employee of a city should not be standing on top of a ladder unless he has a safety person. Warren also said that Dan's immediate supervisor is responsible and the state will sue you for that. Warren has loaned out his equipment to all kinds of people and now the

Airport says you can't use the equipment. He doesn't understand. Warren said he is interested in Dan's safety more than the people he works for.

Warren shared that there are two man lifts on the airport all the time and that his tools are available for loan. He wants to see this Airport grow, and our corporations, not just me, our corporations and pilots like Jim Clary, Dan Evans, really want to push for more Airplanes at this Airport, but we can't do it without the services. Warren added that these corporations don't send the CFO's or COE's out here, they send the pilots to come look at the Airport to see if it looks like a good Airport, and ask the pilots if we can get along here and does it look like something can be built there.

Warren believes that they don't talk to the Airport Managers, they talk to the pilots and right now they are good at that and have been convincing people that this is a good Airport. He added that with the Stopway it is really going to make a difference at this Airport because you will be able to open up a whole different class of midsize Aircraft. Warren said the goal is to make the Airport go and to do that you need more corporations in here with bigger Aircraft and bigger hangars.

Warren also said that he was still looking into the land acquisition for a hangar, which JH Kelly wants that piece of land, but they will not say when they are going to build. Warren said this past Christmas they said they needed an answer, then the CFO decided in March that they were not going to build, that has changed again and Warren said he told everyone that they now want that piece of land. Warren thinks it is a problem if FAA says no here and that is then the final answer, Warren doesn't agree with that, and thinks FAA is supposed to be here to help us and added that he wants to make FAA do what we want them to do. He added that he has never taken "no" from FAA before, that it takes tenacity and a lot of work. Warren said he has built an Airport over in Eastern Oregon.

Warren shared that regarding the National Guard, this Airport with a 5,000 ft. runway makes it so a C130 capable, and it makes this place accessible. He wants to keep people here and continues to run that way. He shared his experiences in Florence, that there were the same problems that this Airport has now, and they went with contractors. He said that the contractors agreed to do it for that kind of money, than half way through said no we can't do it for that, this is what we need. The contractors didn't do the kind of job and as good of job and now there is nobody there, no FBO, no Airport Manager, no Operations Manager. Warren said they are a bigger Airport too.

Warren reiterated the need for keeping qualified people here at the Airport. He added that he is tired of hearing about office space and if we decide to spend \$1,000 dollars on an office space per month you could rebuild that building over there for a lot less than that. Warren told the Board that they have to accept the donations from people at the Airport if they are going to make this place go. And if they don't accept help from people than they are going to have to pay for it. From what Warren sees the Board can't pay for it.

Warren added that he has been more than willing to help out in any way that he can, that he has corporations that he works for that are willing to help too but said that they have to ask them, and accept the fact that help is needed. He also told the Board that if they can't afford it, than they need to tell someone they can't afford it and explain what they need. He added the problem is that we all want it on our terms and not their terms. Warren ended with saying that it is the Airport that is important, not us. Chet Makinster thanked Warren for his comments.

Jeff Wilson

Jeff directed the Board to the diking assessment line item for clarification, and that it was \$22,000 dollars, he asked what that included. Brian Butterfield replied that it was property tax. Jeff asked if BNSF occupied some of that same land and if railroads are exempt from that taxation. Jeff inquired because he was wondering if SWRA was picking up the tab that others would be utilizing on a tax basis. Sharon replied that it is based off of the value of the Airport, what the assessors put on it, and only for the Airport properties. She added that as far as the diking district and what's assessed, does not have an answer on that but agreed that was a good question. Jeff than shared with the Chair that he felt that was high, that it was a lot of money. Sharon added that it is state law compliance that it is an Airport work item. It will take working with the legislature for an exemption when it comes to Airports. Jeff asked if BNSF was paid for property lease and receive a basis for flood control. Jeff than asked what the total dollar amount was to be spent on the cathodic protection for 2015 and each entity share. Sharon replied \$25,000 is the budget item and each entity would pay ¼ of that. Jeff asked if that was all for 2015. Sharon replied yes and that this is a need in order to be in compliance, and continue to have the tanks available for people to fuel, and be in compliance with DOE. Jeff thanked Sharon/Board for the clarification on these budget items. Chet Makinster thanked Jeff for his comments.

Steve Taylor

Steve provided background regarding the member entity contributions that each entity was paying \$20,000 dollars and today that assessment is upwards in the amount of \$76,000 dollars. Steve added that if you look at the total subsidy of the Airport, the private money coming in, from an operating stand point that is about 70-75% as a public subsidy of the Airport. Additionally, he added that the entities will be asked to kick in more money for these projects and if there are users at the Airport that are willing to make additional donations and all we have to do is ask, than let's ask. There has been a significant increase by each of the entities of this Airport and it is still barely meeting the operations and maintenance expense needs that are involved. Steve said that he thinks the public entities have all stepped up over the last several years, as one of those public entities having seen these increases, he would love to see if they could get some private side partners to help with some of the major maintenance items and to make some of the other improvements that are necessary. He added that when looking at the Airport at full capacity with hangar leasing rates the Airport will only be able to generate a ¼ of what is needed to operate the Airport. Steve added that they are looking at a long term subsidy, what's needed to build the stopway, and the people that are benefiting from that are from a limited pool. He thinks this is an opportunity to seek some additional partnerships and he definitely appreciates the additional support from the Port of Longview for putting forward some of the match for some of these FAA projects so that the 5-10 percent is reimbursed.

Scot Walstra

Scot asked the Chair's permission to make another comment. Scot said that he has heard some good points from others tonight and from an Economic Development standpoint wanted to make sure they didn't lose sight that the Airport is a piece of public infrastructure, much like a bridge, or a highway, or a water main. He described the Airport as a unique entity that does not compare well with profitable business models. Scot shared that he was once asked by a commissioner if he could guarantee him that the Airport could make money and Scot said he pointed to the Rainier Bridge and asked him if he could guarantee me that the bridge could make money. It is a piece of infrastructure, without it we wouldn't have a viable Port and the multipliers for this Airport based on a past Economic Development study that was done, that it puts 2million back into the community and induced economic benefits. Scot added that this is a great discussion that has a human side and a number side to it but he wants to make sure they don't lose site that this is not a hotel. The hotel that covers expenses, wash the sheets and at the end of the day they

take in more money than they spent. He reminded everyone that is not a model of a public infrastructure, the water main does not make money for users in the city. He asked everyone to remember to not lose sight of this, that there are a lot of economic multipliers that comes out of this facility and it is a long way from maximizing the potential of this Airport, and encourages that they don't let a balance sheet drive the importance of this Airport.

Steve Taylor asked Scot what level of operating subsidy is appropriate, and said that no one is arguing that the Airport is going to make money, but when you look at the increase in operating subsidy that has been committed, at what point do you say that the users need to help recover additional costs. Scot replied that he would be willing to discuss further with Steve, and perhaps they could continue this debate over a cup of coffee to discuss the economic multipliers that did not enter into this budget discussion and he added that the dollars that land here on an Airplane aren't typically from around here, have never been calculated before, and supply chain folks that you are not getting through other typical business exchange folks.

Chet Makinster said thank you and that he enjoyed the conversation and comments that were made today. He said that he had ideas regarding contractors and what you should and shouldn't do with them.

Sharon asked if there was any more public comment.

Paul Roesch

Paul asked the Board how they go about addressing some of the larger policy issues and how they plan to take into account these ideas in a way that is appropriate and just doesn't come up at the end of a meeting during a 2 minute session. He added that this is meaningful comment and asked the Board how they assimilate that appropriately and added that they can't resolve these things this minute.

Dennis Weber replied, that one of the items at the workshop that was discussed continued expectation that management will work on the revenue side and that is on the work plan for next year, aware that there are competitive pressures particularly in the area of fuel tax, and knowing that we don't have the operating capital as much as we need.

Loren Sievila

Loren Sievila asked if anyone had heard of the Pilots' bill of rights and when Sharon meets with Senator Cantwell perhaps she can remind her of this bill.

He explained that this bill will benefit this Airport because it gets rid of 3rd class medical and today there are baby boomers such as himself that quit flying because they have to get the 3rd class medical. He went on to explain that the 3rd class medical is a disaster. If the Pilots bill of rights passes you will have full hangars at this Airport, and there are other pilots like me that aren't rich but have a little expendable income who would get back into aviation.

Paul Roesch said that he didn't understand Loren's comments. Paul asked for clarity, asking if the Pilots bill of rights 2 has provisions that address medical issues for less young people. Loren replied, for all people and all pilots. Paul asked if the bill would then reduce the standards a bit. Loren said yes, you would not have to get a physical. Paul said so with the removal of that then it is more of a marketing for pilots. Loren said that thousands of letters have been written to congress and we are hopeful.

Chet Makinster thanked everyone for their comments and asked if there were any further comments.

Jerry Sorrell

Jerry commented that the Board lacks technical advisory and thinks there should be an advisory board made up of personnel on the field, FBO, mechanics, pilots in charge of aircraft. Then questions that come up here can be forwarded to the technical advisory group and responded to.

Board comments discussion

Chet Makinster replied that his observations that the discussions of the Port of Longview consideration of taking over ownership of the Airport has limited these types of discussion.

Paul Roesch asked Chet what if that other municipal entity getting involved doesn't happen for 5-8 years and it takes time, do these questions just linger and languish. Paul thinks that it will take a while for this process to work its way through versus happening next January. Chet Makinster replied that he has concerns and is hearing frustrations.

Dennis Weber replied and said they do have technical advisory committee, only it consists of one person and that is usually Jerry Sorrell. He added that the suggestion of a technical advisory group does have considerable merit. We discussed taking advantage of the users of the system in a positive way and what they have to offer as a volunteer and with their advice makes sense.

Dennis added that an effective TAC will also be an asset to the Port of Longview if they decide to take it over. Dennis added that he serves on a Board of Directors for salmon recovery and he doesn't know much about salmon biology at all but we have a TAC that makes the recommendations and assist us, and we do the same with the Transportation Plan. Dennis thinks it makes sense and it should be considered.

Norm Krehbiel added that he agrees as well regarding the suggestion of a TAC and appreciated the comments from today's meeting. He only wished they had been provided before today's meeting during the last workshop because all Board members were present so everyone could have heard first hand and because it would have been nice to get this input before we decided on the budget. He is not sure if hearing this a week ago though would have hastened any action, because he thinks there is a process that we go through, hearing ideas, thinking about them, having an open venue, and making a decision.

Norm added that he wanted to comment on the timing of the taking over the Airport. He explained that the Port of Longview decided as a Port two years ago to accept Willow Grove Park between 3 agencies (Cowlitz County, Port of Longview, and Department of Natural Resources) and it is still not in Port of Longview's hands and has no idea when it will actual transfer. Group discussion regarding duration for approval.

Dennis Weber said that he would like to throughout that if we go forward with contracting out the maintenance technical advisor needs to help shape the recommendations that go into the contract because things that were brought up today make sense to him. Chet Makinster replied that he thought it only was for mowing out for contract not the other maintenance. Sharon replied that he is correct. Chet said that he is hearing that they won't be doing any of it, and Dan is gone. He's wondering how he got from A to Z. Sharon explained that everything the Board is doing right now is contracted out, that Dan is a City employee, and from her understanding that needs to be negotiated what the format is of that contract. Chet replied ok. Sharon added the outcomes are still yet to be determined, how the City would like to then provide those services, and the direction she has understood is that when it comes to the pieces assigned to the airport full time that is not something that is a requirement. And that is the part of the contract we would like to modify and how it gets captured. Chet said ok, and that he would like to have more conversation about that, he thought only mowing, mowing equipment, not all of maintenance. Chet asked if we could get on the next agenda.

All agreed that it was a good meeting, with good comments.

b. Other Business:

Office Hours (e.g. for the Holidays, etc.)

The Airport has extended summer office hours. The hours are Tuesday and Thursday (8-12pm) and Wednesday (12-4pm). Currently for July/August, Wednesday hours have been altered to 8a.m.-12pm.

i. Meeting Adjourn and Next Meeting Date

Chet Makinster adjourned the Meeting, thanking everyone for helping him along as he led this meeting in Darold Dietz' absence. Meeting adjourned at 4:50 p.m. Next Board meeting is August 20, 2015.

Sign in Sheet/Attendees: Dan Johnson (City of Kelso/SWRA), Scot Walstra (EDC), Brian Butterfield (City of Kelso/Treasurer's report), Steve Taylor (City of Kelso), Jeff Wilson (business owner), Jerry Sorrell (Pilot/Tenant), and Loren Sievila (Pilot/Tenant).

Minutes respectfully submitted by: Karyn Anderson