

Regional Airport Board

Meeting Minutes

3:00 pm

FBO Office – Kelso/Aviation

June 18, 2015

Call to order

Chair Darold Dietz called to order the regular meeting of the Southwest Washington Regional Airport Operating Board at 3:03 pm on June 18, 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, Chair Darold Dietz reminded the body that there were comment cards available for written Public comment. Darold Dietz took roll call, at this time, the following were present: Darold Dietz (DD), David Futcher (DF), Chet Makinster (CM), Dennis Weber (DW), Norm Krehbiel (NK), Sharon Zimmerman (SZ), Rosemary Siipola (RS), Brian Butterfield (BB) and Karyn Anderson (KA).

Approval of minutes from last meeting

The Operating Board approved the May meeting minutes. David Futcher motioned to approve the minutes. Chet Makinster 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 May 31, 2015 the revenues are approximately \$310,000 dollars and this includes approximately \$50,000 from operations and \$260,000 dollars in subsidies (Board member entity contributions). Brian also shared that the expenses were approximately \$188,000 that this included \$63,000 for the runway extension and \$125,000 for operations which is a net loss of \$75,000. Additionally, Brian reported that the Airport's cash on hand was approximately \$566,000 dollars and that this included \$432,000 restricted cash and approximately \$133,000 in unrestricted cash. He explained that the restrictions are placed on the Cowlitz County rural economic development funds and that number should reduce once it is determined how much of the runway expenditures can be paid for by the restricted cash. Brian indicated that he had questions about Reid Middleton invoices. Sharon confirmed Reid Middleton invoices (2015) Stopway Project. Brian and Sharon to meet to discuss. Brian offered to answer any questions at this time.

All acknowledged the Airport Treasurer's Report without any questions or changes.

Agenda Items

a. General Claims– (attached in the packet)

Rosemary Siipola reviewed the General Claims spreadsheet with Board members. Rosemary pointed out the total Airport general claims should be adjusted slightly from what is in their packet to \$35,962.32 in expenses and that this included for May \$25,617.30 in expense plus another \$10,000 from Reid Middleton. Rosemary added that next month will be the end of the second quarter and she will provide an update to the Board at that time. Rosemary offered to answer questions. Karyn reminded the Board that they would need to motion to approve the general claims.

Chet Makinster motioned to approve the general claims. David Futcher seconded that motion. Darold Dietz asked if there was any further discussion. No further discussion. All were in favor of approving the General Claims as presented without changes.

b. 2015 Amended Budget (Supermajority vote required).

Sharon shared with the Board members that this was the proposal of the 2015 Proposed Budget (with exhibits) provided within their packets. She explained that the main purpose was to provide an update, and capture the Capital Improvement Program (CIP) funding that was put together from last year until now, that it reflects those changes as well as the underground storage tank expenditure of \$25,000, and includes the \$25,000 local match to offset that expenditure. Sharon learned recently that the City of Kelso has agreed to provide the Airport with their portion of the additional funding of \$6,200 dollars for the underground storage tank cathodic protection modifications. Chet Makinster asked if Sharon had heard anything from the City of Longview. Sharon replied no. Chet said that he provided the City of Longview with a heads up.

Sharon further explained the exhibits provided, and the additional line item that included tie downs and flowage fees that are a zero dollar amount. She inserted those as a result of comments that she received from the state auditor's office indicating the need to reflect revenue in those areas and at this point they are placeholders. Sharon offered to answer any questions.

Norm Krehbiel (Board member) arrived to the meeting at 3:10 p.m.

Chet Makinster discussed the past agreement regarding the Board member subsidy contribution duration and that he is the only member that didn't understand that the member contributions would continue, but that he understands now that it was identified during the Master planning effort, and that he plans to

continue to communicate this information. Group discussion regarding the need for a manager's meeting that brings the difference council's and commission together for an update. All agreed that having a joint workshop would be helpful. Sharon identified August as a good time frame to have the workshop, right after the Board has adopted their budget. Sharon offered to answer any additional questions. Dennis Weber stated that this information helps to move us along on the Master plan. Sharon agreed. Sharon pointed out that when referencing the CIP, the numbers have adjusted slightly because of the latest information that she has received from FAA. Dwight Irby (audience member/tenant and pilot) asked Sharon if she had any idea what an above ground system would cost versus spending funding on the underground storage tanks. Sharon replied that the modification is due to the cathodic protection being inadequate at this time and she has been told this will provide the tanks with an additional 25 years of protection. She added that in looking at gaining an additional 25 years for \$25,000 dollars, she recommends proceeding with the modifications on the underground tanks now, and perhaps in the future looking at the above ground storage tanks.

Darold Dietz asked if there were any questions. No further questions. David Futcher motioned to approve the amended budget. Chet Makinster seconded the motion. All were in favor.

c. Underground Storage Tanks Update.

Sharon shared with the Board members that this agenda item was for the proposal of the underground storage tank modifications and that there is a sense of urgency to get these modifications completed by the end of this summer (2015). She added that she has been working to connect with the company that would do the work to better understand their availability however she has not connected with them as of yet. Sharon explained that she is looking for Board approval to move forward in the hiring of contractor to perform the necessary maintenance work.

Darold Dietz asked if that would require a request for proposal (RFP). Sharon replied that it is not required per SWRA policies and procedures but that staff had obtained a written second estimate as part of the second opinion testing.

Rosemary shared that Sharon is allowed (according to the procurement policies and procedures) to sign up to \$20,000 dollars, and since this will cost approximately \$25,000 we are bringing this before the Board for approval.

David Futcher motioned to approve the Airport Manager to move forward and hire a contractor to perform the necessary modifications to the underground storage tanks cathodic protection system. Chet Makinster seconded the motion.

Darold Dietz asked if there were any further questions. Norm Krehbiel asked what the capacity of the underground storage tanks. Sharon deferred to Karyn and Dan Johnson, Dan replied approximately 10,000 gallons per tank and that there are 3 tanks total. Sharon added that 2 are currently used and the other is not. Group discussion regarding the tanks, tank levels, and fuel purchasing.

Darold Dietz reminded the group that there was a motion on the floor. He asked if there were any further questions. No further questions. All were in favor of approving the Airport Manager to move forward and hire a contractor to perform the necessary modifications to the underground storage tanks cathodic protection system.

- d. Amending the FAA grant motions and amendment of project Resolutions for WSDOT Grants.

Sharon shared with the Board members that this agenda item was for the FAA grant and amendment of project resolutions for WSDOT grants (exhibits). Sharon explained that the purpose of bringing this forward was to make sure the Board was aware that the grant funding amounts that were coming in from the FAA had increased slightly. She added that part of this is also so that the Board can make a motion today that amends their previous motion that indicates this new dollar amount and second, to have the board approve the changes to the resolutions with the adjusted dollar amounts.

Chet Makinster motioned to amend the previous FAA grant motions and to amend the motion to approve resolutions 15-002, 15-003, and 15-004 to reflect the new project dollar amounts. David Fatcher seconded the motion. All were in favor. Darold Dietz asked if there was any further discussion from the Board.

Dennis Weber replied that he had a question in regards to the BNSF railroad project and if the Airport had heard anything new. Sharon replied that the discussion with the BNSF had yet to occur and that the fencing project will occur just shy of the Airport's project.

Dennis Weber asked if the plan would still direct stormwater onto Airport property. Sharon replied that she has reached out to the Washington D.C. office and BNSF but hasn't heard anything new.

Darold Dietz asked proximity of the fencing line. Sharon replied that it would be from Talley Way to the current access point by the railroad and just shy of crossing near the Coweeman River.

Dennis Weber asked what the plan was for taking care of the Sullivan hangar tenants. Sharon replied that she plans to have workshops and once the funding is in place, set up a meeting with Reid Middleton to develop a workshop schedule.

Dennis Weber asked Sharon about the location of the new hangars and if she envisioned negotiating current hangar pricing. Sharon replied that this will be a discussion point during the workshops and opportunity to better understand what the Board is interested in doing in regards to negotiating hangar pricing. Sharon said that the coordination with the tenants will be the big push and what options they can come up with during the workshops. Sharon plans to discuss these workshops further during the August Board meeting.

e. City of Kelso Contract (Finance)

Sharon shared with the Board members that this agenda item was the City of Kelso Finance Contract. She understands that the Board is not interested in terminating the Finance contract but is looking at refining those services that are provided and identified. She also pointed out that there are couple of items that are not within the current contract, like the state auditors services, that she wanted to highlight for the Board. She added that the term of the contract ends this year and requires a 180 day notice if there is a potential change in ownership or the operating board, and she wanted to make sure they had coverage for their financial services during that time frame, whatever it might look like.

Darold Dietz said that if he is understanding correctly this would mean that the services would not end, and it could be renewed by month. Brian Butterfield thought it would be every 6 months. Steve Taylor replied no, that it renews for the entire year, and that he's suggesting that there be amended language that addresses if an entity takes over and how they address that transition. Sharon clarified that the contract is on a year to year basis so if they wanted to make any changes, now would be the time. David Fatcher reminded the Chair that at the last meeting the Board tabled a motion that requested that we negotiate a mechanism be added to the contract where we would no longer be obligated and suggested that the Board discuss this now. Steve Taylor added that amendments can be made regardless of the 180 day trigger. Sharon agreed, and added if the two parties agree. Group discussion regarding moving forward. Sharon asked Karyn if the motion was in the meeting packet summary. Karyn replied that she had captured the motion in the meeting minute summary. (page 8/9) Karyn added that the motion was tabled because they had the budget workshop in between the two board meetings, so they suggested to wait until today's board meeting to discuss this agenda item further.

Darold Dietz brought the tabled motion back to the floor for discussion. David Futcher said that his concern were if they no longer operate as the airport board than this is something that should be addressed and the Airport Manager should negotiate a mechanism. Darold Dietz said that the motion was on the floor, that David Futcher motioned and Chet Makinster seconded the motion. All were in favor. Karyn confirmed and read back the original motion, that SWRA negotiate with the City of Kelso a mechanism by which the Board can terminate the contract in the event they are no longer operating as a Board.

- 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

Darold Dietz asked Karyn Anderson to provide an update.

Karyn shared with the Board that they had leased another hangar and that the new tenant moved in the first week of June. She also shared that there was a pilot that had sold his plane. She pointed to the Board members that they were holding at 80% occupancy rate (total of 56 hangars leased). She shared that there has been a lot of activity at the airport now with the nice weather. That the Airport Management Office has had activity, pilots are out flying and working on their planes.

Airport Facility: Safety and Maintenance, Development.

Sharon provided an update in regards to the Airport's safety and maintenance program and that there has been equipment that has continued to break down. Last week the mower deck broke down and approximately \$2,300 dollars in repairs were needed. She explained to the Board that it is not within the budget to continue to pour money into repairing this piece of equipment. She shared that she is looking at different options to see if the public works had equipment available. Darold Dietz asked about the Airport's tractor. Sharon replied that it is working, however the big mower deck is not working. Chet Makinster asked if there were FAA requirements for the grass height. Sharon replied that the height of the grass varies by area and by time of year. Much of the requirements are in the SWRA wildlife management plan. She added that in certain areas it is ok to have the grass a certain length than other areas. Group discussion regarding the maintaining of the Airport grass. Dwight Irby audience member commented that the Airport budget needs to include money for the tractor and equipment. Sharon agreed and added that the equipment is over 30 years old. She added that she's working to get the Airport's CIP up and running and the next will be the maintenance program.

Airport ownership transition update. (update opportunity)

Darold Dietz said that Geir Eilif Kalhagen (CEO of the Port of Longview) and Steve Taylor (City Manager of the City of Kelso) met and that they were waiting for the State Auditor's comments from their Accountability Audit as a next step. Now that they have received that information that could be used to talk to the Port's Board of Commissioners, and thinks Port staff will be making a presentation. Steve Taylor asked Brian if he had spoken to Kathy with the Port of Longview. Brian said yes, and that he did send financial statements. Norm Krehbiel agreed and said that the Port did have the information, and the audit results at this time. Norm Krehbiel added that their Port Commission is in transition. Darold Dietz added that this complicates things as well.

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

Sharon provided an update earlier in the morning that they did reach out to Senator Cantwell's office and is waiting to hear the latest and greatest information. Sharon said that she was anticipating that there will be a future meeting with FAA and BNSF.

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 general claims.
3. The Board has agreed to approve the 2015 amended budget.
4. The Board has approved the Airport Manager to move forward and hire a contractor to perform modifications to the underground storage tank cathodic protection system.
5. The Board has approved to amend the FAA grant motions and to amend the motion to approve resolutions: 15-002, 15-003, and 15-004.
6. The Board has approved the Airport to negotiate with the City of Kelso a mechanism by which the Board can terminate the contract in the event they are no longer operating as a Board.

h. Public Comment and Other General Business:

a. Public Comment:

Steve Taylor

Steve Taylor asked if Sharon had mentioned anything in regards to Stormwater. Sharon replied no. Steve Taylor provided the Board with an update letting them know that after last month's board meeting he followed up with Mike Kardas in regards to the stormwater fee calculation. Steve said that there was an error in calculating the stormwater fee for the Airport. He explained that it is based on the rate increase and number of parcels and should not have resulted in a 300% increase in rate for the Airport. Discussion regarding consolidation of parcels and working with the City of Kelso regarding a lot combine. He asked that the City of Kelso be included and not just the county assessor's office. Rosemary Siipola asked if she should contact Stephanie. Steve Taylor replied yes. David Futcher asked Steve if he knew what the corrected bill amount would be. Steve Taylor replied no not yet, but he did ask that a letter be prepared for the Airport Manager and the Board.

Jeff Wilson

Jeff Wilson had a question for the Board regarding their budget and asked if the Professional Services agreement was for the City of Kelso. He said that it didn't appear that their budget accounted for their stormwater management fee and that the budget is subject to the city approving that amount. He asked about the \$3,000 amount for the cathodic protection line item. David clarified that was for getting it checked. Sharon said that it was for the inspection and replacement of the monitoring probes. Jeff thanked them for the clarity and recommended that the wording tank tightness testing be added to the line item repairs to electrical. Dennis Weber also pointed out that there is a \$30,000 dollar finance contract with Kelso, and another contract with Kelso for \$80,000 dollars for maintenance. Jeff thanked the Board for the opportunity to provide comment.

Dwight Irby

Dwight shared that he had been here at the Airport for 20 years and is glad there hasn't been recent turnover on the Airport Board because it is very difficult to get someone trained. He urges that they keep this group together until the contract is done, it would be nice. He also would like to see Darold volunteer his time since he knows what is going on at the Airport. Group discussion regarding consistency with the Board.

b. Other Business:

Karyn Anderson

Karyn wanted to share with the Board that Tenant Appreciation Day will be on July 10, 2015 from noon to 2p.m. and that the Board Members are invited. Darold asked where it was being held. Karyn replied at the Airport Management Office, not at the FBO. Group discussion regarding marking their calendars.

Sharon

Sharon pointed out that the Board would need to have a budget workshop so that they can make their deadline of August 1, 2015. Group discussion regarding schedules and the potential of July 9, 2015 for the budget workshop. Sharon recommended that the budget workshop and the board meeting be separate. Chet Makinster asked if they could approve the budget all at once. Brian replied that the budget rules are set forth in your agreement and that the state doesn't speak to the budgets of the board. Steve Taylor added no public hearing is required. Sharon added that public notice is required of the meeting. Dennis Weber clarified that the meeting will be held at 3p.m. on the 9th of July. Rosemary asked if the 23rd might work better given everyone's schedule. David Futcher explained that he could be here for one of the meetings but not both meeting dates. Karyn reminded the Board that their regularly scheduled board meeting is on the 16th at 3p.m. and suggested that perhaps they could have the budget workshop same day prior to, at 1:30p.m. David replied it's the time commitment that he is struggling with not necessarily the dates. The group agreed to have a Budget workshop on July 9th at 3p.m. and the regularly scheduled Board meeting at the regularly scheduled date and time (3pm. on the 16th of July). Group discussion regarding voting. Chet Makinster, Darold Dietz and Norm Krehbiel are available for the 9th and 16th of July. Dennis Weber committed to July 16th. David Futcher is available on July 9th.

Rosemary Siipola

Rosemary shared with the Board that she will be going up to attend Auburn's expo and to the Tacoma Narrows to discuss advisory groups and program information.

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).

i. **Meeting Adjourn and Next Meeting Date**

Darold Dietz adjourned the Meeting. Meeting adjourned at 4:00 p.m. Next Board meeting is July 16, 2015 and the budget workshop is to be held on July 9th, 2015. Both meetings will have a 3pm start time.

Sign in Sheet/Attendees: Bill Smith (Pilot/Tenant), Scot Walstra (EDC), Don Barclay (Consultant), Brian Butterfield (City of Kelso/Treasurer's report), Dan Johnson (City of Kelso/SWRA), Steve Taylor (City of Kelso), Dwight Irby (Pilot/Tenant), and Jeff Wilson (business owner).

Minutes respectfully submitted by: Karyn Anderson