

Regional Airport Board
Meeting Minutes

3:00 pm

FBO Office – Kelso/Aviation

November 19, 2015

Call to order

Darold Dietz called to order the regular meeting of the Southwest Washington Regional Airport Operating Board at 3:05 pm on November 19, 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 group that there were comment cards available for written Public comment. The following were present: Darold Dietz (DD), David Futcher (DF), Chet Makinster (CM), Dennis Weber (DW), Norm Krehbiel (NK), Paul Roesch (PR), Sharon Zimmerman (SZ), Dan Johnson (DJ), and Karyn Anderson (KA).

Approval of meeting minutes

The Operating Board approved the September Operating Board Meeting minutes and the October Board Special meeting minutes. There was no October Operating Board meeting. David Futcher motioned to approve the minutes. Chet Makinster seconded the motion. All were in favor of approving the minutes with one correction. Norm Krehbiel pointed out that on page 3 of the September Operating Board Meeting minutes that a name was misspelled.

Treasurer's Report

Brian Butterfield (City of Kelso Finance) shared with the Board Members a one page handout of the budgeted revenue and expenditures report. He explained that the revenue information was broken down by operations, interest, miscellaneous, subsidies from each entity, and grant information that is received. Additionally, that the expenses are broken down into operations, capital and debt service. Brian went on to explain that they started off the month of October with approximately \$133,000 in cash and ended the month of October with approximately \$115,000 in cash. Brian also pointed out that the restricted cash is the Cowlitz County grant restricted funds that are for the stopway project. Brian offered to answer questions and asked if anyone would like to see anything else on the treasurer's report. Board members thanked him for the report. Darold asked if there were any further questions for Brian. There were no additional questions. Chet Makinster motioned to approve. David Futcher seconded. All were in favor of the motion.

Agenda Items

a. General Claims– (attached in the packet)

Sharon Zimmerman explained the General Claims Spreadsheet with the Board members and that the Airport is processing a total of \$29,315.89 dollars. She also pointed out that there was a couple of line items that had been overspent. One was the stormwater fee that she plans to discuss further in the agenda because she has great news about this item.

David Futcher moved to approve the general claims. Chet Makinster seconded the motion. All were in favor of approving the General Claims as presented without changes.

b. Public Comment

Jerry Sorrell

Jerry suggested that if possible, he would like the Airport Board to have a tenant on the board. Paul Roesch replied that it would not be legal under the current Interlocal Agreement. Group discussion regarding the possibility of having a tenant on the board.

Dwight Irby

Dwight recommended that there be a pilot on the board.

Darold Dietz asked if there was any further public comment. No further public comment.

(Reid Middleton, Don Barclay and staff arrived to the meeting)

c. SWRA 2016 Budget Resolution (15-006).

Sharon explained that the budget resolution is from the approved budget (July 16, 2015), that this included the \$11,000 increase from the entities, and attached is the resolution and the budget exhibits. Sharon explained that this requires a supermajority vote which would include three of the four board member's partner agencies voting in favor of the budget.

Dennis Weber asked if the budget captured the comments from previous budget workshops. Sharon replied yes. David Futcher motioned to approve the budget resolution. Norm Krehbiel seconded the motion.

David Futcher had a question regarding process for the airport attorney, Paul Roesch. David asked Paul if the board members should have had the budget approved by their entity first before voting on the resolution. Paul replied that

they were obligated to put an approved budget in place by August and should have taken action by October 1st. Paul is not sure where the four entities are regarding that approval process but that the resolution cannot be acted upon until it is clear that the four partners approve. Paul added that this will provide the legislative backing that the four entities need, and if the board members don't have that then the process is moot. Group discussion. Paul also added that the board would have a hollow resolution if they then approved the resolution, the process worked its way through and the budget was changed, than the board would need to amend the resolution.

David Futcher than asked if he could get an update from the other board members on where they are at in the process of taking the Airport's budget to each of their entities for approval.

- Chet Makinster replied that he had taken the budget before the City of Longview Council and that it hadn't passed.
- Darold Dietz replied that the Port of Longview is to have a workshop and that it has been postponed until January 2016.
- Dennis Weber said that Cowlitz County had a discussion regarding the budget and that there were no objections at this point, but they have not approved their budget yet and won't until December 2015. Dennis also added that there is no reason to assume that the County won't pass the budget and fulfill their agreement.

David Futcher summarized that it sounds like three board members won't receive approval until 2016. David added that if the City of Kelso and the County approved their budgets, the board still won't have the other two entities on board because they aren't having their workshops until January. Group discussion regarding what to do on January 1, 2016. Paul Roesch replied that the board wouldn't have a budget in which expenses could be charged and he is unclear what happened with the last budget. Sharon replied that the last budget was adopted in October 2014 and in place by December 2014.

David Futcher than asked what the Airport attorney, Paul Roesch recommended the board do at this point. Paul recommended that the board follow through with the action that they all agreed to take back in August and approve the budget resolution. Paul added that the board can adopt the resolution. David Futcher replied ok, but said that the resolution is toothless until it is adopted by three of the four board member's agencies. Paul replied that the issue is how the funding will actually occur but the board will have their resolution in place once 3 of the 4 entities approve it. David said that it may not be funded until 3 of the 4 approve

the budget. Paul clarified that to have a supermajority you must have 3 of 4 approving and with 2 of 4 the board would not have a supermajority.

Chet Makinster than asked Dave Campbell (audience member/City of Longview Manager) about the City of Longview's recent decision and if certain portions of the budget had been approved. Dave replied that the City of Longview Council did not approve the budget as a whole. Group discussion regarding budget. David Futcher encouraged the other board members to work towards moving the budget forward so that the Airport has something to work with.

Brian Butterfield (City of Longview Finance) than asked a question about the budget. He said that it was his understanding that the board was going to move a debt payment over to 2016 but that he didn't see that reflected in the attached exhibit. Sharon explained that the attached budget exhibit didn't reflect the City of Longview loan deferral because this is the approved budget still being considered by the other entities. She adds that it all gets back to timing at this point. Steve Taylor asked if Longview approved the deferral. Sharon replied yes, that the City of Longview agreed to deferral of the loan.

Darold Dietz asked the Airport attorney, Paul, if the board should move to accept the change. Sharon added that the action was to defer the \$20,000 that was owed to the City of Longview and instead use the funds of the \$20,000 as the pavement repair line item that will occur in 2015. Paul replied yes, the board would need to amend that and take action to adopt. David Futcher motioned to amend the previous motion of the correction of reducing paving by \$20,000 and increasing payment to the City of Longview by \$20,000. Chet Makinster seconded the motion. Paul Roesch provided a suggestion that the board withdraw their original motion. Group discussion. Darold than asked the board for a vote to withdraw the original motion. All board members voted that they were NOT in favor of the original motion.

David Futcher than motioned to accept the budget resolution to reflect that they are spending \$20,000 to pay Longview instead of on pavement. Paul suggested rephrasing the motion to approve an amendment to the board's 2016 budget to include the payment to the City of Longview by \$20,000. Group discussion. Dennis Weber shared that if he understands the current suggestion, \$20,000 would be stricken from the repairs and asphalt line item for the entire year in 2016 and there would be no paving or maintenance on the asphalt. Sharon replied yes that was the motion. David Futcher added that the paving is being done in 2015.

Paul reminded the board that the action they took at the last meeting was to defer payment from Longview this year and that next year it would be paid no later than April 2016. Paul added that he thinks they have accomplished what they need to do with the 2015 budget with that action, but what they need to do now is to amend the budget proposal back in August for 2016 by increasing the budget by \$20,000 to cover the payment in 2016 to the City of Longview. Brian Butterfield added the only reason he brought this up is that he didn't know that was the case, and that the asphalt repair was in lieu of itself. Further discussion.

Paul said that a motion is still appropriate for the board to amend their 2016 budget that was approved in August to include the line item of \$20,000 to cover the payment to the City of Longview. Chet Makinster motioned to approve. Norm Krehbiel seconded. Paul Roesch confirmed that the motion was to amend the 2016 budget to include the line item to the City of Longview by \$20,000.

David pointed out that this leaves the revenues and expenditures out of balance. Dennis Weber asked if there should be a line item added to the revenue page to show that \$20,000 beginning balance. David replied that typically there is a beginning fund balance or ending fund balance. Brian pointed out that there is a SWRA fund commitment line item in the amount of \$46,000 which is for the Stopway but in laymen's terms that he considers this the "reserves". Group discussion.

David suggested that the fund commitment number be increased to \$66,000 to capture it. Dennis Weber confirmed that the Airport funding commitment should read \$66,000 instead of \$46,000 to balance. Brian suggested that if they move the \$20,000 in asphalt that was already spent this year, move that to 0\$ and then they put \$20,000 over into the note payable line item to Longview. However, if the board chooses to leave the asphalt repair line item in then the board would have to add something to revenue to make the revenues balance with the expenditures.

Paul Roesch added that if the board leaves the \$20,000 in the line item for next year pavement repairs, then you do need to come up with \$20,000. Karyn asked if they were then recommending instead of reducing their asphalt repair line item by \$20,000, they would recommend increasing the SWRA fund commitment to \$66,000. Group discussion. David said that they would like to leave the asphalt pavement repair in the 2016 budget because they may still want to do some more work. Dennis Weber shared that he is concerned with removing the asphalt repairs.

Dennis Weber seconded Chet Makinster's motion to make the payment to Longview and adding the increase to the Airport fund commitment so that it reads \$66,000. All board members were in favor of approving.

Jeff Wilson asked to provide public comment. Jeff shared that he would like to comment (as a citizen, not as a commissioner) that the board has an approved budget and the funding amendment has been approved by resolution but that the funding mechanism is not in place for January. Jeff thanked the board for allowing his comment.

d. SWRA Policy: Past Due Accounts

Sharon explained that in the spring of 2015 that the board went through an accountability audit with the State Auditor's office and as a result of this audit they had provided some suggestions to help as we continue to develop and establish tools in place. One of these suggestions was to establish a formal policy for handling past due accounts. She explained that every now and then someone will have a past due account. Sharon said that Paul Roesch went ahead and drafted a policy for the board to consider and regarding what some of those next steps could be.

Chet Makinster motioned to approve. David Futcher seconded the motion.

David Futcher than asked about the "board shall" terminology used on page 1 of the draft policy and if it implied that the board members will be working to collect and make phone calls on past due accounts. Paul Roesch replied no, that it implies that the board has a policy in place so that the management team or whomever will be engaging in that activity. Paul added that the board should be able to go to their delegated staff person, or in this case after the first of the year the City of Kelso, and ask about this.

Paul explained that from his understanding collecting past due accounts hasn't been a big problem but we are addressing an issue that came up in the accountability audit. Paul had a couple other suggestions that he discussed with Sharon in terms of the policy, leasing, and ultimately collecting of late fees.

Brian shared that the auditor's concern was that it is stated in the rental agreement the terms of when late payment is to be charged. Brian said it is nice to have a policy in place and ultimately we need to collect those late fees and perhaps get a uniform lease agreement. Paul Roesch said he is looking at that and from a management stand point. Sharon said that this policy is one of those steps in the right direction.

Darold asked if there was any additional comment. Karyn confirmed that Chet Makinster was the motion. David Futcher seconded. All were in favor of approving the motion with no additions or edits.

e. SWRA Board Chair Appointed position

Darold explained that this agenda item was added so that the board could discuss the Board Chair appointed position. Darold said that with everything going on, he was going to make the Board Chair position available as he will not be here in 2016. He thought if the board members wanted to replace the Chair in December rather than in January. Chet asked if this was in the Interlocal agreement. Paul replied that this is a procedure that rotates annually, and what they did last year was to extend Darold for another year, deferring the City of Kelso coming on board as the Chair in 2015 and waiting until next year (2016). Group discussion. Darold reiterated that the Board could agree with the chair appointing occurring in December, if David Futcher would like to do that they are welcome to, if not than the Board will carry on the way they are until 2016.

David Futcher replied that it is up to the Board. Dwight Irby (audience member/tenant/pilot) replied that Darold should finish out his term. Darold replied that he could do that, he just thought it would be easier. David Futcher said that Darold was doing a good job. The board agreed that Darold will remain in the Chair position for the remainder of the year. Chet asked who was in place the next year. Group discussion regarding the summary of the Board Chair positions (agenda summary sheet) and the at large position.

f. Agreement with the City of Kelso: Interagency short term loan

Sharon explained that the board operates on a very tight budget and due to FAA's AIP funding reimbursement grant they are spending that funding now and over the next seven or eight months. This interagency short term loan concept is an attempt to cover the gap in receipt of this funding versus when they receive the reimbursement grant funding back from FAA. She explained that it would be a very short term loan from the City of Kelso and it is something that is provided within the professional services City of Kelso Financing agreement. Sharon pointed the board to the draft letter provided within their packets and explained that it was a short term loan for an amount that was foreseen to be spent in the next four months, but prior to receipt of your contributions that typically occur around March timeframe.

Dennis Weber asked when the City of Kelso was managing the Airport this would have been regular course of business that would have been worked out within the normal cash flow and not out of the ordinary. Steve Taylor replied that they

would need authorization from the board saying that the board agrees with the official request of the short term loan and they would then need their interagency loan agreement to approve the process.

Dennis Weber motioned to approve the interagency short term loan letter to the City of Kelso. David Futcher seconded the motion. Darold asked if there was any further questions or discussion from the audience. All were in favor of approving as presented without changes.

g. Agreement with the City of Kelso: Airport maintenance agreement

Sharon reminded the board that they have been considering a change in the strategies on how maintenance services are provided at the airport. It has been provided by a full time person that past couple of years and the board's base service provided by the City of Kelso along with as needed service scopes of work to be developed by Airport Management and provided by Kelso to the Board. She explained that maintenance items such as runway checks, light bulb replacement, and 2 hour daily morning inspections are provided as base services. Sharon said that during the winter time frame the demand for the maintenance work is less. This strategy captures cost savings for the board. In the high season the board would receive as-needed routine work such as mowing and repairs to buildings. If you had two people then you would have additional safety being provided, for example if there are ladder safety requirements. As well this agreement provides you with an opportunity regarding other equipment at the airport and being reimbursed for those direct costs. Sharon added that this maintenance agreement provided within the board members packets is based on the Board previously communicated direction, is addressing board direction that is being implemented and the results of the negotiations between Sharon and Steve Taylor (City of Kelso Manager).

Darold Dietz asked Sharon how this would affect the Airport if they move forward with the City of Kelso's proposal agreement from today's workshop. Sharon replied she is acting under the assumption that they are still operating as a board, that the maintenance agreement may change, and that the City of Kelso may modify it.

Paul Roesch agreed, and said that the City of Kelso may take on the responsibilities of managing the Airport, which hasn't happened yet. Paul explained the renegotiation of this agreement has been in place for some time, you (board) provided notice a while back to make modifications, so these discussions have occurred, the agreement captures those discussions, and Paul thinks it is appropriate for the board to take action. Paul said than it will be up to the City of Kelso next to decide whether it's going to take action to enter into the agreement.

Paul added that if in fact Kelso does take over the Airport than the agreement is relatively moot, because maintenance services are going to be provided by the City. Paul said the board could take action today and that the other option is that they don't take action this month and wait to see where the discussion with the workshop is headed. Sharon than reminded the board that they already provided termination notice for the current contract so as of January 1, 2016 they would not have a contract in place.

David Fatcher moved to authorize the renegotiated agreement with the City of Kelso for Maintenance services. Dennis Weber seconded the motion. Dennis said that he wanted to reiterate that safety and maintenance services will continue at the Airport, just the formulation will be different. Group agreed. Sharon replies yes, that is the intent.

Steve Taylor asked to provide comment. He pointed out that the major difference in the agreement is that the old agreement had the authorization to pay for the full-time airport maintenance supervisor which they removed and replaced it with an hour by hour basis. Steve said that his main concern was making sure that they will still have some type of regular coverage beyond January 1st.

Dennis Weber said that the City would be able to make management decisions to make sure the maintenance is taken care of. Steve replied that he wants to make sure that they have a funding mechanism to pay for the Airport maintenance person during the transition and until the new airport manager comes on board. Steve says that this can all be covered in the Kelso management agreement and admits there is a lot of work to be done here over the next few month's given the direction we are going. Darold Dietz asked if there were any other comments from the audience.

Jeff Wilson asked to provide comment. Jeff Wilson said that he hadn't seen the maintenance agreement and therefore recommended that the board table this until December. Sharon apologized and explained that she hadn't included the draft within the general audience packet. This was something that was provided to each of the board members and a copy made available here at the desk in a paper cost reduction effort.

Dennis said that this gets the ball rolling, puts it on the table for Kelso to consider, as the board reworks the management agreement, and at least these principles will be considered. He added that it isn't like a final decision is being made, it does however complete the cycle of the board's request to have the agreement renegotiated into a maintenance formula that ensures safety, and appropriate maintenance activities continue in a cost effective manner. Norm Krehbiel said than it would say that the board agreed to these terms. Paul replied yes, correct.

Darold asked for a final vote. All were in favor, except for Norm Krehbiel. Norm added that he didn't have time to review and discuss adequately and will therefore vote no. The motion passed with yes votes from Darold Dietz, Dennis Weber, Chet Makinster and David Futcher. A no vote from Norm Krehbiel.

- h. Agreement between Cowlitz County and SWRA Board: Interagency agreement regarding small works roster.

Sharon explained that this agenda item is regarding an agreement between Cowlitz County and the SWRA board regarding the County's small works roster. The agreement would be between the County and the board which would allow the board to utilize the small works roster at no cost.

David Futcher moved to approve the interagency agreement. Norm Krehbiel seconded the motion.

Paul Roesch added that the board took action in their procurement policy to adopt use of the County's small works roster and it's his understanding that the first time this has come up was with the recent Taxilane/Clary project. Sharon replied correct. Paul said that as a result, the County approached the Airport saying that they'd like to have something that shows they agreed to accept that. Paul added so it isn't an additional burden for the board, it simply follows a prior action of theirs. Dennis Weber said that he noticed on the agreement that he is to sign the document and asked if that was a conflict in voting to approve the agreement. Paul replied no.

Darold Dietz asked if there was any further comments from the audience. No further comments were provided. All were in favor of approving.

- i. Airport Management Workshop – November 19, 2015 (1:30-2:30)

Paul explained to the board that this item was placed on the agenda in case the board decided to take any action that may have arisen out of the workshop that was held earlier today.

Darold asked if the board needed to motion to approve the starting of the process with the City of Kelso and how it starts without the board's official ok. Darold said that the board hasn't voted on anything at this point.

David Futcher motioned that the board ask the Airport attorney to work with the City of Kelso to develop a management contract agreement that would take effect the 1st of January, to operate the Airport. Norm Krehbiel seconded the motion.

Darold asked Steve Taylor if that sounded right to the City of Kelso as next steps. Steve Taylor replied that they would get a management contract together, he assumes than he would be working with Sharon, Paul Roesch, and Janean Parker to get something ready for the board to review at the next board meeting (December). Steve said that within that effort they would spell out the process and timeline of hiring a permanent manager, which as of today's workshop he thinks the board wants to move forward with hiring a permanent manager that would be hired by the City of Kelso.

Steve added that the City of Kelso would work with the board and the tenants to form a hiring or approval committee. In addition he will need to work through all of the necessary steps in completing a job description, determining salary, and getting the job announcement out for advertisement to candidates.

Dennis Weber asked if there was also any further discussion about having an advisory group of users, tenants and pilots that would advise the airport manager on operations. Dennis said that has been discussed in previous meetings and at some point he would like to see a technical advisory committee user group that advises the manager.

Steve replied yes, that in previous discussions he has had with Jerry Sorrel and Jerry has had with other tenants, advisory and liaison services are available to call upon over the next several month period following Sharon's departure and before the hiring of the new manager. He added that this coordination can help to bridge the gap. Dennis Weber thanked Steve. Paul Roesch said that the other piece of the discussion involved could be regarding not changing the format of SWRA at least at this time, which may come up as this process moves ahead, and no action would be required to be taken as of January 1st 2016.

Darold asked if there were any additional comments from the audience.

Jerry Sorrell asked to provide comment regarding the transition. Jerry said that the volunteers are working on refining their job description for a future manager as soon as possible and could receive input from the current board. He reminded the board that they have a generic draft prepared but it hasn't been distributed to his knowledge. Jerry thinks this is something that is important to move forward as soon as possible. David Futcher shared that he does plan on making a motion that may help to address some of these points.

Jeff Wilson said that he wanted to offer his comments of support for this and that he thinks the board is headed the right direction. Jeff agreed with the motion and he found nothing wrong with it and would like the board to preserve that, and be

cautionary with any addendum to the Interlocal agreement. Jeff does support the motion completely.

Darold asked if there was any further comments. No further comments. All were in favor of approving the motion. (Karyn confirmed that David Futcher motioned and Norm Krehbiel seconded the motion).

David Futcher than asked to make a motion that the board assign a representative to work with the City of Kelso and any others they deem are appropriate in the recruitment and hiring process of the permanent Airport manager. Dennis Weber seconded. Norm Krehbiel asked for clarity regarding “they deem”. David clarified that he was talking about the City.

Steve Taylor pointed out that all of this is contingent upon approval from the Kelso City council about this process and position. Steve says that he understands that he has the boards support to move this forward and thinks that this is the best alternative and decision to make during the interim period but wants to remind everyone that it is contingent upon council’s approval. *Darold asked for other comments. No further comments. All were in favor of approving the motion.*

Paul Roesch asked for documentation purposes if the four entities would need to take legislative action in support of the contemplated agreement or are you going to be comfortable expressing the sentiment of your perspective groups so that the board can move ahead with the agreement. Dennis explained that the board has not separately voted on management contracts before and doesn’t foresee a need to. Group discussion.

David Futcher motioned to appoint Dennis Weber as the board’s representative for the hiring committee. Chet Makinster seconded the motion. All were in favor.

- j. Airport Current Business Updates (non-action items): Hangar Occupancy, Airport Facility Update, and Airport Board Update.

Hangar Occupancy Report

Darold Dietz asked Karyn Anderson to provide an update.

Karyn shared with the Board that they recently leased a hangar a few Friday’s ago and that she and Dan had processed that tenant into their B Row. She explained that there has been a lot of moving around at the Airport. That there have been tenants shifting from the eastside of the Airport, shifting to the westside of the Airport, a tenant that recently moved into a larger hangar, recent seasonal activity at the Airport due to the weather, and as George Ford mentioned earlier we have our business tenants that are here using the Airport on a daily basis.

Additionally, Karyn shared that she did a little research, looking at past occupancy rates for the Airport, and hangar leasing. She explained that in looking at past leasing and occupancy rate activity back in 2013, it was around the 60 to low 70% occupancy rate. In 2014, she looked at last year this timeframe and the Airport hangars were at approximately 75% occupancy. And currently in 2015, overall the Airport is looking at approximately 85% occupancy rate.

She shared that she wanted to point this out to the board so that they were aware of the increase in the leasing of hangars, that she'd like to see that at 100% someday, and she thought the board would like to know this information. Darold added 100% and with a waiting list. The board thanked Karyn for the update.

Airport Facility Updates:

Life Flight Letter of Interest

Sharon provided an update to the board letting them know that the Airport had received a letter of interest from Life Flight and that they are evaluating the potential of locating here at the Airport.

Three Rivers Regional Waste Water Authority (TRRWA)

Sharon explained that the Regional Waste Water Authority has the need for accessing the Airport and causing a temporary above ground 12" pipe that goes up Colorado and cross up north of the Airport through the runway protection zone and comes out over Pacific Avenue over by the Airport Management Offices. She explained that they contacted her, she than informed the board that she has been coordinating the 7460 review process with FAA. After about 3 months, FAA has approved 5 of the 6 points.

Sharon also shared that it has been amazing how long this process is taking especially because she has been informed that this is the expedited process. Also, she shared that Mary Vargas with FAA has been terrific to work with, and that Mary has been calling to coordinate with Sharon even on Mary's days off. Mary has been instrumental in obtaining the approvals, it has to go through the Navy and is an in-depth process. Sharon originally thought it would have been something much simpler, easy process for a project that is only 3 week, and not a long term project, but has learned that it is a major process with the FAA. Additionally, Rich Gushman with Gibbs and Olson has been very responsive and providing the necessary 7460 form information. Sharon added that there is also a license agreement that has been drafted, insurance and just waiting for that last FAA approval so that Sharon can sign approving them to move forward with the FAA requirements they are putting on them. Paul Roesch asked what the physical impact is going to be. Sharon said they will be putting it as far north as possible.

She explained that one of the first proposals is in regards to the manhole that is on their Airport, between the taxiway and the runway at the northend, and of course the contractor that manhole would be their best area to setup and minimize impacts but as they were going through it with the FAA, it would require a partial closure of the runway which than it became very complex, very quickly. They believe they can push the system and not access the manhole. She went on to explain that it will be NOTAM'd and barricades maybe required by FAA. Paul Bax (audience member/pilot) asked how far north Sharon is referring to. Sharon replied north of the runway, out of the runway protection zone and out of the way, approximately 300 feet from end of the runway. Paul Bax commented that there would most likely not be a pilot concern with that information. Sharon explained that it will not be a closure, it will be a temporary crossing of the runway protection zone and that they are anticipating it will take approximately 3 weeks. Group discussion regarding if there is a runway closure. Sharon replied, no runway closure.

Fuel Tank: Update on Relocate

Sharon reminded the board that they had received interest from a tenant regarding relocating a fuel tank at the Airport. She said she is keeping this on the agenda as a reminder to give the board an update, but at this point she hasn't heard from the tenant or heard of any activity regarding that. Sharon said that she provided the tenant the required 7460 form process approximately 3 months ago along with minimum next steps. The tenant has not yet provided any new information on the 7460 form.

Siting Hangar: update

Sharon explained that this is similar to the fuel tank relocate agenda item that it is also on the agenda to remind her to provide the board with an update regarding the tenant's interest in siting of a hangar at the southend of the Airport. Sharon said this is the same as the fuel tank relocate update, the tenant has not provided any new information or submitted a completed 7460 form. Sharon asked if there were any questions on any of these items. There were no questions at this time.

CIP Project Update

Sharon reminded the board that they have 3 FAA priority projects that have been funded for design and are underway. She said that those are moving forward. Additionally, when it comes to the Sullivan hangars there is tenant coordination that needs to be completed. She received a draft letter from the consultant that will be going to the tenants and she hopes to have that out in the next week or so.

Stopway Project

Sharon has been involved in a couple of conference calls with FAA discussing the review of the discipline report that includes information on the biological assessment reports, cultural resources reports, that are submitted to the reviewing agency and retained for permitting. She said that FAA needs more information from the Airport. At this point, Sharon said it is unclear what that information is and it is still being discussed with FAA and the consultant to refine what is needed so they can continue to move that project forward.

Automated Weather Observation System (part repair, status update)

Sharon provided an update regarding the AWOS. She reminded the board that this is not the boards to own, that they are not responsible for it, it is the FAA's to repair. The AWOS has been repaired and it did take FAA about 3 months to repair it. This is something that staff monitored, were contacting quite a bit to find out what that status was, what the problems were, and what was taking so long. Sharon stated that there is only so much that can be done on her end. She understands that it is a very important feature here at the Airport. Sharon was asked what the problem was and she replied that a computer part had fried in August and the part took them about 3 months to get in. She added that there were 3 other facilities that were down as well and it depended on where the Airport was at in their queue on timing for the repairs. She thinks monitoring the issue helped move it up about a month. Dan said that he heard they had to reconstruct the old system and rebuild the system again.

George Ford asked to provide comment. George said that he wanted to provide the board information about the AWOS and how it works. George explained that if they are departing from Yakima, and he gets on his phone, he can see what is happening here. He added that if he can't see what is happening here, then he can't depart Yakima. He has other options if he needs to land at PDX for example and then drive up.

George then explained that the AWOS is an observation system that transfers through the internet, connects to phones, so in the air he has two ways to see the satellite and the regular audio, and ASB which is another digital way to see it. This helps to keep track what's occurring in Kelso. George expressed how important this is and that if he doesn't have this and he is over cloud cover and has nowhere to land over the mountain, then he is stuck.

George shared that in case of the Bud Clary jet it is 10 miles an hour down one runway or the other and that is going to increase the landing speed by 300 feet

depending how well he comes in on approach. At night time, you can't see anything, the windsocks and that can be a very serious situation.

Dennis Weber asked George how often a computer like this breaks down and 3-4 months to repair it. Darold said he thinks that is ridiculous because it is so critical. Darold thanked George for explaining it to the board because they didn't think it was that critical. Darold asked why they would take 3-4 months to get it fixed. George said he isn't sure how to answer that question. Sharon said they said they had other priorities ahead. George said that there is a reason why the windsocks need to be big in size and you can't see at night we look at the smokestacks to determine direction too. George said there are several windsocks here at the Airport but they are so midget it's hard to see them, and he does think they are the right size but you can't see them at night. He added that you can dial into it and it has a telephone number for the AWOS that he can call into. George thanked everyone for letting him provide comment to the AWOS.

Washington Aviation Systems Plan (WASP) and Aviation Information Systems

Sharon explained that the State is doing an update of the WASP and they have asked the Airport to provide updates on the data, survey information, that we provided the information within 3 weeks.

Taxi Lane Repairs

Sharon said that there was a signed contract with Lakeside and the holdup at this point is that they have back log and are waiting for the weather. At this point they haven't provided her with an updated schedule but she will continue to keep the board updated.

Refund to Airport – City of Kelso Stormwater charges

Sharon explained that the City of Kelso has been working to answer their questions about the stormwater fees that the Airport receives. She said they have done a great job in working to answer these questions, what the cost is, what it is based on, a thorough review. On October 30th they wrote a letter to Sharon indicating that there has been an overcharging that is going to result in a refund to the Airport in the amount of \$26,000 dollars. At the time of this letter and over the course of their review that she has been told it will be approximately this amount. She added that a portion of that during the general claims discussion some of these funds will help balance some of the line items that have been overspent. Overall, this is great news, over \$20,000 dollars that will be coming forward to the board and she has some great ideas on where this could be spent on the westside of the airport near the office to address the gravel.

Steve Taylor asked if the board agreed to this refund and if so, the City would work on getting that amount turned over. Sharon said that there is also a couple of refunds to a few tenants. Steve replied yes, that there are several utility accounts that pay for the service and it has to do with how it was initially set up. And, when you look at it, should a tenant being paying a stormwater fee, or should the owner of a parcel be paying. He explained that part of their billing is based on the utility bill which there are tenants that sign up for utilities and they get water, sewer, and garbage and a stormwater fee. Steve said they are working towards having it be a separate bill from the utility billing. At the Airport several tenants have the utility bills and their impervious area that they were paying for was already counted into the Airport's billing. So they will get a refund back. Group discussion regarding adjustment in rental rates. Dennis Weber said this could be something for the future manager to address. Sharon said when they look at updating lease agreements. Norm asked if Steve was suggesting that the board needed to take action on this agenda item. Steve replied that before they process the check, they wanted to make sure everyone was in agreement, that the board was notified and then they would cut the check.

Dennis Weber moved to "thank" the City of Kelso for reviewing this situation and coming up with a fair amount. Steve said even better, once the Airport gets the parcels combined the Airport would see an even greater reduction. All were in favor of "thanking" the City of Kelso.

Dwight Irby asked a quick question on fuel tanks. He asked since the FBO sells fuel at the Airport, if someone could get commission off of the diesel sold, and he wondered what the rules are for bringing your own fuel onto the Airport. Sharon replied that there are several things that would need to be addressed, one is a flowage fee, and it would be something to be addressed with the FBO contract as well. At this point the board is receiving nothing for the fuel tanks being available for fueling. Dennis asked if there are other tenants that bring their own fuel in. Sharon replied yes. Jerry Sorrell replied that at a federal funded airport, an aircraft owner may bring fuel onto the airport and the entity cannot deny it, however the entity can control the delivery the storage and rules that go with it. Sharon added that it needs to go to the 7460 process.

George Ford added that it is very common to have multiple fuel places on an airport for example when he flies to Bend they have fuel wars. Pilots fly out of their way to go to Bend because prices are so low and the benefit to their City is the business they bring them. He went on to explain all of the benefits there are because of the business it draws, so he highly recommends that the board would want to chase this and not steer away from it. Dwight Irby added on a

commercial basis, and that it was good because if you can keep fuel prices down you are going to bring more business into the airport. George said that pilots have apps on their phones so that they can look up fuel prices.

Airport Board

Airport ownership transition update. (update opportunity)

Group agreed that there was not a lot new to report. Darold Dietz said they will have two new commissioners that Jeff is just coming on board.

Darold asked if any of the board members had additional comments.

Dennis Weber said that he was glad to share the County's small works roster.

Chet Makinster said that what they have accomplished today will help facilitate with the City of Longview council.

k. Review of Action Items, Other Airport Business, Next Meeting Date (s) and Time

Review of Action Items

Darold thanked everyone for coming to the meeting and then asked Karyn 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 provided within their packets for September and October.
2. The Board has approved the City's treasurer's report for September and October.
3. The Board has approved the general claims.
4. The Board amended the 2016 Budget to include the note payable line item to the City of Longview for \$20,000 dollars and changing the SWRA fund commitment by increasing it to \$66,000 dollars.
5. The Board approved the past due accounts policy.
6. The Board approved the interagency short term loan letter to the City of Kelso.
7. The Board approved the Airport Management Maintenance agreement.
8. The Board approved the interagency agreement between Cowlitz County and the SWRA Board small works roster.

9. The Board motioned to ask the attorneys to work with the City of Kelso to develop a management contract agreement effective the 1st of January to operate the airport and have ready at the next board meeting.
10. The Board to assign a representative to work with the City of Kelso and other parties as designated to recruit an airport manager.
11. The Board selected Mr. Weber to work with the selection committee.
12. The Board moved to “thank” the City of Kelso for the stormwater refund.

Jerry Sorrell asked to provide one last comment to items # 2 and # 6. He thinks that Sharon has worked hard attempting to get other agencies to come together and make things happen. He sees costs involved with contractor delay and that costs money, and the AWOS being broken at times causes the pilots to make other decisions to go someplace else. He sees this going on all around the state and he thinks it is bureaucracy that is causing losses in the industry.

Meeting Adjourn and Next Meeting Date

Darold Dietz adjourned the meeting at approximately 4:37 p.m. Next Board meeting is December 17, 2015 at 3:00 p.m.

Sign in Sheet/Attendees: Dan Johnson (City of Kelso/SWRA), Jerry Sorrell (Pilot/Tenant), Dwight Irby (Pilot/Tenant), Steve Taylor (City of Kelso Manager), Dave Campbell (City of Longview Manager), Jeff Wilson (business owner), George Ford (Pilot/Tenant), Scot Walstra (EDC), Randy Johnson (PW) did he leave after workshop?, Patty Murray (City of Kelso Finance), Brian Butterfield (City of Kelso Finance), Paul Bax (Pilot/FBO), and Don Barclay (Reid Middleton Consultant).

Minutes respectfully submitted by: Karyn Anderson