

CARSON CITY AIRPORT AUTHORITY

Minutes of the July 15, 2009 Meeting

Page 1

A regular meeting of the Carson City Airport Authority was scheduled for 6:00 p.m. on Wednesday, July 15, 2009 in the Carson City Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairman Steve Lewis
Vice Chairman Walter Sullivan
Member Alex Carter
Member John Kelly
Member Dave McClelland
Member Don Peterson
Member Ray Saylo

STAFF: Jim Clague, Airport Engineer
Casey Pullman, Airport Manager
Steve Tackes, Airport Counsel
Jano Barnhurst, Recording Secretary

NOTE: A recording of these proceedings, agenda materials, and any written comments or documentation provided to the recording secretary during the meeting are public record. These materials are on file in the Clerk-Recorder's Office, and available for review during regular business hours.

A. CALL TO ORDER, ROLL CALL AND DETERMINATION OF QUORUM. (5:59:50) - Chairman Lewis called the meeting to order at 5:59 p.m. Roll was called; a quorum was present.

B. PLEDGE OF ALLEGIANCE. (6:00:15) - Chairman Lewis led the pledge of allegiance.

C. APPROVAL OF THE MINUTES OF PAST MEETINGS OF THE AIRPORT AUTHORITY. (6:00:43) - Vice Chairman Sullivan moved to approve the minutes of the June 17, 2009 meeting as presented. Member Kelly seconded the motion. Motion carried 4-0-3; Chairman Lewis, Members Saylo and McClelland abstained.

D. MODIFICATION OF THE AGENDA. (6:01:15) - None.

E. PUBLIC COMMENT. (6:01:30) - None.

F. CONSENT AGENDA. All matters listed under the consent agenda are considered routine, and may be acted upon by the Airport Authority with one action and without an extensive hearing. Any member of the Authority or any citizen may request that an item be taken from the consent agenda, discussed and acted upon separately during this meeting. The Chairman or the Vice-Chairman retains discretion in deciding whether or not an item will be pulled off the consent agenda. (6:01:59) - None.

G. PUBLIC HEARINGS.

G-1. DISCUSSION AND POSSIBLE ACTION REGARDING ELECTION OF OFFICERS IN ACCORDANCE WITH NRS 844, SECTION 6, PARAGRAPH 1. (6:02:06) - Mr. Tackes explained

CARSON CITY AIRPORT AUTHORITY

Minutes of the July 15, 2009 Meeting

Page 2

background information regarding the statutory requirement that elections of officers be held in July in odd numbered years, but historically have been held more often and at different times. He advised that there is no prohibition on electing the same individuals, changing positions or bringing in new members. He suggested the Chairman call for nominations. Chairman Lewis stated that three members will be rotating off the Board, serving their last meeting in September. Mr. Tackes advised that Chairman Lewis', Member Peterson's, and Vice Chairman Sullivan's terms expire October 1, 2009. Chairman Lewis suggested having another election when the new Board is formed to give the new members a chance to voice their opinions. In response to a question, Mr. Tackes concurred with Chairman Lewis and reiterated that there is no prohibition to the current officers remaining in their current positions and having another election in October. Chairman Lewis called for further questions and hearing none, opened nominations for Secretary/Treasurer. **Member Peterson nominated Alex Carter to continue in his position as Secretary/Treasurer. Vice Chairman Sullivan seconded the nomination.** Member Carter acknowledged his acceptance of the position. **Motion carried 7-0.** Chairman Lewis opened nominations for Vice Chairman. **Vice Chairman Sullivan nominated John Kelly as Vice Chairman. Member McClelland seconded the nomination.** Member Kelly acknowledged his acceptance of the position. **Motion carried 7-0.** Chairman Lewis opened nominations for Chairman. **Vice Chairman Sullivan nominated Steve Lewis as Chairman. Member Saylo seconded the nomination. Motion carried 6-0-1 with Chairman Lewis abstaining.** Mr. Tackes noted that elections will be added to the October agenda as a new Chairman will need to be elected.

G-2. DISCUSSION AND POSSIBLE ACTION ON REPORT ON STATUS OF AIRPORT STRUCTURES LLC HANGAR PROJECT, AND REQUEST FOR EXTENSION OF TIME ON CONSTRUCTION SCHEDULE. (6:07:12) - Mark Forsberg advised that Airport Structures has constructed one hangar building and sold three of the four hangars. There is an interested party for the fourth but they are having difficulty generating interest to construct more buildings. They remain committed to the project, paying the rent and seeing it through completion. They don't believe it's prudent to build another building only to sit vacant and are requesting a two year extension in order to avoid serial requests for extensions. They would like the opportunity to develop a critical mass for the next building which will take time to ramp up construction and build it. In response to a question, Mr. Forsberg replied that the CCAA granted a resetting of the start date of the lease about a year ago. In response to another question, he replied that they hoped to be completed in 24 months, however they don't know what may transpire over the next couple of years and would be willing to return at that time for another discussion. Mr. Tackes advised that the original lease was entered into with Patrick Dang Enterprises on May 21, 2004. In response to a question, he replied that the CCAA gave Mr. Dang a couple of extensions and when the lease was assigned to Airport Structures, the construction schedule was set again to allow adequate time to build. In response to a comment, Chairman Lewis recalled resetting the lease at the time remaining of approximately 46-47 years. He understands the economy and another construction project was just granted a third extension. Mr. Tackes added that the construction schedule was reset for completion by July 31, 2009, and opined that an extension was appropriate. In response to a question, he replied that at the end of the two year extension, the Board's options are to give the tenant 30 days notice to comply with the terms of the lease. If the tenant doesn't comply, the lease could be declared invalid. He said there's nothing to prevent Mr. DiLoreto from building hangars during the next two years. In response to another question, he replied that the airport leases an entire plot of land and any default on that piece of land falls within the same lease and the airport takes back the entire lease. "If they can demonstrate to our satisfaction that the default cannot reasonably be cured within the 30 days, they're not in default if they commence to cure it within 30 days and diligently in good faith continue to cure the default." Member

CARSON CITY AIRPORT AUTHORITY

Minutes of the July 15, 2009 Meeting

Page 3

Kelly opined that a two year extension may be too long and suggested one year as another extension can always be granted. Vice Chairman Sullivan suggested a two year extension incumbent on returning in one year with a status report. Mr. Forsberg commented that Mr. DiLoreto has a big investment, works daily looking for hangar buyers and is willing to report as often as necessary. In response to a question, he replied that the project was being built in four phases. Chairman Lewis opened the item to public comment but seeing none, he entertained a motion. **Vice Chairman Sullivan moved to proceed with a two year extension on this project, however in 12 months the project applicant shall apprise the CCAA of the status of the project.** Member McClelland requested a stipulation be added to address dust control measures. **Vice Chairman Sullivan amended his motion to include implementing appropriate dust control measures in the project subject to the Airport Manager's satisfaction. Member McClelland seconded the motion. Motion carried 7-0.**

G-3. DISCUSSION AND POSSIBLE ACTION ON ITEMS RELATED TO THE CARSON CITY RUNWAY PROJECT (FAA AIP NO. 3-32-0004-18), INCLUDING MONTHLY STATUS REPORTS, POTENTIAL CHANGES TO THE WORK OR WORK SCHEDULE, CONSTRUCTION CHANGE ORDERS, AND OTHER RELATED ITEMS. (6:22:33) - Mr. Clague advised that the grant and contract documents were received and a pre-construction meeting is scheduled for July 16. He anticipated construction to begin July 20. They plan to begin with Phase 1 and move into Phase 2 depending on the long range weather forecast. Chairman Lewis advised he will attend the pre-construction meeting and asked Mr. Clague to summarize the key scheduling points for the CCAA members within the week. He indicated that a special meeting may be called in the event issues arise which disrupt operations. Mr. Clague will copy the CCAA with the meeting minutes as well. Chairman Lewis opened the item for public comment. Bill Hartman asked that the schedule and updates be kept in the Airport Manager's office for the convenience of airport operators. Chairman Lewis advised of the intent to hold informational workshops for the airport users and a meeting with the airport's neighbors regarding the schedule. In response to a question, Mr. Clague replied that meetings are required pursuant to the SUP. Chairman Lewis reiterated that there will be public meetings and a schedule will be kept in the Airport Manager's office. Mr. Clague added that there will be weekly construction meetings which will include a two week look ahead schedule. Mr. Pullman advised that he will provide daily updates on the website.

G-4. DISCUSSION AND POSSIBLE ACTION TO APPROVE TASK NO. 5 TO THE ENGINEERING SERVICES AGREEMENT TO PROVIDE DESIGN AND BIDDING SERVICES FOR THE AUTOMATED WEATHER OBSERVATION SYSTEM (AWOS) (6:28:58) - Mr. Clague reviewed the task report which is incorporated into the record and advised that the AWOS pre-bid meeting is next week with the bid opening scheduled for August 5. He explained that the FAA considered funding the design of Taxiway D west of Taxiway B and the north and main aprons but found there wasn't environmental clearance. Clearance has since been received, so when the FAA approves the design and construction, that portion of the job can begin. The State Historical Preservation Office (SHPO) is reviewing the environmental documentation that PBS&J prepared. Chairman Lewis noted that \$20,900 of the \$22,000 will be paid by the FAA. In response to a question, Mr. Clague replied that the funding comes out of the \$150,000 AWOS grant. The FAA will issue the grant based on the bid plus engineering fees for which \$150,000 is set aside but if it exceeds that amount, they will provide the additional amount. Chairman Lewis confirmed that the CCAA's share is \$1,100 of the \$22,000. Vice Chairman Sullivan asked to see copies of the reports. Mr. Clague added that a letter was received from the FAA authorizing Taxiway D. Chairman Lewis opened the item to public comment but seeing none, he entertained a motion. **Member McClelland moved to approve Task No. 5 to the Engineering Services Agreement with**

CARSON CITY AIRPORT AUTHORITY

Minutes of the July 15, 2009 Meeting

Page 4

PBS&J to provide design and bidding services for the AWOS. Member Sullivan seconded the motion. Motion carried 7-0.

G-5. DISCUSSION AND POSSIBLE ACTION REGARDING PAST DUE RENTS AND LAND LEASE AGREEMENT DEFAULTS (6:37:02) - Mr. Pullman advised that four of the five delinquent tenants have paid and the matters have been resolved. He explained that this item was not removed from the agenda as the fifth tenant didn't resolve their delinquent rent until after the posting deadline. Carson Executive Hangars is paid in full as are all other airport tenants.

H. AIRPORT ENGINEER'S REPORT. (6:38:56) - None.

I. AIRPORT MANAGER'S REPORT. (6:39:06) - Mr. Pullman reviewed the NDOT Facilities and Safety Inspection report from July 7th which is incorporated into the record. No major issues were noted during the inspection and two of the four items have been corrected. The inspector noted that in 2007, the runway was borderline good to fair and was concerned that it may now be in bad condition. A few days were spent patching major cracks and holes in the runway and Taxiway A and as a result they received ratings of either good or fair. The inspector noted a couple of hangar taxilane surfaces as having unacceptable changes in gradient, but Mr. Pullman didn't anticipate it becoming an issue and suggested placing a sign stating that it's an irregular gradient. In response to a question, Mr. Pullman replied that it is a taxilane between hangars which is not a controllable lease. Chairman Lewis confirmed it's a private lease and Mr. Pullman said he will advise the tenants of those hangars and coordinate with them. Chairman Lewis asked that the record reflect that Mr. Pullman shall notify the lessees of that parcel to advise them of the inspector's findings.

Mr. Pullman advised that he contacted Wells Fargo Aviation Speciality Insurance for quotes on the airport's general liability insurance, a copy of which is incorporated into the record. The premium with the current provider, Old Republic Insurance Company, is \$8,767 per year. Quotes received varied from \$5,982 to \$4,437 per year and included an increase on the fire damage limit from \$50,000 to \$250,000 for any one fire. AIU Holdings had an increase for medical payments from \$1,000 to \$5,000 per person. All other limits remain the same at \$10 million. He believed it to be in the airport's best interest and budget to change from Old Republic to AIU Holdings which will save \$4,330 per year and has higher coverage limits. The policy went into effect July 1 with no break in coverage. He added that the City of Carson City is included in the policy.

Mr. Pullman advised that the airport workforce has been cut down to one part time worker, John Collins, but he will continue to monitor employee demands for the future. He is researching recruitment help through a work furlough program. His previous employer utilized this system to clean up the airport and it was a huge success. He added that it's free labor with no issues and he would be extremely careful in choosing the type of program.

Mr. Pullman advised that permanent gate signs have been posted at all four gates to convey information to airport users and will be updated monthly or as needed. He is encouraging all airport tenants and users to submit vision statements. He will then submit them to the CCAA in order to develop an official airport mission statement. Chairman Lewis commented that the gate signs are a great way to convey comments and communicate with the users. He thanked Mr. Pullman for his report and the work on the insurance.

CARSON CITY AIRPORT AUTHORITY

Minutes of the July 15, 2009 Meeting

Page 5

J. LEGAL COUNSEL'S REPORT. (6:49:12) - Mr. Tackes advised that he received a letter from Neil Weaver, Mountain West Aviation, who expressed concern that the diagram included in the driving rules and regulations precludes vehicles from getting to the self service fuel island. There were no discussions to lead anyone to believe that when the regulations were reviewed in February. Fuel trucks would continue to refill at the fuel island and service vehicles should be able to approach it. He drafted a response to clear up the confusion. Michael Golden has offered to draw the fuel down as low as possible so there will be less spoiled fuel when it's time to move the tanks. Mr. Tackes also asked the Airport Engineer to make some modifications so that it is clear that the fuel island is within the area where both aircraft and vehicles can approach it.

K. TREASURER'S REPORT. (6:51:20) - Member Carter advised that he filed an augmented budget and published the annual fiscal report on July 1. The Department of Taxation's projected value of 2008-2009 airport share of taxes was \$121,070.93 which was more than budgeted. There are no legal or professional expenses two weeks into the fiscal year. The checking account has a balance of \$28,959.87; the money market account has a balance of \$246,426.96; and the maintenance account has \$673.48. Mr. Pullman advised that that account will soon be closed and the funds transferred into another account.

L. REPORT FROM AUTHORITY MEMBERS. (6:54:31) - Member McClelland advised that the Open House on June 20th was a huge success with great participation and work from the volunteers. He interviewed Mr. Pullman, and held a question and answer session and meet and greet that was also a huge success. The Tootsie was a beautiful attraction and skydivers participated. It was one of the best years and hopes it will be even better next year. He thanked everyone for their assistance and participation. Chairman Lewis expressed his appreciation for Member McClelland's help in orchestrating a safe and successful Open House. In response to a question, Member McClelland thought the sign over Carson Street was a huge asset and great investment that brought people in that normally wouldn't have come.

Chairman Lewis commented on the complaint received through the Manager's Office and asked if anyone had any comments as he wanted to give the Board an opportunity to address it.

M. AGENDA ITEMS FOR NEXT REGULAR MEETING. (6:57:23) - Mr. Tackes advised of the center triangle areas out to lease, coordination of sealed bids for consideration, and an annual item due in August. Mr. Clague requested the runway and AWOS projects.

N. ACTION ON ADJOURNMENT. (6:58:34) - Chairman Lewis adjourned the meeting at 6:58 p.m.

The Minutes of the July 15, 2009 Carson City Airport Authority meeting are so approved this 19th day of August, 2009.

Steve Lewis, Chairman