

**CARSON CITY AIRPORT AUTHORITY
MEETING AGENDA**

WEDNESDAY, AUGUST 20, 2008 – 6:00 P.M.

Public Meeting at:
CARSON CITY COMMUNITY CENTER
SIERRA ROOM
851 E. WILLIAM STREET
CARSON CITY, NEVADA

- A. CALL TO ORDER, ROLL CALL, AND DETERMINATION OF QUORUM. The regular meeting of the Carson City Airport Authority was called to order at 6:00 p.m. Roll call was taken, and quorum was determined:

Present: Don Peterson, Collie Hutter, Steve Lewis, Walt Sullivan, David McClelland and Richard Staub

Absent: Neil Weaver

Staff: Jim Clague and Steve Tackes; Yvon Weaver

- B. PLEDGE OF ALLEGIANCE

- C. APPROVAL OF THE MINUTES OF PAST MEETINGS OF THE AIRPORT AUTHORITY. Minutes of past meetings were unavailable, and this item was tabled to the next regular meeting.

- D. MODIFICATION OF THE AGENDA. *The Chairman reserves the right to modify the agenda in order to most effectively process the agenda items.*

Item G(5) will be carried forward to the next regular meeting at the request of Airport Structures, LLC.

Item G(6) will be placed at the end of the agenda, with all other items accordingly following in order.

Note: Member McClelland arrived to the meeting.

- E. PUBLIC COMMENT. *Members of the public who wish to address the Airport Authority may speak on non-agendized matters related to the Airport. Comments are limited to*

three (3) minutes per person or topic. If your item requires extended discussion, please request the Chairman to calendar the matter for a future Airport Authority meeting.

Mr. Ralph Smith of Valley Construction provided his monthly status report update to the Jet Ranch Project as well as a handout sheet that included photographs showing the progress on the roof structure.

Mr. Bill Hartman addressed the Board regarding the discussion of the traffic pattern altitude from 5500 to 5700 feet, and asked if this has been changed yet. Mr. Lewis responded that the altitude is still officially at 5500 feet, but with the adoption of Title 19 it would be bumped to 5700 feet, and official postings would be changed at that time.

Mr. Dayton Murdoch addressed the Board regarding the issue of turning at “Highway 395” versus “Carson Street,” and asked if this information has been updated. Mr. Lewis responded that it has not officially been changed as yet. Eventually the new bypass will be referred to as Highway 580, but right now all the signage indicates that it is Highway 395, and this is creating the confusion for the flying public.

There were no further comments, and the public comment portion of this meeting was closed.

F. CONSENT AGENDA

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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.

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- (1) Adoption of Department of Taxation Plan of Corrective Action: The CCAA and Staff will make every attempt to get all required documents to the State of Nevada Department of Taxation in a timely manner. The CCAA will request that the contracted auditor keep the Airport Manager and the CCAA Treasurer apprised of all required submissions and deadlines, and will act upon these notices and/or reminders from the auditor as quickly as possible.

Staff Summary: The 2006-2007 CCAA Audit noted that the CCAA was late in filing a number of reports as well as the audit itself. In a letter dated July 7, 2008, the Nevada Department of Taxation requested that the CCAA adopt and submit a plan of corrective action to ensure the timely filing of reports and audits. This corrective action has been informally approved by the Department of Taxation, and simply requires CCAA adoption. The Department of Taxation acknowledges that the CCAA has done much better this fiscal year, and they have expressed their appreciation of these improvement

efforts. To the best knowledge of the CCAA Treasurer, all 2007-2008 fiscal year reports thus far have been submitted on time and in the correct format.

There was no additional discussion on this item. Mr. Sullivan moved to adopt the proposed plan of corrective action. Mrs. Hutter seconded the motion. A vote was taken and the motion carried.

**** END OF CONSENT AGENDA ****

G. PUBLIC HEARINGS

- (1) DISCUSSION AND POSSIBLE ACTION REGARDING A REQUEST BY MICHAEL GOLDEN ON BEHALF OF MOUNTAIN WEST AVIATION, LLC, REQUESTING AN EXCHANGE OF LEASED PARCELS FROM THE EXISTING FUEL ISLAND PARCELS (2.39 ACRES) TO A 0.89 ACRE PARCEL ON TAXIWAY BRAVO FOR THE FUEL ISLAND (EAST OF LP-44 AND ACROSS THE TAXIWAY) AND A 1.5 ACRE PARCEL FOR HANGAR CONSTRUCTION ADJACENT TO TAXIWAY CHARLIE AND WEST OF THE JET RANCH DEVELOPMENT; REQUEST FOR 40-YEAR TERM ON FUEL PARCEL UPON RELOCATION AND 50-YEAR TERM ON HANGAR PARCEL; TERMS AS SET FORTH IN LETTER REQUEST FROM MOUNTAIN WEST AVIATION (*M. Golden*).

Mr. Lewis recused himself from Items (1) and (2), explaining that he is involved with Mr. Tom Gonzalez and his KCXP and Jet Ranch projects. He handed the gavel to Mr. Sullivan, and stepped down from the dais.

Mr. Sullivan read the item into the record, and, before Mr. Golden came to the dais, asked Mr. Tackes for his summation of this item, which explanation Mr. Tackes provided to the Board in some detail. The proposal is to bifurcate the lease, and move the fuel island across Taxiway Bravo so that it is still located in the center of the Airport, and place it on 0.89 acres. The balance of the two lots (1.5 acres remaining) will be moved up along Taxiway Charlie, to the north. One of the terms is that the Airport Authority pays the relocation costs for the parcels, to the extent of the utilities that are currently installed, which Mr. Tackes recommended doing along with the paving and concrete pad for the tanks. The utilities at the fuel island include water, sewer, electrical and telephone.

The additional request was for an extension of time to the term of the lease, putting it back to a 50-year term. The current lease is good for about 38 more years. The original lease began at 3¢ per square foot, but if hangars were on it the lease rate would be raised to 7.67¢ per square foot. The numbers need to be CPI adjusted, and the leasehold has paid their leases, including 12 years of CPI increases.

Mr. Tackes stated that the fuel island could be moved after the Airport Authority has obtained FAA AIP funding to do the relocation, and that is a part of the Plan. If we never realign the runway, which is unlikely considering the steps already taken, but if we never did the realignment, the fuel island could stay right where it is.

After the explanation Mr. Tackes asked if there were any questions.

Mr. Michael Golden addressed the Board, explaining that this option represented a win-win for both Mountain West Aviation and the Airport Authority, and settles a 10-year old predicament. Mr. Golden indicated that the choices presented tonight would not be his first choice, but this is an agreement that works for everyone, and he is ready to move forward. Mr. Golden stated that their operation on the Airport is a benefit to the Airport and the flying community, but that their current leasehold is an impediment to the runway relocation project.

Mr. Golden discussed the net present value of the leasehold, constructed and not constructed, and pointed out that over \$30,000 in lease payments have been paid on property that could not be developed because of the BRL and the Master Plan. Mr. Golden deduced that the difference in the value of the property for unbuilt versus built is \$12,670 on a net present value basis. Subtracting this amount from the \$30,000 in lease payments leaves a remainder of \$17,330 in favor of the Airport Authority. Mr. Golden stated that this amount supports his request for an extension to the lease.

Mr. Golden cited other factors, including devaluation of the property as a result of the bifurcation, and that they are effectively out of business for a period of time once the runway construction occurs. Mr. Golden stated that it cannot be quantified in monetary terms, but that the location being considered is less than desirable as compared to their present location in the middle of the airfield. Mr. Golden stated that, had they been able to develop their current property, it would have been of great benefit to them, with an estimated net operating income of \$175,000-plus per year, and with a cap rate of 8 percent the property would be worth at least \$2.2M.

Mr. Staub asked Mr. Golden what he was prepared to pay for the extension to his lease. Mr. Golden answered that the rate was set forth in his letter, would be at the current rate, with an escalated CPI. Mr. Staub asked Mr. Golden if he believed it should be based on the current appraisal. Mr. Golden stated that he did not.

Mrs. Hutter asked about the fuel lease parcel, and the request to extend the lease by two years. Mr. Golden confirmed that this was the request in consideration for having to move and losing business during the move time.

Mr. Peterson asked Mr. Tackes about the NRS, and the requirement for using the appraised value for lease modifications. Mr. Peterson asked Mr. Tackes if the appraisal rate would begin with year 39 of the extension and go forward, and not include the entire currently remaining 38 years.

Mr. Peterson confirmed with Mr. Golden that the undefined costs represent the difference in the lease price. Mr. Golden confirmed that it did.

Mrs. Hutter asked about the financial aspect. She stated her agreement with the 7 percent, and that the State currently uses 7.5 percent. Mrs. Hutter clarified that the \$30,000 mentioned is the value of the moneys that have been paid over time. Mr. Golden confirmed that this is correct. Mrs. Hutter asked about the net present value calculations, and if the \$218,877 is the current value of the future payment on the current lease. Mr. Golden confirmed that this is correct.

Mrs. Hutter stated that the fact that there is an extremely small difference between the 30- and the 50-year value makes sense, and that generally speaking payments “way out there” have very little current value.

Mr. Peterson confirmed that the factor to calculate the net present value calculation was the lease rate amount of 7.6¢, and not the appraisal value of 30¢. Mr. Golden confirmed that it was, although the current lease rate was less than 7.6¢. Mr. Golden stated that on December 13, 2001, Mr. David Corrao, Board Chairman at that time, had proposed extending the lease to 50 years as consideration for moving the lease parcel, at the existing lease rate.

Mr. Sullivan called for public comment.

Mr. Harlow Norvell addressed the Board. Mr. Norvell stated that he served on the Board beginning in 2001, and he himself struggled with this issue for four years in an attempt to reach an equitable resolution. Mr. Norvell stated that it seemed that if this property were moved to the current KCXP location, it would become highly desirable and highly productive. Mr. Norvell expressed his opinion that this is what should be done.

Mr. Erich Laetsch addressed the Board. Regarding the dilemma of accessible bathrooms on the Airport, Mr. Laetsch asked if 0.89 acres would provide enough room to build bathrooms on the fuel island. Mr. Laetsch stated that he has no knowledge of this topic or its background, but thinks that Mr. Golden did a marvelous job of presenting his argument. Mr. Laetsch expressed his opinion that the change would be of vast financial benefit to the fuel island, considering that bigger aircraft will eventually be here. There is also some financial advantage to moving the fuel island to the Jet Ranch neighborhood.

Regarding the restroom, Mr. Golden stated that the original plan was to move across the runway, and not do what is being proposed, as this is not completely to their benefit. The plan had been to build about 20 hangars, with a pilot lounge for base and transient pilots. That was always the plan, and there are blueprints showing the details. Mr. Golden stated his desire to still build a pilot lounge, with bathrooms, and with Mr. Serpa’s consent would move forward with that plan.

There were no additional public comments at this time, and the public comment portion of this item was closed. Mr. Sullivan asked if the Board had any additional questions.

Mr. Peterson stated that relocating and bifurcating a lease requires compensation, and he has heard that the new location is undesirable. Also on the agenda is a pending sale if we do this, so apparently there is some value to the new location. Regarding the runway, more hangars being built and the affiliated increase in traffic, Mr. Peterson stated that he did not see the diminished value that Mr. Golden claims. Mr. Peterson stated that he foresees there to be an increase in value, instead of diminishing value, and that we do not have a choice but to follow the NRS and extend the lease according to the regulations.

Mrs. Hutter stated that she believes this is a good solution to this situation. It might not be the perfect answer, but it is much better than anything else she has seen.

Mr. Staub asked Mr. Tackes if the Board was obligated to set the rate at the current appraised value. Mr. Tackes stated that the short answer is yes, and that he understands Mountain West to be arguing that we are offsetting the higher rate with the costs he has articulated.

Mr. Sullivan then broke down the individual components and the Board took the issues in parts so that the Board could indicate their agreement, or lack of disagreement.

The Board indicated agreement to movement of the remainder of the parcel (1.5 acres) adjacent to Taxiway Charlie, splitting the parcel at the new location with the tenant responsible for taxiway paving, as discussed. After some discussion as to calculations, Mrs. Hutter stated that, having spent four years working on this situation, she is not in total agreement with everything being asked, but that it is a good solution. Mrs. Hutter pointed out that if we did a net present value calculation with the 30¢ versus the current lease rate, the calculation wouldn't change too much. Mrs. Hutter stated that the fact that Mountain West has paid for the lease for the past 12 years on a parcel that the Airport Authority probably should have taken back a long time ago is justification for her willingness to accept the \$30,000 already paid as the offsetting amount.

Mr. Staub moved to approve the request by Michael Golden on behalf of Mountain West Aviation, LLC, requesting an exchange of leased parcels from the existing fuel island parcels (2.39 acres) to a 0.89-acre parcel on Taxiway Bravo for the fuel island (east of LP-44 and across the taxiway); this 0.89-acre parcel is to remain in its current location until FAA funding is received; and a new lease for a 1.5-acre parcel for hangar construction adjacent to Taxiway Charlie and west of the Jet Ranch development; and approve the request for a 40-year lease term on the fuel island parcel upon the effective date of the agreement and approval by this Authority and the Board of Supervisors; and a 50-year lease term on the hangar parcel in accordance with the terms as set forth in the letter request from Mountain West Aviation, LLC.

Mrs. Hutter seconded the motion. There was no additional discussion. A vote was taken on the motion. The Motion passed with four ayes and one nay (Mr. Peterson).

(2) DISCUSSION AND POSSIBLE ACTION REGARDING ASSIGNMENT OF MOUNTAIN WEST HANGAR PARCEL LEASE TO KCXP INVESTMENTS, LLC (*D. Stewart, M. Golden and S. Tackes*).

As explained in Item (1) above, Mr. Lewis recused himself on this item and left the dais. Mr. Sullivan acted as Chairman.

Mr. Tackes explained his understanding that Mr. Golden and Mr. Stewart have entered into an agreement that the lease would be assigned to KCXP, and he has provided a simple assignment document, which is the Airport Authority's standard document. Mr. Tackes explained that what is being requested is for the Board to approve the assignment of the hangar lease from Mountain West Aviation, LLC, to KCXP Investments, LLC. Mr. Tackes requested that either Mr. Golden or Mr. Stewart come to the podium to confirm that they have indeed made this arrangement.

Mr. Michael Golden addressed the Board. He stated that the original plan was to not do this, but to develop the parcel immediately to the east; however, plans don't always work out the way we want. Mr. Golden stated that Mountain West has entered into a conceptual agreement with KCXP for the development, and that they would be the lead party in this matter upon conclusion of the assignment. Mr. Golden confirmed that they have an agreement with KCXP, pending the decision with the Airport Authority on Item (1) on this agenda. Since that item has been approved, Mountain West does wish to move forward with this Item (2).

Mr. Tackes recommended that the Board approve this item, as KCXP has a qualified contractor who is already working on site.

Mr. Sullivan asked Mr. Stewart if he was in agreement with Mr. Golden. Mr. Dan Stewart of KCXP Investments, LLC, confirmed that his company does have an agreement with Mountain West Aviation.

Mr. Sullivan asked if there were any public comments. There were none, and the public comment portion of this item was closed. Mr. Sullivan asked if there were any Board comments. There were none.

Mrs. Hutter moved to approve the assignment of the Mountain West Aviation, LLC, hangar parcel lease of two 0.75-acre parcels from Mountain West Aviation, LLC, to KCXP Investments, LLC.

Mr. Tackes clarified that the lease is for two parcels that are each 0.75 acres in size.

Mr. Peterson seconded the motion. A vote was taken and the motion passed.

Mr. Lewis returned to the dais.

(3) DISCUSSION AND POSSIBLE ACTION SPECIFIC TO THE CREATION AND PLACEMENT OF OFFICIAL NOTICE TO AIRMEN (NOTAM) TO THE FAA AND FSS REGARDING THE CARSON CITY AIRPORT (*J. Kelly*).

Mr. John Kelly of El Aero Services addressed the Board. He stated that he had requested that this item be placed on the agenda after one of his customers came to him recently to say that there was a NOTAM issued that stated that the Carson City Airport was out of fuel. Mr. Kelly knew that this was in error, and got it corrected right away.

Mr. Kelly expressed concern on how this came about, and asked that this item be placed on the agenda so that he could find out from the Airport Manager the procedure for issuing a NOTAM. Mr. Kelly stated that he would like to see future NOTAMs handled differently in the future, and that a series of checks and balances should be put in place.

Mr. Lewis stated that when Mr. Kelly first contacted him regarding this situation, his (Mr. Kelly's) initial impression was that Mrs. Weaver had done this intentionally because her husband's fuel service was temporarily unavailable (he is part of Mountain West Aviation, which operates the self-service fuel island). Mr. Lewis stated his

perception that the competitor had intentionally done this to close fuel service to everyone.

Mr. Lewis spoke with Mrs. Weaver, however, and decided that this was clearly an error on the part of the Flight Service Station (FSS), which placed the NOTAM. The fuel island was having trouble with their av gas, but had other fuel available. Av gas was also available for purchase from other vendors on the Airport. Apparently people had had tried to fill up with av gas at the self-serve island, but there was none available at that location, so they contacted the FSS and told them that there was no fuel at the Airport. This is why the FSS posted the incorrect NOTAM, even though it was obviously incorrect.

The failure of the check and balance system is that once it was posted, no one pulled up the NOTAM to see what it actually said. In Mrs. Weaver's defense, Mr. Lewis stated that she has been posting NOTAMs for years and never had an issue. Mr. Tackes has also posted NOTAMs for years, with no issue. This just looks bad for the Airport Authority.

Mr. Lewis stated that he had this item placed on the agenda to allow Mr. Kelly to come before the Board and state his case. Mr. Lewis stated his belief that it was nothing ill intentioned or anything to do with ill will from the Airport Manager.

Mr. Sullivan asked how often NOTAMs were posted. Mr. Tackes stated that they were posted perhaps six times per year. Mr. Sullivan asked if a process could be set up so that if someone posts a NOTAM the Chairman is notified, and that someone can double-check it to be sure the NOTAM contains the right information.

Mr. Tackes stated that this could be done, but there is a simpler solution, which is we just need to make sure that the language submitted to the FSS is what we intend to say when it's posted. Sometimes the FSS cannot post what we ask, so we compromise on the verbiage, and sometimes the FSS compromises on the verbiage without consulting us. Mr. Tackes stated that Mrs. Weaver got it from all ends on this one, including from Mr. Golden, her husband's partner. Mr. Tackes stated that in all the years we have been posting NOTAMs, we have never had a problem, and we cannot fault Mrs. Weaver for this one.

TAPE CHANGE: *Tape 1, Side A, to Tape 1, Side B*

Mr. Michael Golden addressed the Board to explain what had happened. A pump failed on the fuel island, and that pump took out other equipment in the system, and it took a number of days to get it up and running. Mr. Golden stated that he understood Mr. Kelly's frustration, and that he was also frustrated by this situation. Mr. Golden pointed out that they often refer customers to El Aero Services when they can't handle their requests and is certain El Aero Services does the corollary. Mr. Golden discouraged the Airport Authority from issuing NOTAMs on fuel, citing as an example a similar NOTAM that was issued at his previous location. That previous situation had been rectified almost immediately, but it took the FSS six months to remove it from the list, even though it was "canceled" per the FSS. Regarding this current situation, Mr.

Golden stated that the fuel island was open for business for the duration; it just didn't have av gas.

Mr. Lewis called for public comment. There was none. Mr. Lewis called for Board comment. There was none. This item did not require a motion, and therefore was closed.

- (4) DISCUSSION AND POSSIBLE ACTION REGARDING ENGAGEMENT OF AIRPORT ENGINEERING AND CONSULTING FIRM FOR A THREE (3) YEAR CONTRACT, WITH A RENEWAL OPTION FOR TWO (2) ADDITIONAL YEARS; REVIEW OF RESPONSES TO REQUEST FOR QUALIFICATIONS (RFQ) AND STATEMENT OF INTEREST (SOD); DETERMINATION OF QUALIFIED RESPONDENTS; PRIORITIZATION OF RFQ RESPONDENTS; AUTHORIZATION TO CHAIRMAN AND AIRPORT COUNSEL TO NEGOTIATE CONTRACT (*S. Tackes*).

Mr. Tackes stated that this item was placed on the agenda because the existing contract is near the end of its five-year term. The FAA is very clear that they do not want to see contracts that exceed five years, so an RFQ was issued. Five responses were received, including responses from PBS&J, Harris & Associates, Burns & McDonnell, Converse Consultants and AMEC. Mr. Tackes did not know if representatives from either firm were present, other than Mr. Clague representing PBS&J.

Mr. Tackes stated that the FAA advisory circular stated the following requirements: an understanding by the consultant of the tasks to be performed; qualification of personnel; familiarity with and proximity to the Airport; experience with Airport construction projects over the past three years, including award amount, engineering estimate, final construction costs, etc.; design; description of their services provided by the consultant in fulfilling grant applications; and references.

Mr. Tackes stated that each company had provided written submissions, but did not know if anyone was available to speak. Mr. Tackes suggested the Board listen to their presentation, and then make a decision based on who is best qualified to do the work. Mr. Tackes stated that we do not do competitive bidding; we simply choose the best qualified to do the work, and pick a second in case the first is unable. The Board would then authorize the Chairman and Mr. Tackes to negotiate the contract.

Mr. Lewis asked when PBS&J's contract expired. Mr. Tackes stated that it expired at the end of August 2008.

Mr. Clague clarified that PBS&J is under contract to complete the hill removal project and one other project, so that work would continue, regardless of the outcome of this item. They are not a part of the five-year contract with PBS&J.

Mr. Sullivan asked if there were any representatives from the submitting companies present, and could they please approach the podium to make a statement.

Mr. Clague, representing PBS&J, stated that he has enjoyed working for the Airport Authority, and would love the opportunity to continue to do so.

Mr. Lewis stated that the Board clearly could not wait; it would have to make a decision tonight.

Mrs. Hutter stated that she has read all five submissions, that all five companies are excellent, and that the Board should be excited that such reputable firms responded to the RFQ. She thought it was amazing. Mrs. Hutter provided her rating for the firms, as follows: She placed Burns & McDonnell at #5, since they are located in Missouri with no listed local office. AMEC has excellent qualifications, but their primary focus is in the testing, and that is not our focus, so she placed them at #4. Converse Consultants of Reno provided a very impressive response, but Mrs. Hutter did not see in their comparative of work very much work on runways. They have done some, but not a lot, although they have built some incredible things – just not very much having to do with airports, so she has placed them at #3.

Mrs. Hutter stated that this leaves Harris & Associates, a Carson City firm, and PBS&J. Mrs. Hutter stated that we are extremely fortunate to have Mr. Clague, who is the airport engineer for about eight airports in the area, and has a firm understanding of what it takes to support an airport in so many areas. Mrs. Hutter placed Harris at #2, citing their only drawback is that when they wrote up their understanding of what we do it was clear that they had not really read our Master Plan and did not seem to understand that we were already well on our way to completing it; otherwise they seemed to Mrs. Hutter to be an extremely good firm.

Mr. Lewis asked if there were any other Board comments. There were none.

Mr. Lewis stated that he had also scanned through the submissions, and had made the same two choices as Mrs. Hutter. Mr. Lewis suggested that we might want to talk with Harris to have them as a back-up resource.

Mr. Lewis asked if there were any public comments. There were none. Mr. Lewis called for a motion.

Mr. Staub moved to endorse Member Hutter's valuation and prioritization of the applicants to the RFQ, and authorized the Chairman and Counsel to enter into contract negotiations with PBS&J. Should this contract not be properly negotiated, the Chairman and Counsel were authorized to enter into negotiations with Harris & Associates.

Mr. Sullivan seconded the motion. There were no additional comments. A vote was taken and the motion carried.

- (5) DISCUSSION AND POSSIBLE ACTION REGARDING A REQUEST FROM AIRPORT STRUCTURES, LLC (DiLORETO) FOR APPROVAL OF CONSENT TO DEED OF TRUST FOR FINANCING TO BE SECURED BY AIRPORT LEASE; SUBORDINATION OF LEASE TO NEVADA STATE BANK; WAIVER OF RENT DURING DEFAULT UNTIL BANK IS IN POSSESSION; AUTOMATIC ASSIGNMENT OF LEASE AND SUBSTITUTION OF TENANT; AND OTHER MATTERS STATED IN THE CONSENT DOCUMENT (*M. Forsberg*). This item is tabled to the next regular meeting, scheduled for September.

- (6) Formerly Item (7). DISCUSSION AND POSSIBLE ACTION TO APPROVE AND ACCEPT AN ADDITIONAL FAA AIP GRANT IN THE AMOUNT OF \$322,500 FOR 2008-2009 AIRPORT PROJECTS (*S. Tackes*). Mr. Tackes reported that the FAA has notified us that they are considering giving us this grant, but it is not yet granted. However, it will have a very short turn-around, so if the Board approves its receipt now, then when it comes Mr. Tackes can immediately give it to the Board of Supervisors for approval.

Mr. Lewis asked what this money would be used for. Mr. Clague explained that the grant application was to get design services for the runway realignment, Taxiway Delta, Taxiway Alpha, and the AWOS. Mr. Clague stated that the FAA is obligated to provide the design for those projects if they submit the grant funding. Mr. Clague stated that no other airports have received their grant moneys as yet, so the delay is a function of the FAA and nothing that the Carson City Airport has done.

Mr. Lewis called for public comment. There were none. Mr. Lewis called for a motion.

Mr. Staub moved to approve and accept the additional FAA AIP grant funding in the amount of \$322,500 for the 2008-2009 Airport projects, conditional on our receipt of said offer from the FAA.

Mrs. Hutter seconded the motion. There was no further discussion. A vote was taken and the motion carried.

- (7) Formerly Item (8). DISCUSSION AND POSSIBLE ACTION ON ITEMS RELATED TO THE CARSON CITY HILL REMOVAL PROJECT, INCLUDING MONTHLY STATUS REPORTS, POTENTIAL CHANGES TO THE WORK OR WORK SCHEDULE, CONSTRUCTION CHANGE ORDERS, ENGINEERING AMENDMENTS, AND OTHER RELATED ITEMS (*J. Clague*). Mr. Clague explained that this item was Amendment 1 to the pending change order as discussed at the previous regular meeting. Mr. Clague stated that even with this amendment, the project still fits within the budget, and there are adequate funds to fund the proposed change in the amendment to the proposed engineering services.

Mr. Clague reviewed the financial summary that had been provided in the Board packets. Mr. Clague explained that as of today we have used 66 of the 150 allotted days. Change Order #1 would add 25 days to the contract period. The change order includes providing the subgrade (the dirt portion) of the future Taxiway Delta. Mr. Clague reminded the Board that last month he had explained that the cost would be approximately \$250k, but in fact the contractor provided a proposal of \$244,500 based on a 35-foot wide pave taxiway. In discussing the width of the taxiway, it was agreed that this width is inadequate for the aircraft that use the Airport, so Mr. Clague revised the drawings to provide a 50-foot wide paved taxiway.

Mr. Clague had asked Peavine Construction to evaluate the revised drawings to provide the necessary subgrade to support a 50-foot wide taxiway. The cost associated with that is \$298,747. PBS&J evaluated the associated costs, and they're good. Mr. Clague stated

that he was asking for an extension of time so that Peavine would have adequate time to complete the tasks without rushing them, and is recommending approval of Change Order #1.

To determine the fee, Mr. Clague reviewed the budget at the end of July versus what was actually spent, took the difference, and came up with the requested amount. The Amendment is to provide additional inspection time to cover 25 additional days on the project. Also, to fulfill FAA obligations, they need to do some more intensive testing than what would be done on the existing project. The estimated cost is \$43,400. Mr. Clague is requesting \$43,000 be added to the existing construction management fee.

As a side note, Mr. Clague reminded the Board that at the previous meeting discussion included some work to remove the hill obstruction west of Goni Road. Mr. Clague did talk with the FAA regarding this task, but the grant funding is specific to the Serpa hill, and would not be applicable to the hill at Goni Road, and the FAA will not allowing the grant moneys to be spent on its removal.

Mr. Clague recommended that the Board decide on the change order separate from the amendment, but asked that the Board consider both under this agenda item.

Mr. Lewis agreed that going to a 50-foot wide taxiway is a good idea, and stated that he was in favor of the Board approving the 50-foot taxiway. Mr. Lewis stated that the larger aircraft with load-bearing wheels at the end of the 35-foot taxiway is what is breaking off the taxiway edges, and Mr. Lewis encouraged the Board to support the wider pavement.

Mrs. Hutter asked if the FAA was paying for this. Mr. Clague said that it was included in the grant. The grant amount is \$2,850,000, and the Airport's share is \$150,000. The total equals \$3M for this project.

Mr. Clague stated that, with the change order, the amount is \$2,992,315, and that we are about \$8,000 under budget. Mr. Clague stated that he did not anticipate any additional costs, but that if there were the FAA does carry a 15% contingency on all FAA grants.

Mrs. Hutter asked if the 50-foot wide taxiway changed any of the BRLs. Mr. Clague stated that they were not affected.

Mr. Tackes commented that, at a previous meeting, a member of the public questioned whether this item needed to go back out to bid. Mr. Tackes asked the FAA, and their answer was, "No." The project is being done at the same unit cost, which was the lowest cost received, and even with the added work we are still spending less than the next lowest bid. The FAA has assured us that we do not have to go out to rebid this project.

Mr. Lewis called for public comment.

Mr. Dayton Murdoch addressed the Board, asking if the 50-foot taxiway was on one side, or if all of them would be 50 feet wide. Mr. Clague was proposed that all of the taxiways be made 50 feet wide, as we do not know where the big aircraft would come from, and we should be able to accommodate them as long as the FAA gives the okay.