

The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS regular meeting held Wednesday, November 5, 2015 in the Truckee Tahoe Airport District Community Room A, located at the Truckee Airport, 10356 Truckee Airport Road, Truckee, California at 4:30 p.m.

CALL MEETING TO ORDER: 4:30 p.m.

PLEDGE OF ALLEGIANCE

DIRECTORS PRESENT: President John B. Jones, Jr.
Vice President Lisa Wallace
Director Mary Hetherington
Director Tom Van Berkem
Director Jim Morrison

STAFF PRESENT: Mr. Kevin Smith, General Manager
Mr. Phred Stoner, Director of Operations & Maintenance
Ms. Sally Lyon, Director of Finance and Administration
Mr. Mike Cooke, Manager of Aviation and Community Services
Mr. Brent Collinson, District Legal Counsel
Ms. Lauren Tapia, District Clerk

VISITORS PRESENT: 10

SPECIAL ORDERS OF BUSINESS: President Jones reported that the District received the Truckee Donner Chamber of Commerce Excellence in Government Award last month.

Director Morrison was present after a long absence and commented that he was looking forward to the meeting.

PUBLIC COMMENT: None

CONSENT ITEMS

- Minutes: September 30, 2015 Regular Meeting -----TAB 1
- Monthly Service Bills and Fees -----TAB 2
- Quarterly Financial Report-----TAB 3
- Quarterly Internal Control Audit-----TAB 4

Director Hetherington requested that one credit card be pulled and reviewed for each cycle when an Internal Control Audit is performed going forward.

MOTION #1 NOVEMBER-5-15: Director Hetherington motioned to accept all Consent Items. Vice President Wallace seconded the motion. President Jones, Vice President Wallace, Directors Van Berkem, Morrison and Hetherington voted in favor of the motion. The motion passed.

PUBLIC COMMENT: None

PRESENTATIONS AND ROUTINE REPORTS

ACAT REPORT (TAB 5):

Mr. Tom Combs presented an ACAT update. There was a meeting on October 13, 2015 and three new members have joined the team. At the meeting, the September, 2015 minutes were approved. Brown Act Training was conducted. The ACAT Code of Conduct, Mission and Vision were reviewed. Past ACAT accomplishments were discussed, but as the meeting was running longer than anticipated, this will continue during the next meeting.

AWOS is still in progress. Ultrasonic Wind Gauges continue to be researched in regard to placement on either Alpine or Squaw, and whether it should be rented or leased.

A Trails meeting was held on October 19, 2015. The goal is to make a full presentation to the Board in January or February with findings and recommendations.

PUBLIC COMMENT: None

Director Hetherington asked if there had been discussion around a position for which terms still needed to be polled. Mr. Smith indicated that would come later on the agenda.

QUARTERLY COMMUNICATIONS REPORT (TAB 6):

Mr. Smith requested that this be moved to the Board meeting in December as staff is attending the STEM Fair. President Jones stated that this report will be moved to the next meeting.

QUARTERLY OPERATIONS AND COMMENT REPORT (TAB 7):

Mr. Cooke reported that seven additional cameras are capturing operations and there is a much cleaner set of data than in past years. Glider operations and transient helicopters are not being captured, however, and while those with transponders are tracked, the track quality may not be ideal.

Operations were up approximately 11% over Quarter three of 2014. The largest growth category was turbo props, which is in line with national trends. PC12 is the category leader. Surf Air was 498 of the 1170 operations for Quarter 3 in 2015, compared to 176 in Quarter 3 of 2014. The turbo prop category was up 78%, which offset some losses in operations with smaller jets.

Director Van Berkem asked if Surf Air has definitively doubled their operations. Mr. Cooke replied that Surf Air added Burbank which was a third route. The lease with Surf Air states that passenger loads would not be shared publicly, but while specific numbers cannot be reported, it can be said that there is an average of four passengers per aircraft or more people on fewer planes. Director Van Berkem asked about Jet Suite. Mr. Cooke reported that Jet Suite is a standard charter and not a membership charter. There appears to be less activity from Jet Suite and more from Surf Air but hard numbers were not accessible. Jet Suite primarily flies the Phenom 100.

Director Hetherington questioned if the Skyhawk is as popular at other airports as it appears to be most common to frequent KTRK. Mr. Cooke reported that of 1500 operations, 31 of the aircraft are based in Truckee. Director Hetherington asked about the mention of night operations and a lack of precision approach. Mr. Cooke replied that this was part of a survey result in the ACAT night operation paper. Vertical guidance appears to be the issue. Director Hetherington stated that on page three of the report, it is indicated that 20 of 59 are new commenters.

Mr. Cooke asked to speak again on time periods for tracking night operations. Time periods were rounded to hours with the exception of the first and last.

74 Director Hetherington liked the data and reiterated that total comments were up 53% this quarter.
75 Director Hetherington asked if people had been asking for the control tower. Mr. Cooke replied that part
76 of the strategy for this quarter has been to give the commenter as much information as possible
77 including possible solutions. Questions have been around surveillance, the control tower, and what
78 authority the airport has with aircraft in flight. During long conversations, Mr. Cooke tries to inform each
79 caller regarding issues the airport faces and what can and cannot be legally asked of aircraft in flight.
80 Director Hetherington asked if this is an option that could be pursued and Mr. Cooke replied yes, and
81 that he tells callers that there are advantages and disadvantages to the control tower option.

82 Mr. Cooke reported that regarding new commenters, zones have been examined to find any trends but
83 there were none. When winds were high on runway 2/20, the most new commenters were heard from
84 in Glenshire. Three out of 59 called regarding the same plane. There are specific events that will
85 generate more new commenters than others. One commenter started a social media campaign, but Mr.
86 Cooke had not observed evidence that the campaign turned into a group effort or had any significant
87 impact on the volume of comments.

88 Vice President Wallace stated that there seemed to be more people than usual complaining around
89 noise in the last two months.

90 Director Hetherington stated that the Board needs to discuss the potential impacts of a control tower.
91 Mr. Cooke reported that Olympic Heights would be the most impacted. Prosser had a large number of
92 comments from a single household. Director Hetherington indicated that some people have given up
93 and do not call anymore.

94 President Jones reported that Mr. Smith had walked the Olympic Heights neighborhood in May or June
95 of 2014. Director Hetherington stated that if the neighborhood had been walked in July or August, the
96 response would have been different. Mr. Smith reported that while there are people who are concerned
97 in the Olympic Heights neighborhood, not every home had a negative comment about the airport.

98 Mr. Cooke stated that there had been great progress in the ease in commenting for the public since
99 2014. September was included in the report in entirety. A pilot responded to an outreach in a
100 September 13, 2015 comment, and this comment represented what Mr. Cooke has heard from pilots.
101 They are trying not to impact the community and if this is the case, a control tower may be a positive
102 option.

103 Director Van Berkem stated that there are constant reminders to educate the public; staff should be
104 conscious using the term "educate" the public. Mr. Cooke acknowledged that and replied that pilots are
105 also being educated during every call. Director Van Berkem asked about the 66 annoyance complaints
106 determined non-compliant, and if any of the instances were from repeat callers. Mr. Cooke reported
107 that there are.

108 Director Morrison appreciated the subjective answers.

109 Director Van Berkem stated that it may be helpful to know how many within the figure receive
110 comments from multiple community members. Mr. Cooke stated that, for instance, one PC12 operator
111 received two in the Quarter, one occurring the night before the AirShow and another during a high wind
112 situation. There was not an operationally significant amount of repeat commenters within the 66
113 annoyance complaints, however. Specific numbers could be compiled. Director Van Berkem asked for
114 the specific numbers when convenient.

115 Vice President Wallace stated that when people casually complain about noise and annoyance, they are
116 asked to report their comments. The value of highlighting repeat commenters is understood, but they
117 should also be respected. People are casually encouraged to submit repeat comments if noise and
118 annoyance is repeatedly experienced. Director Morrison stated that the subjective aspect should be
119 listened to. Vice President Wallace does not want to imply that there is criticism for comments. Mr.
120 Smith reported that from a staff level, people are encouraged to comment and the numbers are only a
121 gauge and not a barometer.

122 Director Van Berkem asked if Net Jets has been in communication regarding his situation a few months
123 ago. Mr. Cooke replied that they have not.

124 **PUBLIC COMMENT:**

125 Mr. Tom Combs stated in regards to the comment by Mr. Smith that it is true that if comments go up or
126 down, it is not clear if a better job is being done to decrease complaints or if people are giving up on
127 commenting. The subjective comments are important. Numbers can be interpreted into whatever is
128 desired. In a case where someone may make 74 comments, the data will be skewed and that should be
129 examined specifically in review.

130 Vice President Wallace suggested that it could possibly be reported that there were *N* number of
131 comments followed by the word *and* rather than *but* in order to avoid diminishing the figure. Mr. Combs
132 reported that the repeated commenter is not valid or invalid, but that the number of comments will
133 skew the results.

134 Director Morrison stated that the airport can strive to be good at handling the issues commented on.
135 There will always be a certain number of complaints.

136 Director Van Berkem stated that it may have been noticed that his position has changed since a near-
137 miss incident at his home, and he is looking for ways to not increase traffic. Director Hetherington
138 commented that the airport is different than it was decades ago, and responsibility and sensitivity to the
139 social contact with the community is critical. People have chosen to live near the airport, but when they
140 originally located here the airport was different. Director Morrison stated that staff is doing a fantastic
141 job with what they have been asked to do. Unless a specific plan to combat the negative comments is
142 discussed, the Board should not complain about noise and annoyance implying that staff is not doing
143 their job well. The Board members indicated that they are very proud of the staff. Director Hetherington
144 believes it is important to review the numbers every month and determine what they indicate, both
145 objectively and subjectively.

146 **BOARD ACTION ITEMS**

147 **EXCLUSIVE RIGHT TO NEGOTIATE – LAND LEASE (TAB 8):**

148 President Jones reported that JMA Ventures has chosen to elevate a request to the Board for an
149 exclusive right to negotiate with airport management about a potential long term lease on the property.
150 The proposal is for the construction of a grocery store. At this time, JMA is not asking for any decision,
151 but rather hopes to understand the terms under which they can negotiate. While a hard proposal will
152 probably be forthcoming, JMA would like to keep the client anonymous at this time. The proposal has
153 the potential to add 200 jobs within the community.

Vice President Wallace asked for clarification around a prior situation. In mid-2013, the Board was approached by JMA with a client, Clear Capital, for an exclusive right. There was discussion by the Board, and a decision to publicize the consideration. President Jones replied that this wasn't required but the Board felt it was appropriate, and as this progresses it may be decided to publicize this consideration as well. At this point, there are no terms or economics, however. Vice President Wallace asked if, during the 2013 consideration, was there an equivalent set of information provided. Mr. Smith reported that in 2013, the proposal was more developed. The current request states that a proposal will be forthcoming but is in development. JMA is asking if the Board will want to see this proposal.

Director Van Berkem asked what is received in a non-exclusive right to discuss if competition and negotiation follows. President Jones stated that what JMA would receive is clarity around the seriousness of the Board. There are other locations in Truckee that may provide a similar solution for the client, but JMA is choosing to begin the process here. Director Van Berkem asked if economics won't be discussed, what can be relayed to JMA. Mr. Smith stated that the good news is that a grocery retailer is looking at this side of town. Whether the land would be leased or purchased is one of the many details that could be discussed. JMA then can choose to continue to pursue this area, or may choose to investigate other options.

Director Hetherington asked if staff will need significant time to become involved. Mr. Smith reported that time would be required when JMA brings a proposal back to the Board. A land lease would require less time. Director Hetherington stated that there has been a development push over the last few years but she is concerned about stretching staff time too thin. If the property is not annexed, Director Hetherington will not support the proposal and will not support committing staff time in any way. Clear Capital is currently using a great deal of staff time.

Director Van Berkem stated that while he is in favor of a grocery store, if economics will not be discussed it is not clear why the request needs to be addressed. Director Van Berkem was also concerned that giving an entity an exclusive right to discuss may not be politically acceptable. Vice President Wallace stated that this potentially could create suspicion with no reason to have it and may require extensive explanation.

Mr. David Tiermen of JMA Ventures stated that Mr. Chapman, the individual proposing the grocery store on airport property, had intended to be present. JMA was approached, and the thought was to formally approach the District and the Board with the request in order to enter a discussion with the retailer. The request is around protocol or courtesy but not to begin negotiations.

Director Van Berkem stated that a confidentiality agreement could be made without giving an exclusive right to discuss. Staff could provide details around fiber optic cable, for instance. The retailer shouldn't need to be identified. Director Hetherington asked about the need for, four acres. Mr. Tiermen reported that the facility itself would require approximately one acre and the remainder would be for parking. Mr. Smith indicated that there are eight to nine acres available on Soaring Way. Director Hetherington reiterated that annexation is critical.

PUBLIC COMMENT: None

President Jones stated that the Board rejected the exclusive right to negotiate but will open the line of communication between JMA and staff to discuss the project. The consensus is to continue talking about the potential for the property. A motion is not required.

BANK OF THE WEST – CASH MANAGEMENT SERVICES (TAB 9):

196 Ms. Lyon presented resolution 2015-05. The resolution is in anticipation of processing payroll in-house,
197 and authorization is needed to utilize online banking services and ACH direct deposit.

198 Director Van Berkem asked if there will be a financial trade-off for leaving the currently used paycheck
199 company. Ms. Lyon replied that activity is conducted now through the Bank of the West Web Direct
200 program, and this is an additional feature.

201 **PUBLIC COMMENT: None**

202 **MOTION #2 NOVEMBER-5-15:** Director Hetherington motioned to approve Resolution 2015-05 Titled:
203 Authorizing Participation with Bank of the West to Participate in Online Banking Services and ACH
204 Payment Orders, and to waive the reading. Director Morrison seconded the motion. A roll call vote was
205 taken. Director Van Berkem – yes, Director Hetherington – yes, Director Morrison – yes, Vice President
206 Wallace – yes, President Jones – yes. The motion passed.

207 **POLICY INSTRUCTION 308 – INVESTMENT POLICY REVIEW (TAB 10):**

208 Ms. Lyon stated that this is a Policy that is reviewed annually. There are no changes. Director
209 Hetherington asked about TAB 10 B which shows that there is more than \$250,000 in CDs due to market
210 value. Ms. Lyon replied that CDs were purchased for \$250,000 and they would need to be sold to realize
211 the small gain. In the future, the Board could direct Ms. Lyon to not purchase the CD amount if this is a
212 problem. The CD itself is fully insured.

213 President Jones suggested that Ms. Lyon continue to manage financial details and the Board continue to
214 manage policy.

215 **PUBLIC COMMENT: None**

216 **MOTION #3 NOVEMBER-5-15:** President Jones motioned to adopt Resolution 2015-06 titled: Adoption
217 of District Investment Policy and Delegation of Investment Authority to District Treasurer, and to waive
218 the reading. Director Van Berkem seconded the motion. A roll call vote was taken. Director Van Berkem
219 – yes, Director Hetherington – yes, Director Morrison – yes, Vice President Wallace – yes, President
220 Jones – yes. The motion passed.

221 **APPROPRIATION LIMIT (TAB 11):**

222 Ms. Lyon reported that this is an annual process requiring approval yearly. Information is submitted to
223 auditors and a report is prepared by them. Truckee Tahoe Airport District is under the appropriations
224 limit.

225 **PUBLIC COMMENT: None**

226 **MOTION #4 NOVEMBER-5-15:** Director Hetherington motioned to adopt Resolution 2015-06 Titled:
227 Establish Appropriations Limit for Fiscal Year 2015-16, and to waive the reading. Vice President Wallace
228 seconded the motion. A roll call vote was taken. Director Van Berkem – yes, Director Hetherington – yes,
229 Director Morrison – yes, Vice President Wallace – yes, President Jones – yes. The motion passed.

230 **REVISION OF POLICY INSTRUCTION (PI) 309 - DESIGNATION OF UNRESTRICTIVE NEW ASSETS (TAB 12):**

231 Ms. Lyon stated that in the staff report, prior years were reviewed and this is the proposed new draft
232 with revised and new categories and designation levels. Mr. Smith indicated that there was a need to

233 develop categories that make sense to the public. Director Morrison asked what is needed to move
234 funds, and Mr. Smith reported that a vote of the Board is required.

235 Ms. Hetherington stated that when she read it initially there were questions, but when staff explained,
236 the changes make the report much clearer.

237 **PUBLIC COMMENT: None**

238 **MOTION #5 NOVEMBER-5-15:** Vice President Wallace motioned to adopt Policy Instruction 309 as
239 revised. Director Van Berkem seconded the motion. President Jones, Vice President Wallace, Directors
240 Van Berkem, Morrison and Hetherington voted in favor of the motion. The motion passed.

241 **ACAT TERM SELECTION FOR PILOT SEATS (NO TAB):**

242 Mr. Collinson reported that now that there is an entire Board presence, a poll needs to be conducted in
243 order to determine who will have the one-year and three-year term for the ACAT pilot seats. A poll was
244 then conducted. The results of the poll indicated that Mr. Polverari will hold the three-year term and
245 Mr. Golden will hold the one-year term.

246 **PUBLIC COMMENT: None**

247 **MOTION #6 NOVEMBER-5-15:** Director Hetherington motioned to appoint the ACAT term designations.
248 Vice President Wallace seconded the motion. Vice President Wallace, Directors Van Berkem, and
249 Hetherington voted in favor of the motion. President Jones and Director Morrison opposed the motion.
250 The motion passed (3-2).

251 **WAREHOUSE OFFICE BUILDING FINAL BUDGET REVIEW AND APPROVAL (TAB 13):**

252 Mr. Smith reported that the project budget has now been based on final bid results. Mr. Smith indicated
253 there is added value to the District, however costs are up. The number of years to recoup the District's
254 investment as well as the ROI is relatively unchanged.

255 President Jones asked for the detail of the \$450,000 added scope, specifically why was it added, who
256 benefits and who is funding it, and another question was around the \$150,000 environmental mitigation
257 discussion. Director Van Berkem asked if the scope improvements are only for the frontage, or if it will
258 affect the entire length of the business park. Vice president Wallace asked why a Fire District Request
259 falls under Code Changes and Challenges.

260 Mr. Peter Beaupre, Project Manager for the Warehouse Building Project, reported that bids have been
261 received for most of the work but 10% is still needed as final details such as water proofing, windows
262 and roofing are being worked on now. President Jones asked if there was a contingency in the \$5.1
263 million total cost, and Mr. Beaupre replied that there was a design contingency within the \$5.1 million
264 figure, but it is not in the \$6.5 million figure because that represents completion with design, ~~There~~there
265 is still a construction contingency in the \$6.5 million figure. Director Morrison asked Mr. Beaupre how
266 much time is being spent on the project, and Mr. Beaupre replied that it is 3/4's of his time.

267 Mr. Beaupre reported on details of the final scope of the project. On the northern side of the building,
268 it's advisable to install snowmelt to avoid constant ice in the winter. Therefore, hydronic snowmelt has
269 been added into the design. This system will be used to ~~heat most~~heat most of the sidewalk to
270 eliminate snow shoveling and snow blowing work by staff as the priority of the terminal building should
271 take precedence. Dripping canopies have ~~also been~~also been addressed. Regarding building

272 components, mechanical enhancements have been made. There is a new code requirement as of July 1,
273 2015 that requires infrastructure be provided for future electrical vehicle charging stations. Additional
274 building square footage of 200 ft. has been added. More landscaping and a breakroom have been added
275 as well.

276 President Jones asked again for more information regarding \$150,000 for Environmental/Mitigation. Mr.
277 Beaupre replied that this is an environmental and mitigation fee for traffic. Mr. Smith reported that the
278 traffic impact fee for Truckee was \$107,000, and \$19,000 to Placer County. Director Van Berkem asked
279 what is received for the fee, and Mr. Smith replied that the Town can use the money to widen roads, for
280 example.

281 Director Van Berkem recalled hearing about towns not using the money on the area from where it was
282 paid and wondered if there are restrictions. Mr. Smith stated that the County fee was \$135,000 but the
283 Town of Truckee traffic impact fee was less so the funds were deferred to them.

284 Mr. Beaupre reported that in February 2015, the initial impression was that the Master Plan CEQA study
285 would serve very well with some modification, but that has not been the case which has led to
286 additional professional fees that are captured in this category as well. Mr. Smith indicated that there
287 were no CEQA Master Plan challenges.

288 Mr. Beaupre reported that the streetscape or frontage along Truckee Airport Road, including widening
289 and drainage, is a large addition to the scope. This had not been considered in February, 2015. Mr.
290 Smith reported that about \$250,000 will be spent to improve the corner lot on Soaring Way. Mr.
291 Beaupre stated that widening also includes crosswalks, truncated domes, concrete slopes and changing
292 utility boxes.

293 I regards to other cost additions, Title 24 Energy Codes continue to evolve and the controls are a difficult
294 part. Site landscape improvements were made in response to the County requests for more landscaping.
295 The Fire District required a remote fire department connection based on the site specifics. Code changes
296 required footings that are 28 to 30 inches thick which is twice as deep as initially budgeted. Initially,
297 there was no drainage design and the design that was eventually needed was much more complex than
298 in the conceptual budget.

299 Mr. Beaupre reported that he and Mr. Smith met with the Tahoe Donner PUD, who initially wanted
300 water to be tapped off of the main in Truckee Airport Road. They ultimately did not require this, but
301 now want a meter box installed with space for future meters for domestic and landscape water.

302 Mr. Beaupre described the difference between bids and estimates. Each contractor bidding must be
303 registered with the Department of Industrial Relations which involves a \$300 fee. Director Morrison
304 asked how much more it would cost to have the building be a Public Works project compared to a
305 private project. Mr. Beaupre indicated that a private project without prevailing wage would cost
306 approximately 5.25 million dollars; one million and one quarter less than a Public Works project.

307 President Jones suggested that the Board have a discussion about the cost and then a separate
308 discussion about the revenue side.

309 **PUBLIC COMMENT ON THE COST ASSOCIATION OF THE PROJECT: None**

310 Director Morrison clarified that upon reviewing this agenda item prior to the meeting, there were many
311 questions but most have been answered around code changes and permitting issues. Director Morrison

312 asked if there are discretionary items that could be discussed. Mr. Beaupre replied that the only piece
313 that could be discretionary is the hydronic snow melt, but there is a risk to not having this as a snow
314 removal contractor would be needed and would need to put a priority on the building. Director
315 Hetherington stated that with two feet of snow, a hydronic system would not be able to melt it. Mr.
316 Beaupre stated that the system would in fact be able to keep up if it were on when the snow begins.

317 Director Hetherington suggested against negotiating a contract with a fixed rate lease in the future, and
318 that this situation should be an example of what not to do again in the future. Director Morrison stated
319 that the project is 20% over budget and cannot be allowed to continue to go over the budget. Mr.
320 Beaupre agreed and reported that excavation and drainage went approximately 25% over budget.
321 Director Hetherington asked what the next 10% left to bid included and Mr. Beaupre listed roofing,
322 store fronts, windows, miscellaneous carpentry, steel doors and bathroom accessories. Other cost
323 additions could be from added value items requested by staff such as conduit for future video, a future
324 long term parking gate and security. Risks would include weather and other delays to the schedule.

325 Mr. Beaupre reported that sewer will be backfilled tomorrow, utilities next week and rebar the following
326 week, weather dependent.

327 Director Hetherington asked if the building for \$4,950,000 includes the contingency, and Mr. Beaupre
328 replied yes.

329 President Jones moved the discussion to the revenue piece.

330 Director Van Berkem asked about the increase in the building cost and if Clear Capital rent has
331 increased. Now that \$1.5 million more is being spent, where is this being recovered. President Jones
332 indicated that the lease rate is fixed, independent of the District's costs and that not all of the \$1.5
333 million extra is related to Clear Capital.

334 Mr. Mark Wasley, financial consultant for the Warehouse Office Building, addressed the revenue side,
335 and explained an increase in revenue will be coming from the rental car component. The Office Building
336 Feasibility Summary Cash Flow Report was reviewed. The addition of 1800 sq. ft. was a concept in
337 February, 2015, and is now 2000 sq. ft. which allows for an additional \$200,000 over the 30 year term.
338 Parking spaces increased from 48 to 56. Revenue was increased by 15% for the second rental car
339 operator.

340 Mr. Smith reported that a customer facility charge is not being charged but should be according to what
341 was learned at the rental car conference he attended. Mr. Wasley and Mr. Smith are working on this.
342 Director Hetherington asked if the numbers indicate that over 30 years \$8 million will be made, or
343 \$270,000 per year. Currently \$115,000 is being received per year. Mr. Wasley replied that inflation over
344 time should be considered. The Board considered several income figures listed in the report. Director
345 Van Berkem asked if Enterprise, if they are the client, would be moving their location here from the
346 current Savemart location. If Enterprise moves here, the town will lose approximately \$4,000-5,000 a
347 year. Mr. Smith indicated that there are three businesses that will be interested in the space: Avis,
348 Enterprise and Hertz.

349 President Jones asked about the lease price on the market analysis and the cost to build the building.
350 Mr. Wasley replied that the lease rate was locked in with Clear Capital in February, 2015. President
351 Jones stated that the lease was signed based on the market analysis in February, 2015 and asked what
352 the new pay-off estimates are with the new costs of the building. Mr. Wasley stated that \$1 million

353 more than initial estimates should be made, but the rate of return over time is less. President Jones
354 asked the Board if any changes need to be made or can the project move forward.

355 Director Van Berkem asked if because the cost of the building and enhancements have increased, and
356 the rental car business revenue is being relied on to cover the new extra expense, is this fair in relation
357 to what Clear Capital rent should be. Mr. Wasley stated that revenue has been added from the second
358 rental car business. The reality is that the agreement was signed not based on cost, but the market, and
359 the risk was taken on for the specific tenant. Mr. Smith reported that this is was discussed back in
360 February when the rate was set and within policy but he noted that this is not our normal construction
361 process but was necessary to meet the timeline.

362 Vice President Wallace stated that the decision was made under exceptional circumstances regarding
363 the moving of jobs out of state, and the project should move forward confidently now. Director
364 Hetherington stated that a large amount of time has been spent by the Board as developers.

365 President Jones asked if an approval of the budget can move forward. Director Morrison indicated that
366 as decisions such as these are made, a great deal of time will inevitably be spent talking about things the
367 Board has no control over. Vice President Wallace wished to approve but because of the lack of control,
368 wanted a check-in point, and if the project cannot stay on budget, an ad hoc committee should let the
369 Board know. President Jones stated that possibly a short monthly report could be incorporated onto the
370 agenda.

371 **PUBLIC COMMENT: None**

372 **MOTION #7 NOVEMBER-5-15:** President Jones motioned to approve the Warehouse Office Building
373 Final Budget. Director Van Berkem seconded the motion. President Jones, Vice President Wallace,
374 Directors Van Berkem, Morrison and Hetherington voted in favor of the motion. The motion passed.

375 President Jones requested a five Minute Recess taken at 7:12 PM. The Board went back into session at
376 7:20 PM

377 **BOARD GUIDANCE AND INFORMATION ITEMS**

378 **AIRCRAFT SURVEILLANCE FEASIBILITY REPORT (TAB 14):**

379 Mr. Joe LaMacchia from NAVAID gave a slideshow overview of the Feasibility studies started in May,
380 2015. Several airports were visited in order to assess how flight safety could be improved in the Truckee
381 airspace, allow published visual flight procedures, reduce community annoyance through improved
382 charted visual flight procedures, and to investigate technology.

383 A control tower is required by the FAA in order for the airport to publish charted visual flight procedures
384 on a 56 day cycle. This is available to every aircraft. The aircraft can be directed away from the highly
385 impacted and annoyed communities as well as safety being increased.

386 President Jones asked who influences the creation of visual procedures. Mr. LaMacchia replied that if
387 the seasonal control tower moves forward, the airport would have some influence and would work
388 specifically with the Standards and Procedures Director at Oakland Center. Director Hetherington asked
389 what level of influence the airport has with the FAA. Mr. Mr. LaMacchia replied that the airport has at
390 least a 50% foothold of influence on visual approaches. The FAA will want to work with the airport to
391 put in procedures that best help the community.

392 Director Van Berkem asked what authority the tower would have if charted visual flight procedures are
393 in place. Mr. LaMacchia replied that the tower would dictate. President Jones stated that pilots will
394 either follow directions or risk losing a license. The tower would give the authority to do a charted visual
395 approach.

396 Director Hetherington stated that if a control tower requests a pilot to land on Runway 2 but the pilot
397 desires to land on Runway 11, a change can be requested. Director Morrison replied that the pilot must
398 land on Runway 2 unless there is a good reason and the change is then requested, and there is only a
399 small percentage that would do this.

400 Director Hetherington asked if the controllers are on contract or FAA employees. Mr. LaMacchia replied
401 that the personnel in the tower are FAA certified contract employees. A key component of the seasonal
402 tower is that a MOU must be generated with Tracon regardless. Director Morrison stated that the rules
403 are black and white for pilots. Director Hetherington stated that the Board should be aware that the
404 words being said are absolute, but in reality they are not.

405 President Jones asked if the visual approach would continue to be published off-season. Mr. Smith
406 replied that the procedure will still be there, and language around radar required and instruction would
407 be published. Vice President Wallace asked how this works with SOPs for Surf Air. Mr. Smith replied that
408 Surf Air typically files an IFR flight plan. There are only so many slots with normal separation, and
409 capacity will be controlled.

410 Mr. LaMacchia continued that an RFI was generated and a meeting is taking place at the Air Traffic
411 Control Association with the providers of seasonal control contract towers to obtain information
412 including costs. In order to publish a visual charted flight procedure, the airport must comply with
413 specific criteria to ensure that safety is not compromised.

414 Mr. LaMacchia reported that East Hampton Airport has seasonal towers and they are using ANCP
415 surveillance manufacture. Experiences with and the benefits of seasonal tower operations were
416 reviewed. Denver Center is using WAM to control and separate aircraft to select mountainous airports.
417 The end user, Rifle Airport, has provided feedback as opposed to the FAA. Further information obtained
418 from East Hampton Airport was that the cost is approximately \$100,000 per month including personnel.
419 Benefits to the Airport include safety and monitoring of helicopters during peak season for noise
420 mitigation. East Hampton does not have an Airport Community Advisory Board and the airport is trying
421 to handle a high volume of noise complaints.

422 President Jones referenced a Los Angeles Times article which reported that there is a shortage of
423 controllers in Los Angeles, and asked if the temporary towers have been able to obtain controllers. Mr.
424 LaMacchia replied that they are fully staffed in East Hampton.

425 Mr. LaMacchia has evaluated the ANPC Transponder Landing and Surveillance System and determined it
426 would be a suitable replacement for Truckee. The positives included a smaller hardware foot print,
427 surveillance and interrogators approved by the FAA. A negative is that it does not have the ADSB and
428 UAT capabilities needed for certification by the FAA, and so a timeline is being proposed for upgrades.
429 The technology is very good. Director Hetherington reported that a recent study showed that 80% of
430 interviewed pilots said that if there is a tower, they would be more likely to fly in by 20%.

431 President Jones stated that while they may be more likely to fly in, having a tower would limit the
432 number of planes landing at the same time and could actually reduce the number of planes. If it is of

433 value it should be pursued, but President Jones believed that during busy summer periods this would
434 slow down the amount of traffic.

435 Mr. LaMacchia continued that FAA feedback indicated no significant negative impacts by end users or
436 communities being served by the system. The cost was higher than expected, but the improved safety
437 was worth the cost.

438 At Rifle, the airport reported safety has improved. The airport is very similar to Truckee in regards to
439 uncontrolled airspace and being Class E with no tower. The timeline took longer than anticipated. Rifle
440 invested \$57 million to improve airport runways so that they can become a world class general aviation
441 (GA) airport. There has been no direct community impact due to capacity increases, but the community
442 also has a very low noise complaint rate.

443 Mr. LaMacchia presented the May, 2015 timeline showing what has been completed. In conclusion,
444 improving safety and increasing capacity was the common theme from all who were spoken to. Next
445 steps are to proceed with the market survey to gauge vendors, solutions and proposed costs; and to
446 assess impacts and unintended consequences on operations by a seasonal tower and surveillance.
447 Coordinating and conducting meetings should occur with CalTrans, Oakland Center and the Western
448 Service Center. Upgrading the surveillance system would take approximately 12 months.

449 President Jones commented that a surveillance system is not necessary in order to set up a seasonal
450 tower. President Jones does not think it is worth the expense until a campaign to test the waters around
451 impact is conducted. Director Morrison stated that Truckee is far from capacity at this time and many
452 more planes could be flying in than currently do, and a tower wouldn't affect traffic or capacity. Director
453 Hetherington reviewed a seasonal tower a few years ago for data points. Director Hetherington asked
454 what plan needs to be put into place for next summer.

455 President Jones would like the Board to remember that there is a growing noise problem and traffic
456 needs to be moved to less noise affected areas. A suggestion is to start with a tower and gather data,
457 but that is not a complete solution. Director Morrison commented that this is a project that staff has
458 been working on for a very long time and it is good to talk about this, but does not believe that Truckee
459 should have any tower as it will not affect the noise issue. The amount of money spent to combat
460 minimal complaints does not make fiscal sense.

461 Director Van Berkem stated that there is confusion as to whether this is a combined study or not, and
462 exactly what the goal for discussion is. Mr. Cooke stated that surveillance can be decoupled from the
463 tower discussion. The Truckee MLAT system will need an upgrade when the mandate comes out and
464 compliance will be required. A requirement for visual chart procedure is that there must be a tower and
465 surveillance together. Mr. LaMacchia stated that this began as a surveillance upgrade study but when
466 visiting Oakland Center, the question was asked as to what it would take to be on the 56 day cycle, and
467 Oakland Center introduced the tower into the discussion.

468 Mr. LaMacchia stated that a UAT receiver would cost approximately \$250,000 to \$300,000 and the
469 control tower would cost a half million dollars. Director Van Berkem described the three options;
470 upgrade the current system, have a tower, or go after charter visual flight procedures. Charter visual
471 flight procedures require having the first two options in place. Mr. LaMacchia outlined a certified system
472 versus the existing system in the May report. Director Van Berkem asked for the sequencing of
473 conversations and the goal.

474 Vice President Wallace stated that there has probably been enough discussion around bringing the
475 Board up to speed on the various pieces, and before future discussion the big picture needs to be
476 apparent. Mr. LaMacchia stated that the sequence should be to get the market survey, do the RFI and
477 then to identify data points so that the playing field and costs can be identified. Vice President Wallace
478 is not on board with the idea at this time, but Rifle can be looked to as an example for benefits and
479 downsides from the community point of view.

480 Director Van Berkem asked for clarification as to what the issue will be around the current system in
481 2020. President Jones replied that non-ADSB equipped aircraft won't be visible on the District's system.
482 Director Morrison commented that data from the MLAT system, meaning all reports and analysis, are
483 used extensively, and to maintain the current level of data reporting the system must remain up to date.

484 **PUBLIC COMMENT: None**

485 **STAFF AND BOARD MEMBER TRAINING AND CONFERENCE REPORTS:**

486 Director Hetherington stated that she attended the AAAE Airports Going Green Conference. Director
487 Hetherington reported that she will give a more in-depth analysis at the December Board meeting,
488 which will include the subject of social responsibility, sustainability and the environment. But quickly
489 mentioned that managed growth needs to be committed to and some exciting things can be
490 accomplished. Director Hetherington stated the conference was excellent.

491 Mr. Smith state that there will be an ATTCA report in December, and the Rental Car Conference in
492 Austin was attended and there was optimism about the second rental car option. A ramp facility fee is
493 being reviewed for the resort shuttle, and this has never been charged but would allow for the
494 distribution of safety information and other pamphlets.

495 Ms. Lyon reported that the CSDA conference was attended and a Special District Transparency
496 Certificate of Excellence was accepted. There were very good speakers and break-out sessions.

497 **PUBLIC COMMENT: None**

498 **TAHOE CITY HELIPORT DESIGN REVIEW (TAB 15):**

499 Mr. Smith reported that permitting can begin, the total cost of the project being under \$300,000. The
500 heliport design was presented. The design will handle multiple helicopters and is for emergency service
501 only. It will be gated and not charted.

502 **PUBLIC COMMENT: None**

503 **GENERAL MANAGERS REPORT (TAB 16):**

504 **Master Plan**

505 Mr. Smith reported that the Master Plan draft will be presented for approval at the January meeting.
506 The MND can be viewed online through the Master Plan link on the website.

507 **Hangar 3 – Progress Update**

508

509 Mr. Smith reported that the project is on hold pending the managed growth discussion. An impact
510 analysis is available in the Demand Driver survey.

511 **Sponsorship Committee**

512 Mr. Smith reported that the next Sponsorship Committee meeting has been moved to November 13,
513 2015.

514 **Martis Valley West Parcel Specific Plan Draft EIR**

515 Mr. Smith reported that the draft EIR was delivered. The Board comments, submitted a few years ago,
516 are included in it. A representative from Sustainable Community Advocates is currently reviewing the
517 document and will be asked for an opinion around effective comments. Vice President Wallace asked if
518 the representative is a neutral party on this particular project and that there are consulting firms not
519 based in the area that may offer a more unbiased review. Director Hetherington stated that the
520 comment period ends December 2, 2015. The Board consensus was that it's okay for Director Wallace
521 and Director Van Berkem to meet and report back to the Board.

522 Mr. Smith reported that the Martis Valley West Parcel representatives have requested to meet with
523 Director Van Berkem and Vice President Wallace again. Vice President Wallace was concerned about the
524 public appearance of meeting with them alone and Director Hetherington agreed. Vice President
525 Wallace replied that if the meeting occurs, a report could be given at the next public meeting.

526 **McKenzie Claim Update**

527 Mr. Collinson reported that the claim has been settled. Half of the settlement was paid by ACE and the
528 other half by National Union Fire Insurance Company of EAA.

529 **Alder Hill Property**

530 Mr. Smith reported that the District has been asked if there would be a desire to purchase the property.
531 Director Van Berkem stated that if the property is listed but the District does not purchase it, the District
532 will still have an easement. Mr. Smith confirmed this. The property will be difficult to develop. Director
533 Hetherington stated that if it is for sale for a real price, it should not be ignored. Mr. Smith was not sure
534 if it will be listed, however. Board agreed for staff to bring it back to them if the property is listed.

535 **Board Offsite Annual Retreat**

536 Mr. Smith asked the Board to come to a consensus for weeks in January or February for the Annual
537 Retreat. The week of January 26, 2016 was chosen.

538 **Managed Growth Workshop Update**

539 Mr. Smith distributed the binders that will be used on November 12, 2015.

540
541 **PUBLIC COMMENT: None**

542 President Jones reported that the annual General Manager Evaluation is underway, and the Board will
543 have the self-evaluation by the end of next week.

544 **ADJOURNMENT OF MEETING**

545 **MOTION #8 NOVEMBER-5-15:** Director Van Berkem motioned to adjourn the meeting. President Jones
546 seconded the motion. President Jones, Vice President Wallace, Directors Van Berkem, Morrison and
547 Hetherington voted in favor of the motion. The motion passed.

DRAFT