

The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS regular meeting held Wednesday, July 23, 2014 at the Truckee Tahoe Airport District Community Room, 10356 Truckee Airport Road, Truckee, California at 5:30 p.m.

CALL MEETING TO ORDER: 5:31 p.m.

DIRECTORS PRESENT: President John B. Jones Jr.
Vice President James W. Morrison (arrived at 5:40 p.m.)
Director Mary Hetherington
Director Tom Van Berkem
Director Lisa Wallace

DIRECTORS ABSENT: None

STAFF PRESENT: Mr. Kevin Smith, General Manager
Mr. Phred Stoner, Director of Operations
Ms. Sally Lyon, Director of Finance and Administration
Mr. Hardy Bullock, Director of Aviation and Community Services
Mr. Mike Cooke, Aviation and Community Services Manager
Mr. Brent Collinson, District Legal Counsel
Mr. Bill Quesnel, District Engineer
Mr. Marc Lamb, Aviation and Community Services Associate
Mr. Mike Barrett, Safety Coordinator
Ms. Denae Granger, District Clerk
Ms. Lauren Tapia, Administrative Clerk

VISITORS PRESENT: 4

SPECIAL ORDERS OF BUSINESS: None.

PUBLIC COMMENT: None.

CONSENT CALENDAR

- Minutes: June 25, 2014 Regular Meeting
- Minutes: July 10, 2014 Special Meeting
- Monthly Service Bills and Fees
- Financial Report
- Quarterly Noise Report
- Modifications to Lobby and Pilots Lounge

President Jones elected to pull the Financial Report and Director Van Berkem elected to pull the Quarterly Noise Report.

PUBLIC COMMENT: None

MOTION #1 JULY-23-14: Director Hetherington moved to approve the June 25 Regular Meeting minutes, July 10 Special Meeting minutes, Monthly Service Bills and Fees, and the Modifications to the Lobby and Pilots Lounge. Director Wallace seconded the motion. President Jones, Directors Hetherington, Van Berkem and Wallace voted in favor of the motion. The motion passed.

President Jones questioned the Financial Report, specifically page 2 of the Quarterly Financial Statement, Statement of Revenue, Expenses and Change in Net Position for the quarter ended June 30, 2014. President Jones

questioned the Budget Year to Date column which appeared to reflect incorrect numbers. President Jones asked Ms. Lyon to review the report, Ms. Lyon suspected there was an error and would correct the issue and submit a corrected report. President Jones encouraged Ms. Lyon to come to the Board if she feels she would like to change how the District reports are presented. Ms. Lyon confirmed that she is happy to meet and receive feedback from the Board. Mr. Smith informed the Board that the District would like to make the Budget Reports easier to read and to comprehend.

Director Van Berkem has observed the increased number of aeronautical traffic over the Northstar community, which is also reflected on the Quarterly Noise Report. Director Van Berkem encouraged District staff to keep a close eye on why there has been increased traffic over Northstar. Mr. Cooke stated that he welcomes constructive feedback from the Board if they wish to see any changes in how the voluntary Noise Report is presented. Director Van Berkem suggested that the flight tracking images included in the report be displayed in a way that is easier to understand (red script on the image). Mr. Cooke broke down the script and explained it's meaning, but confirmed that he will make the script easier to understand on the next report. Director Van Berkem asked District Staff about their proactive outreach to pilots that are violating the Noise Abatement Program. Mr. Cooke confirmed that staff does reach out and educate pilots when they are in violation. Director Hetherington suggested to District Staff that capturing and reporting those outreach attempts would be valuable to have in the Quarterly Noise Report. Director Hetherington also suggested re-implementing "Comments per Jet Operation" and "Comments per Piston Operation" to the Quarterly Report.

PUBLIC COMMENT: None

MOTION #2 JULY-23-14: Director Hetherington motioned to approve the Financial Report and the Quarterly Noise Report. Director Van Berkem seconded the motion. President Jones, Vice-President Morrison, Directors Hetherington, Van Berkem and Wallace voted in favor of the motion. The motion passed.

QUARTERLY COMMUNICATION AND OUTREACH REPORT

Mr. Mike Barrett presented the District's Quarterly Communication and Outreach Report. The District changed the report and added some new items to the report. The District had two fundraising events held on property, hosted airport tours for the local elementary schools and a local preschool, a running fundraising event on Waddle Ranch, and finally, the Civil Air Patrol's Mission to Mars camp. The District sent out three e-blasts for the Pilot E-News and the Master Plan Update and reminder. Mr. Barrett explained to the Board that the District is doing outreach to the public in new ways, specifically with: the website for the Master Plan and the AirShow. Mr. Barrett highlighted the Airport's promotional video that is featured on the District's website, the video is a short, two and a half minute video that demonstrates the multiple ways the Airport District impacts the community in a positive way. The District sponsored eight programs and events this quarter. The usage of the District Community rooms had a 63% increase in group usage. The groups that use the rooms are all non-profit organizations.

PUBLIC COMMENT: None

AIRSHOW UPDATE

Mr. Kevin Smith stated that Staff will give a full AirShow report at the August Board Meeting. The AirShow had approximately 12,000 people attend the show. Ms. Lisa Krueger of the AirShow Committee will present a financial report on the AirShow at the next Board Meeting. Vice-President Morrison expressed that he has received all positive remarks about this year's AirShow. Director Van Berkem asked if there were any complaints made regarding the AirShow. Mr. Smith stated that the complaints stemmed from the Sunday after the AirShow. The EAA offered free flights for kids which contributed to an unusual increase aeronautical traffic for Sunday.

PUBLIC COMMENT: Mr. Andrew Terry suggested limiting the AirShow to a morning event due to the heat as well as the trouble of performers taking off and leaving the area that might have struggled with the air density at our altitude. Mr.

Terry also mentioned that one of the vendors at the AirShow indicated that revenue of their operation was down this year, compared to last year.

AIRPORT COMMUNITY ADVISORY TEAM (ACAT) UPDATE

Mr. Hardy Bullock informed the Board that the UNICOM Assessment and Standard Operating Procedure reports have been deferred to the August Board meeting as well as the Night Operations paper. The ACAT Committee discussed possible pilot incentive programs at the last meeting and quickly narrowed down that they wanted to incentivize pilot compliance with our Noise Abatement Procedures that currently exist. Mr. Bullock stressed that the incentive program needs to be simple, easy to run and cost effective, so that the project can be implemented efficiently. The program could be a short quiz with questions related to safety, noise abatement procedure, airport operations and hours of operation; the quiz could be administered on an iPad at the UNICOM desk. This program will have to be pilot reward based, where the pilot could get the incentive immediately. ACAT believed the incentive could easily be an airport logoed hat, shirt, coffee mug, etc.

Mr. Bullock stated that the new VNOM system is currently being installed, Mr. Cooke is currently working with the vendor VECTOR/INDMEX and the preliminary work is looking positive. The ACAT Committee discussed the AirShow, Upcoming Educational Opportunities, the relationship between Surf Air and Truckee Tahoe Airport, MoGas and the Airport's Data Release Policy. The Data Release Policy may be put on the next agenda for ACAT review.

The ACAT Committee will have two members terming out and the Committee will be starting the advertisement process in August. Mr. Bullock stated that submission packets will be due September 5, 2014 at 5:00 p.m. and the summary of submissions will be sent to the Board on that day. The ACAT candidates will be asked to present to the Board on September 24th at the regular Board Meeting. There will be a discrete vote which will be totaled by District Counsel, if there is a tie, a runoff will need to take place. Director Hetherington added that the Board finds contacting the individual candidates personally via phone positive. Mr. Bullock stated that he does inform the candidates that they may be contacted by the Board to have individual conversations with them.

PUBLIC COMMENT: None

DISTRICT ENGINEER REPORT

District Engineer Mr. Bill Quesnel gave an update on the Utility Master Plan stating that Staff is currently conducting a field investigation of the Airport's sanitary and storm sewer pipes. Currently staff has not found any structural issues. In August, staff will be doing selective excavation (potholing) for water pipeline and direct bury power/communication cabling. Mr. Quesnel hopes to have a draft report of his findings at the September Board meeting.

Mr. Quesnel informed the Board that the FAA responded to the District stating that Staff can go out to bid without FAA formal review to replace the plow truck. Staff put together a bid package, currently available on the website; bids are due August 19th. An award will be given at the August or September Board Meeting. Delivery time is seven months for the plow truck. Mr. Smith explained that it is still the intention of staff to purchase the truck with District funds if the FAA does not fund the AIP grant by October 2014.

District Staff met with Tahoe City Public Utility District (TCPUD) staff on July 22nd regarding the Tahoe City Helipad. The meeting was very productive and supportive of the District's intentions. The next steps will be inserting the helipad drawing into TCPUD's mapping and determine parcel boundary and coverage implications.

Mr. Quesnel stated that the District signed a contract with Elite Power of Sacramento for the fuel island and farm electrical corrections. Elite Power is currently working on the island and farm and intends to avoid any outages on the weekends or of more than 24 hours. Elite Power will be installing and moving electrical components and modifying

wiring. Operation and Maintenance staff are fabricating mounting hardware and panel supports. The project will take 6-7 weeks to complete.

Staff is working on the implementation of the Facility Master Plan. Bids have been received for the repairs to Hangar Row "D" roof. District staff put together a very detailed list of specifications for the bid, all bids that came in were over budget. One bid was on budget but the bid was turned in late. After the review of the bids by the Facility Plan consultants, it was suggested that the project be put out to re-bid with minor modifications to the technical specifications. District staff is waiting on one more proposal from paint suppliers for the painting of Hangar Row "B". Once the paint is selected, bidding for the paint job will take place. Work tentatively set to begin in late August or early September. The Hangar Row "M" manufacturer identified missing or incorrectly installed components to its roof. District staff received a very detailed report from the manufacturer on how to correct those issues. District staff will go out to bid for those repairs following the manufacturers supplied technical specifications. Staff will ask the manufacturer to come out and inspect the roof as it is being installed.

Preliminary plans for the correction of the ADA deficiencies of Hangar 1, Hertz Car Rental and Warehouse have been prepared and sent to Mr. Peter Beaupre for estimate of construction costs of the upgrades. The plans have been sent to the consultant to confirm correct interpretation of the report.

The Airport District received 8 submittals and interviewed 4 teams for the Hanger 3 design. The Hangar 3 Ad Hoc committee chose Mead & Hunt with the Ryan Group and VJS-Lincoln. Mead & Hunt has experience managing multi-use airport facilities of this size. The Ryan Group will be able to provide local input on the Architecture especially on the non-aviation side of Hangar 3, and VJS-Lincoln has vast experience in cold weather construction and cost estimating. Mead & Hunt is currently working on their five (5) phased development plan, which was part of the request of qualifications. The Airport District has a high emphasis on programing, gathering user input, hangar site selection (three potential sites have been identified) and order of magnitude of costs. Presentation of final scope and fees will be submitted at the August Board meeting. Director Van Berkem mentioned that he has been approached on two separate occasions concerning VJS-Lincoln's lease back system. Mr. Quesnel replied that this has not come up with the ad hoc committee.

Qualcon was lowest bidder for the Ramp A-4 Reconstruction project. The construction cost is estimated at \$1.314 million and Qualcon came in at \$1.188 million. A pre-construction meeting has already taken place. An eight week construction window has been scheduled and will start on August 4, 2014.

PUBLIC COMMENT: None

GENERAL AVIATION ISSUES AND SECURITY CONFERENCE

Director Hetherington highlighted and discussed her conference notes with the Board on General Aviation and Security Issues, Leasing Policies and Minimum Standards, Primary Management and Compliance Documents (General Provisions, leasing/rents, fees and policy, minimum standards, rules and regulations), and Land Leasing & Improvements.

Director Hetherington and Mr. Bullock will forward their notes and booklets they received at the conference to the Board and District Staff upon request. District Counsel Collinson stated that the booklets will be available to the general public upon request as well.

PUBLIC COMMENT: None

MASTER PLAN PUBLIC COMMENT REPORT

Mr. Smith informed the Board that any changes to the Master Plan based on the public comments need to be completed before the August Board meeting. Final acceptance of the Master Plan is set to take place at the August meeting.

Ms. Seana Doherty of Freshtracks Communications reported on the “mini outreach” campaign which took place June 6 - July 14. The goal of this outreach was to make sure the public was aware of the draft Master Plan and that public comments were being taken. Various outreach strategies included print ads in the Sierra Sun, *Connected* newsletter and *Pilot News*, Four (4) E-Blast reminders, two (2) reminders in the *Connected & Pilot News*, creation of the Master Plan website, and a booth was put up at the AirShow. Ms. Doherty explained at the AirShow there were many positive comments on limited growth in the current Master Plan compared to the previous Master Plan. Press briefs were sent to sixteen (16) media outlets (NPR covered our Master Plan), local HOA’s and fifty (50) local Stakeholders.

Ms. Doherty told the Board that fourteen (14) public comments were submitted through the Master Plan website since May 28, 2014. District Staff have been responding to each public comment. Mr. Smith stated that he has received three response letters from key stakeholders. Truckee Tahoe Sanitation Agency (TTSA) responded that they are interested in swapping some land with the Airport District. Glenshire HOA is not interested in the lengthening of runway 2-20 as they feel it would increase aeronautical traffic over their community. The Town of Truckee is pleased with the outreach effort and believes the Plan reflects the values and desires of our region.

Ms. Doherty explained that the next step is for the Committee and District staff to go through the comments and decide if there will be any changes to the Master Plan document.

PUBLIC COMMENT: None.

BREAK: At 7:20 p.m. the Board recessed for a short break. At 7:30 p.m. President Jones reconvened the meeting.

CLEAR CAPITAL LAND LEASING DISCUSSION AND UPDATE

Mr. Smith gave an update from the land lease committee. Mr. Smith provided a document that provided three options the Airport District has regarding our potential land lease with Clear Capital. Mr. Smith wanted to make it clear that this document is fluid and is always changing. Option 1: Develop Property in Nevada County without Annexation into Truckee. Option 2: Develop Property in Nevada County and then Annex into Truckee. Option 3: Annex Property into Town of Truckee and then Develop Property. Mr. Smith wanted the Board to look at these options in general terms not specifically leasing with Clear Capital. The FAA responded favorably to our property release inquiry. The FAA sent over a packet for the District to complete and return back to the FAA. Mr. Smith explained that in August the Board may be in the position to choose which option the District would like to pursue. Director Van Berkem stated that he would like additional analysis regarding annexing into the Town of Truckee or remaining in Nevada County. Mr. Smith replied that financial analysis could be provided, interpretation of options is variable. Mr. Smith explained that the Board needs to think about the potential building in the long term, and the potential zoning options the District will have with the Building. The Town of Truckee has the ability to craft zones where as the County only has three specific zones to work with. However, the County zoning designations appear to be more flexible. Director Hetherington stated that if she had to make choice she would prefer that the land be annexed within the Town of Truckee boundaries. Director Wallace expressed appreciation for all the work that has been done and the options being laid out clearly. The ad hoc committee will continue to meet and work on this item and report to the full Board.

PUBLIC COMMENT: Mr. Terry reminded the Board that there is a sales tax differential between Nevada County and the Town of Truckee.

BOARD ACTION ITEMS: None

GENERAL MANAGERS REPORT

Mr. Smith informed the Board on upcoming training opportunities; he added the AAAE Airport Noise Symposium in Ft. Lauderdale, FL. The District will have a strong presence at the NBAA Annual Convention in Orlando, FL. The District will be sending two employees to NBAA, Mr. Bullock and one other employee, yet to be determined. Staff feels this is our best opportunity to meet with 135d operators 91k. Mr. Smith thanked the Board for having the special meeting that took place on July 10th regarding the new Health Insurance Benefits; benefit changes were able to be implemented and are in effect as of August 1st.

The District received an inquiry from the Boys and Girls Club (BGC) of North Tahoe to assist the District and to provide staff resources to build on and expand the STEM/Aviation Education programs. The preliminary proposal suggests for \$45,000/year over a three (3) years. Director Wallace stated that she is highly interested in seeing the Mission to Mars expand beyond twelve students. Director Morrison and Hetherington expressed an interest in knowing more about what BGC would provide. President Jones stated that he would like to see the BGC come back and present a more formal proposal. Board consensus was that the proposal has merit but needs to be developed further.

Regarding Mr. Smith's next topic, the Green Bucks Program, District Counsel Collinson stated that there have been some activity lately in the press about another District having conflicts of interest. One of our Board Members, Director Wallace, stated that she is the Executive Director of the Truckee River Watershed Council. Before discussion commenced Director Wallace confirmed that TRWC is a 501 C 3 organization and plays a role in the administration of the program. Mr. Collinson then continued that although Government Code section 1090 prohibits Directors from contracting with the Agency she represents, there are exceptions set out in section 1091 for remote interests. The first exception is if the Board Member is an officer or director of a 501 C 3 non-profit organization. Therefore, section 1090 does not prohibit the District or Director Wallace from any such contract although any vote she may make on the matter cannot be counted. However, the Political Reform Act also applies as Director Wallace has a financial interest in that possible contract. Accordingly, she must recuse herself and leave the room, but may make comment during public comment as it relates to her personally. Director Wallace recused herself from the Board room. Mr. Smith reviewed a couple of different options to implement green bucks and indicated that Staff still continues to explore the program, and will be bringing this program back as a formalized proposal as an action item at the August Meeting.

President Jones formally requested to put Executive Hangar Construction discussion on the Agenda in August.

PUBLIC COMMENT: None

BOARD MEMBER ANNOUNCEMENTS: None

CLOSED SESSION

At 8:21 p.m., the Board entered closed session pursuant to government code section:

- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (SUBDIVISION (C) OF GOVERNMENT CODE SECTION 54956.9)
Name of case: Audrey McKenzie v. Truckee Tahoe Airport District, U.S. District Court, Eastern District of California Case #2:14-cv-00480-JAM-DAD
- GOVERNMENT CODE SECTION 54957 – GENERAL MANAGER QUARTERLY PERFORMANCE REVIEW

PUBLIC COMMENT: None

At 9:00 p.m., the Board recessed out of closed session and reported the following actions:

- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (SUBDIVISION (C) OF GOVERNMENT CODE SECTION 54956.9)
Name of case: Audrey McKenzie v. Truckee Tahoe Airport District, U.S. District Court, Eastern District of California Case #2:14-cv-00480-JAM-DAD

No action was taken on the Conference with Legal Counsel – Existing Litigation

- GOVERNMENT CODE SECTION 54957 – GENERAL MANAGER QUARTERLY PERFORMANCE REVIEW

Direction was given to Mr. Smith. The Board and Mr. Smith will have a follow up to review and prioritize goals at 4:00 p.m. before the August Board Meeting.

PUBLIC COMMENT: None

ADJOURN

MOTION #3 JULY-23-14: Director Van Berkem motioned to adjourn. Director Wallace seconded the motion. President Jones, Vice President Morrision, Directors Hetherington, Van Berkem and Wallace voted in favor of the motion. The motion passed.

At 9:00 p.m. the July 23, 2014 regular meeting of the Truckee Tahoe Airport Board of Directors adjourned.

John B. Jones, Jr., President of the Board

Kevin Smith, Secretary of the Board
