

The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS regular meeting held Wednesday, October 29, 2014 at the Truckee Tahoe Airport District Community Room, 10356 Truckee Airport Road, Truckee, California at 5:30 p.m.

CALL MEETING TO ORDER: 5:30 p.m.

DIRECTORS PRESENT: President John B. Jones Jr.
Vice President James W. Morrison (arrived at 5:34 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 & Maintenance
Ms. Sally Lyon, Director of Finance and Administration
Mr. Hardy Bullock, Director of Aviation and Community Services
Mr. Brent Collinson, District Legal Counsel
Mr. Marc Lamb, Aviation and Community Services Associate
Mr. Bill Quesnel, District Engineer
Ms. Lauren Tapia, Administrative Clerk

VISITORS PRESENT: 12

SPECIAL ORDERS OF BUSINESS

President Jones read Resolution No. 2014-08 of the Truckee Tahoe Airport District commending Mr. John Aadland for his service as ACAT Committee Member from September, 2011 through September, 2014.

PUBLIC COMMENT: None

MOTION #1 OCTOBER- 29-14: A roll call vote on this motion resulted in the following: Director Wallace – yes, Director Van Berkem – yes, Director Hetherington – yes, Vice President Morrison – yes, President Jones – yes. The motion passed.

President Jones read Resolution No. 2014-09 of the Truckee Tahoe Airport District commending Mr. Gerald Herrick for his service as ACAT Committee Member from May, 2008 through September, 2014.

PUBLIC COMMENT: None

MOTION #2 OCTOBER- 29-14: A roll call vote on this motion resulted in the following: Director Wallace – yes, Director Van Berkem – yes, Director Hetherington – yes, Vice President Morrison – yes, President Jones – yes. The motion passed.

Mr. Kevin Smith congratulated staff member, Mr. Jim Meskimen and Vice President Morrison on their completion of the IronMan Events, and that the Truckee Tahoe Airport District received three (3) nominations for excellence in government with the Truckee Donner Chamber of Commerce. Mr. Smith and Director Hetherington will be at the award ceremony. Mr. Smith informed the Board that the Martis Valley West decided to do their presentation at the December 3rd meeting instead of tonight.

PUBLIC COMMENT: Ms. Cathy Whitlow, with the Green Bucks Program, thanked the Board for their continued support, and continued leadership to protect the Truckee/Tahoe Environment.

Mr. Fred Van Tatenhove expressed thanks and appreciation to the Board for the Airport's purchase of Ponderosa Golf Course in Truckee, California. Mr. Tatenhove stated that players of the golf course believe that there should be an employee designated as a "Golf Course Superintendent" that would be able to provide overall leadership for oversight of the course (course issues, course set-up, placement of pins, design adjustment changes, etc.) and maintenance staff workers. Mr. Tatenhove stated that he would like to see the percentage of any income over budget be designated for up-grading aspects of Ponderosa Golf Course. Mr. Tatenhove also suggested an implementation of a junior clinic made up of volunteers in the golfing community. Mr. Tatenhove stated that this type of program is a great way to give back to the community.

CONSENT CALENDAR

- Minutes: September 24, 2014 Regular Meeting
- Monthly Service Bills and Fees
- Financial Report
- Internal Audit Report
- Revision of PI 309 – Designation of Unrestrictive Net Assets (Annual Update)
- Annual Reporting of Reimbursements and Disclosure Report

District Counsel Collinson stated he would like to pull the Internal Audit Report.

MOTION #3 OCTOBER- 29-14: Director Wallace motioned to approve the September 24th regular meeting minutes, monthly service bills and fees, financial report, revision of PI 309 and the annual reporting of reimbursements and disclosure report. Director Hetherington seconded the motion. President Jones, Vice President Morrison, Directors Hetherington, Van Berkem and Wallace voted in favor of the motion. The motion passed.

District Counsel Collinson requested clarification regarding the LAIF deposit on the bottom of page one (1) of the Internal Audit Report, specifically the Joerger deposit of \$450,000. District Counsel Collinson stated that the Joerger deposit was \$550,000 and questioned where the other \$100,000 was. Ms. Sally Lyon clarified that the \$550,000 deposit was wired into the Bank of the West account and the District transferred \$450,000 of that wire into the LAIF account.

MOTION #4 OCTOBER- 29-14: Director Wallace motioned to approve the Internal Audit Report. Director Hetherington seconded the motion. President Jones, Vice President Morrison, Directors Hetherington, Van Berkem and Wallace voted in favor of the motion. The motion passed.

PC-3 PLANNED COMMERCIAL DEVELOPMENT LAND ACQUISITION PROPOSAL

Mr. Smith stated that at the last Board meeting, Mr. and Ms. Lippert requested the Board to consider acquiring some parcels, specifically the parcels zoned Business Innovation in Parcel six of the PC-3 development. They felt this would enhance safety and prevent development of parcels that may be incompatible with the airport. Mr. Smith stated along with exploring Parcel six, staff was interested in exploring Parcel three as there may be value in considering acquisition as the District owns the adjoining property. Mr. Smith reported that staff spoke with the Joerger's family representative, Truckee River Associates, and they stated that they are willing to sell individual parcels of PC-3. Mr. Smith stated that the Joerger family wants 10-12 million dollars for Parcel six and Parcel three is close to 4 million dollars. Mr. Smith also stated that both TTAG and the District have both reviewed the PC-3 development and concluded that it is compatible and consistent with the operations of the Airport. Mr. Smith reminded the Board that this is a discussion item; if the Board were to have any interest in pursuing acquisition of any of the parcels, the District would need to get together with the Town of Truckee to discuss options.

PUBLIC COMMENT: Ms. Laurel Lippert stated that in the interest of public safety, Truckee Tahoe Airport District should consider buying the PC3 property located on the west side of Highway 267 adjacent to the Ponderosa Golf Course. Ms. Lippert stated that commercial development on the PC-3 land will eliminate an emergency landing site for planes experiencing engine failure departing runway 29. Ms. Lippert expressed that acquiring the PC-3 land

would be a huge opportunity for the District to fulfill the Master Plan strategies as well mature a critical emergency option for pilots and guarantee public safety.

Mr. Andrew Terry stated the idea of the District partnering with the Recreation and Park District to purchase the land and extend Ponderosa Golf Course to add another nine holes.

Mr. Matt Hexton, local pilot, stated his support towards the purchase of the land and the potential it would add for pilot safety.

Ms. Pat Northrop, local pilot, stated that the PC-3 land has always been a nice, viable option for a pilot to safely land in. She stated that she would like to see this land be saved and not developed commercially.

Director Van Berkem stated that he would be interested in the viability to turn the land into a golf course, as it could generate additional revenues.

Mr. Terry expressed that the Airport should consider any land that is zoned open space (Parcels A and B).

Director Wallace stated that she acknowledges the extensive multi-year public process that has taken place for PC-3 and that the District should be respectful to the Town of Truckee's zoning. Director Wallace expressed that if enough of the public comes forward to the Board that they are interested in the acquisition of the land, she would be interested in pursuing it. Director Van Berkem stated the acquisition of the land has some positives to consider (safety and revenue producing back nine for the golf course), his only concern would be if the District offers them an amount that is too low, and it could be a long time before something happens. Vice President Morrison encouraged the Board to consider what the Owner thinks of the whole concept before the District consider having the land appraised. President Jones stated that the Board should take notice of the multi-family residential parcel that is contiguous. President Jones expressed that he would be interested in the efforts to make sure that there are no residential units built near the airport, as it would inevitably impose additional conflict between the public and the airport.

AIRPORT COMMUNITY ADVISORY TEAM (ACAT) UPDATE

Mr. Bullock gave an update to the Board on the Airport Community Advisory Team. Mr. Bullock stated that Member Anderson has been appointed as interim chair of ACAT. The Group discussed the Night Operations presentation that was made to the Board in September, they also reviewed additional phases that were outlined at the Board Meeting. Mr. Bullock stated that the Night Ops committee also requested and ACAT approved their request for additional counsel review of the Night Ops Draft Report. The Annual Work Plan was also reviewed and it was decided that ACAT would have an offsite workshop at Northstar to further discuss this topic. ACAT discussed the possible use of neighborhood noise monitors to collect sound data on specific aggregate and single event noise for aircraft with integration into the flight tracking and noise/operation monitoring system. Mr. Bullock expressed that staff brought forth two ideas to ACAT, one of which is an idea of creating an iPad application that rewards pilots for avoiding residential overflight by awarding points or value to behavior associated with reduced community annoyance. The other idea was a discussion of a program to assist in replacing legacy gas aircraft with diesel aircraft to combat emissions and community annoyance related to flight training aircraft.

PUBLIC COMMENT: Mr. Ted Lipien stated that he observed six business jets in one hour (which is one every ten minutes) flying over his neighborhood during Labor Day, and wished to state that jet traffic is an increasing problem.

Director Van Berkem asked Mr. Bullock when the November ACAT meeting was, and Mr. Bullock replied that it will take place on November 17th from 9:00 a.m. to 3:00 p.m. at Northstar Resort's boardroom.

Director Hetherington stated that she attended the October ACAT meeting to welcome the two new members. She felt that it was a great meeting where great ideas were expressed and discussed.

UTILITY CAPITAL FACILITY PLAN PRESENTATION

Mr. Bill Quesnel, District Engineer, presented the Utility Capital Facility Plan to the Board. Mr. Quesnel stated that the scope of the project was to review condition, identify required upgrades and develop long term maintenance strategies. He stressed that the recommendations that were made were not a result of a lack of maintenance but rather proposed as enhanced effort to maximize functionality and to support maintenance operations.

- System Mapping

Mr. Quesnel stated that the mapping portion of the project was the largest. They combined all mapping information into one mapping book and GIS version. The only recommendations are to develop a naming/tagging protocol and to implement semiannual updates.

- Domestic Water and Fire Protection

The District owns and operates almost two miles of waterline on Airport property; there are two connections to TDPUD, 10,000 ft. of 4" – 12" mainline, 18 hydrants and nine buildings served. Recommendations: replacement of laterals at Hangars 1, 2 and the EAA. Locate all building shutoff valves and replace if not operable or cannot be found, and to clean valve boxes, exercise valves and hydrants biannually.

- Sanitary Sewer System

There are three connections to Truckee Sanitary District (TSD), service to nine buildings (two on septic), pretreatment for vehicle maintenance and terminal restaurant. The in-pipe inspection indicated sanitary sewer pipes in good condition but some cleaning is required. Recommendations: Locate all building cleanouts, clean all pipes and manholes biannually, clean pre-treatment vaults on as-needed basis based on annual inspections, pump septic tanks on four year rotation maximum, post restrooms re: environmental sensitivities.

- Storm Drain Collection System

There are 10,000 feet of 12"-24" pipe, 44 inlets, and slotted drains between most hangar rows on east end, channel slide gates and overflow vaults for fuel containment. Recommendations: Replace slotted drain between G & H hangar buildings in 2015. Assess storm drain pipe condition when overlying pavement is scheduled for reconstruction. Clean system in spring of each year, especially inserts in inlets constructed as part of the Terminal Building, and visually inspect fuel containment system annually.

- Power Distribution System

There are indoor and outdoor conduits, panels, pull boxes, fixtures beyond TDPUD service entrances powering buildings, airside lighting, AWOS, rotating beacon, fuel island/farm. Three emergency generators for Terminal Building, runway lighting, rotating beacon, segmented circle, Fuel Island, vehicle maintenance and Careflight; condition of building panels described in the Facility Plan. Recommendations: Investigate and correct receptacle capacity on ramp light poles. Inspect all at-grade pull boxes annually to confirm lids are secure and conductors are accessible. Label all above ground panels with voltage, source of power, building/system served and individual breakers.

- Communication System

There are pull boxes and fixtures for access gates, self-serve fuel sales and tank monitoring, hangar fire alarms, security cameras, AWOS and flight tracking. The communication system is "copper" with the exception of a fiber link between the Terminal and Vehicle Maintenance buildings. Recommendations: Inspect all at-grade pullboxes annually to confirm lids are secure and cables are accessible. Label all above ground panels/enclosures with building/system served. Label all cables at each intermediate pull-box with building/system served.

- Timing and Budget Implications

Workload permitting, the majority of enhanced maintenance can be completed by staff without special tools or training: Further exploration and confirmation of underground infrastructure along with mapping corrections, regular inspections, cleaning and operation of above and below grade components to ensure maximum capacity and functionality and labeling of power and communication panels, enclosures and cables.

Specialized repairs/maintenance total approximately \$70,000 over a ten (10) year time period: Replacement of three building water service laterals within the next two to three years. Sanitary sewer system cleaning every other year. Sanitary sewer pretreatment vault cleaning every other year. Septic tank pumping every four years. Ramp lighting electrical corrections. Map file updates every year.

Director Wallace asked how risk management (fire/flood) factor into the utility maintenance plan. Mr. Quesnel replied that maintaining an aggressive maintenance schedule should reduce the risk of failure, even during an act of Mother Nature. Director Hetherington asked if the Airport conducts education reminders to hangar tenants regarding disposal of oil and fuel hits the slot drains it goes to ground water. Mr. Quesnel stated that a reminder in a hangar bill would be a useful tool.

PUBLIC COMMENT: None

MOTION #5 OCTOBER-29-14: Director Hetherington motioned to approve the Utility Capital Facility Plan. President Jones seconded the motion. President Jones, Vice President Morrison, Directors Hetherington, Wallace and Van Berkem voted in favor of the motion. The motion passed.

EXECUTIVE HANGAR FEASIBILITY STUDY – REQUEST FOR PROPOSAL APPROVAL

Mr. Mark Lamb, Aviation and Community Services Associate, stated that during the September 24th Board meeting, the Board voted in favor of authorizing staff to prepare a Request for Proposal (RFP) for an executive hangar financial, site and feasibility study along with the alternative option of land leasing for construction of private executive hangars. Mr. Lamb stated that Section 4.2 of the Draft Master Plan outlines a need for an additional 18 executive hangars to be constructed for the planning period of the Master Plan (through 2025). The implementation plan calls out for a study to be conducted in FY 2015/16. Due to the high demand (currently there are 26 people on the waitlist) and frequent requests for executive hangars, staff recommended conducting the study now to gain a better understanding of the demand requirements, forecasted fleet mix, the District's future economic commitment and the strategies to address, meet and balance the needs of both our aviation community and our local taxpaying constituency. Staff anticipates the RFP to be no more than \$30,000 which has been approved in the FY2015 budget.

PUBLIC COMMENT: Mr. Terry asked if inflation adjusted numbers were added into Attachment B. Mr. Lamb stated that the data only included raw numbers.

District Counsel questioned the date labeled in red on the front page of the RFP. Mr. Lamb stated that the needs to be determined. Mr. Smith stated that staff knows the 4-5 companies that do this type of work, three of which would actually bid on it. President Jones clarified that Staff is asking the Board to approve the RFP and request bids for the study only. Mr. Smith responded that is what staff is requesting the Board to do, and clarified that the bids would be asking for bid price and is solely based on qualification. Director Hetherington suggested not having a response until January, as we enter into the Holiday season it could get complicated. Director Wallace and Mr. Smith agreed with Director Hetherington's suggestion as they believe the response will be better if the District waits until January to review the responses.

Director Van Berkem stated he would like to see the study have the cost effectiveness of building six hangars and the cost effectiveness of twelve, i.e.: economies of scale, and also the differences between land leased hangars and airport owned hangars. Vice-President Morrison agreed with Director Van Berkem stating this would be important information.

Mr. Lamb suggested to the Board that he can do survey work, comparing ideas and see what other airfield's experiences have been with the land leasing option, as well as their experiences with the management of land leased hangars. Director Hetherington stated she would like to know their pro/con evaluations, as TTAD does not have its minimum standards developed yet. She also stated that she is concerned the additional information requested to be added into the study will cost more than what was allocated.

Vice President Morrison stated that he would like verbiage in the RFP that asks: what creates jet traffic, will building hangars create jet traffic or is the Airport reacting to traffic that is already here. Mr. Bullock stated that an independent, third party, should be consulted to do the "driver" study, as having it included in the RFP would be difficult. Vice President Morrison agreed with Mr. Bullock and requested an RFP be drafted for a "driver" study and be brought back to the December 3rd Board meeting.

MOTION #6 OCTOBER-29-14: Director Van Berkem moved to issue the Executive Hangar Feasibility Study as ammended and for staff to draft and bring back a RFP that addresses the "driver" of jet traffic. Vice President Morrison seconded the motion. President Jones, Vice President Morrison, Directors Wallace and Van Berkem voted in favor of the motion. Director Hetherington voted against the motion, expressing her concern about staff time, prioritization of tasks, and the need to develop minimum standards prior to proceeding. The motion passed.

MEETING TIME CHANGE REVIEW

Mr. Smith stated that staff reviewed Board Meeting attendance numbers, length of meetings, and time requirements for closed sessions. Based on the information presented and to assist in facilitating the schedules of the District's hourly employees, staff suggests starting the Board Meetings at either 3:00 p.m. or 4:00 p.m. Mr. Smith stated that it is truly up to the Board Members and that staff will go with what is best for the Board Members. Mr. Smith expressed that meeting a few hours earlier in the day may assist in avoiding late evening discussions that are less effective.

PUBLIC COMMENT: None

Director Wallace feels that public attendance may be down due to the high amount of public outreach that has taken place the last few years; she expressed that she would prefer a 3:00 p.m. start. Director Van Berkem stated that he would rather start at 1:00 p.m., as he is more effective earlier in the day. Vice President Morrison expressed that 5:00 p.m. works better for him, but would compromise for 4:00 p.m. if need be. Director Hetherington would like the meetings to continue to meet in the evening time.

MOTION #7 OCTOBER-29-14: President Jones motioned to change the Board Meeting start time to 4:30 p.m. effective December 3, 2014. Director Wallace seconded the motion. President Jones, Vice President Morrison, Directors Hetherington, Wallace and Van Berkem voted in favor of the motion. The motion passed.

APPROPRIATIONS LIMIT – RESOLUTION 2014-10

Ms. Lyon stated that once a year the District is required to establish an Appropriations Limit for each fiscal year. The Appropriations Limit is calculated based on the prior year's Appropriations Limit and adjusted for the change in population and the change in the cost of living. Ms. Lyon stated that the District is well within the Appropriations Limit, and that James Marta & Company has reviewed the calculation and has found no exceptions.

PUBLIC COMMENT: None

President Jones waived the reading of Resolution 2014-10.

MOTION #8 OCTOBER-29-14: Director Hetherington motioned to approve Resolution 2014-10, Appropriations Limit for fiscal year 2015 and to waive the reading. Director Van Berkem seconded the motion. A roll call vote on this motion resulted in the following: Director Wallace – yes, Director Van Berkem – yes, Director Hetherington – yes, Vice President Morrison – yes, President Jones – yes. The motion passed.

INVESTMENT POLICY REVIEW (PI 308) – RESOLUTION 2014-11

Ms. Lyon stated that staff is not suggesting any change to the investment policy. Ms. Lyon stated that staff would like to consider investing more in CD's, as current CD's earn about 1 – 1.1% versus the return on LAIF investments that receives a return of .25%. The term of the CD's would be up to 2.5 years.

PUBLIC COMMENT: None

MOTION #9 OCTOBER-29-14: Director Hetherington motioned to approve Resolution 2014-11, Investment Policy Review and to waive the reading. Director Van Berkem seconded the motion. A roll call vote on this motion resulted in the following: Director Wallace – yes, Director Van Berkem – yes, Director Hetherington – yes, Vice President Morrison – yes, President Jones – yes. The motion passed.

CLUP FUNDING PARTICIPATION POLICY REVIEW – PI 312

Mr. Smith stated that PI 312 has not been looked at since March of 2014, and was recently reviewed by staff due to the discussion that took place during the budget workshop in September. It was suggested that the Board review PI 312 in preparation of the re-bid of the Natatorium by the Truckee Donner Recreation and Parks District (TDRPD). Mr. Smith stated that the Board has two options, to adopt PI 312 when TDRPD submits a formal request or to adopt it prior to a formal request.

District Counsel Collinson stated that on page three, item eight (Funding Review Requirements and Criteria), the phrase "satisfactory to the District" should be added. It was Board consensus to adopt PI 312 prior to receiving a formal request for funds from TDRPD.

After some discussion it was the consensus of the Board to move forward with adoption of the policy at the December 3rd Board meeting.

LAND LEASING ADHOC COMMITTEE REPORT

President Jones stated that Clear Capital released a letter stating that they signed a letter of intent with a developer in Reno, Nevada to occupy a 14,000 sqft. office building in downtown Reno. Clear Capital will move 100-150 employees to Reno by March of 2015. President Jones stated that Mr. Kevin Marshall, President of Clear Capital, expressed that he is in discussion with his current landlord about the possibility of keeping a presence in their current location, and as they go through the move, they would like to keep a dialog going with the Airport District regarding the potential of building a 5-10,000 sq. ft. campus on Soaring Way.

Director Wallace thanked the AdHoc Committee and staff for their efforts to keeping Clear Capital in Truckee. Director Wallace stated that she would like to see two things done: an executive summary be written that captures everything that the District has learned during the past two years, and all documents that were generated during the land leasing process be placed in one location (i.e.: binder). Director Wallace stated the District was not initially aware how much importance the sphere of influence and the question of annexation would play when this process was initiated. She went on to state that she would like that aspect be resolved before the District is approached

again. Vice President Morrison stated that he strongly agrees with Director Wallace, and stated that he would like to know when and how the Board will work on those two issues. Mr. Smith replied that the sphere of influence and annexation will continue to be an issue until the District and the Town of Truckee come to common ground. Mr. Smith stated that there needs to be serious dialog that will need to take place between the District and the Town of Truckee. Director Van Berkem expressed that the District should not make any commitments with the Town of Truckee regarding the District's future uses of its land until the Board is able to discuss this item. Mr. Smith indicated that this would be reviewed and discussed at the offsite Board/Staff retreat in February.

PUBLIC COMMENT: None

GENERAL MANAGER'S REPORT

Mr. Smith reviewed training options list in his GM Report, there is a CSDA Leadership conference November 16-18 that will be taking place down in Anaheim. There is also an ACC/AAAE Airport Planning, Design and Construction Symposium, February 18-20 in Denver, Colorado.

Mr. Smith stated that the CEQA Scope and Fee is still underway as part of the Master Plan process. The Hangar 3 workshop will be taking place on November 5th; survey work will be taking place from Mead & Hunt so some people may be receiving a phone call from them.

The Board/Staff retreat is confirmed to take place on February 12th at the Boardroom in Northstar. The public is welcome to attend, but public comment is typically not taken at these meetings. Mr. Smith stated that the list of discussion topics continues to grow, and that he will also be proposing quarterly workshops as he believes Staff and the Board will not be able to accomplish everything in one meeting.

The next Board meeting will be December 3rd and the District holiday party will be December 6th at The Lodge in Tahoe Donner.

PUBLIC COMMENT: None

CLOSED SESSION

At 8:09 p.m., the Board entered closed session pursuant to government code section:

- GOVERNMENT CODE SECTION 54957 – GENERAL MANAGER ANNUAL PERFORMANCE REVIEW

PUBLIC COMMENT: None

At 8:30 p.m., the Board recessed out of closed session and reported the following actions:

- GOVERNMENT CODE SECTION 54957 – GENERAL MANAGER ANNUAL PERFORMANCE REVIEW

The Board expressed approval of Mr. Smith's performance as General Manager and also provided direction and feedback to Mr. Smith. The Board awarded Mr. Smith a \$6,000 salary increase and a \$4,000 flight training stipend. The Board also approved the General Manager to use District credit at Sierra Aero for 1968F.

BOARD MEMBER ANNOUNCEMENTS: None.

PUBLIC COMMENT: None

ADJOURN

MOTION #10 OCTOBER-29-14: Director Hetherington motioned to adjourn. Director Wallace seconded the motion. President Jones, Vice President Morrison, Directors Hetherington, Wallace and Van Berkem voted in favor of the motion. The motion passed.

At 8:30 p.m. the October 29, 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
