

The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS regular meeting held Thursday, December 1, 2011 at the Truckee Tahoe Airport District Community Room, 10356 Truckee Airport Road, Truckee, California at 9:00 am.

CALL MEETING TO ORDER: 9:00 a.m.

DIRECTORS PRESENT: President Kathleen Eagan
Vice President J. Thomas Van Berkem
Director Mary Hetherington
Director John B. Jones, Jr.
Director James W. Morrison

STAFF PRESENT: Mr. Kevin Smith, General Manager
Mr. Phred Stoner, Director of Operations and Maintenance
Ms. Jane Dykstra, Director of Finance and Administration
Mr. Kevin Bumen, Director of Aviation and Business Services
Ms. Maria Martinez, District Clerk
Mr. Brent Collinson, District Legal Counsel
Mr. Jim Clague, District Engineer

VISITORS: There were twelve (12) visitors present

SPECIAL ORDERS OF BUSINESS

President Eagan stated that the District is acknowledging Mr. Wolfgang Dirks for his time and dedication to the District as an ACAT Member. Mr. Dirks was not present to receive the resolution, however President Eagan noted that he attended the October 27, 2011 Board meeting and the Board had the opportunity to thank him at that time.

PUBLIC COMMENT: None

MOTION #1 DEC-01-11: Director Hetherington moved to approve District Resolution 2011-10 Commending Wolfgang Dirks as presented. Vice President Van Berkem seconded the motion. Director Hetherington read the resolution. A roll call vote on this motion resulted in the following: President Eagan-Yes, Vice President Van Berkem-Yes, Director Hetherington-Yes, Director Jones-Yes and Director Morrison-Yes. The motion passed.

PUBLIC COMMENT: None

CONSENT CALENDAR

Vice President Van Berkem requested that the Airport Art Coordinator Contract be pulled from the Consent Calendar. Mr. Collinson requested that Policy Instruction 504 – Temporary Policy Leases, Rents, Rates & Charges be pulled from the Consent Calendar. Mr. Smith stated that he is a non-salaried member of a 501c3 Corporation – The Kid Zone, which may be participating with the District on the proposed Air Festival.

- Minutes: October 27, 2011 Regular Board Meeting
- Monthly Service Bills and Fees
- Financial Report
- Liability Insurance Coverage
- Hangar 2 Lease Agreement
- Air Festival Planning Committee Recognition

MOTION #2 DEC-01-11: Director Hetherington moved to approve the rest of the items on the Consent Calendar. Director Jones seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

PUBLIC COMMENT: None

- Policy Instruction 504 – Temporary Policy Leases, Rents, Rates & Charges

Corrections were requested by Mr. Collinson. The corrections were noted as follows:

Page 5 of Policy Instruction 504

- **Item 4-C: Other Approvals/Signature Authority.** The District Director of Finance and Administration is authorized to sign consumer price index adjustments, rent adjustments, and letters of default.

Page 9 of Policy Instruction 504

- Change header on the table to read: **Annual Business Thresholds**
- **Pilot Training:** Change the COP Required (Threshold) to read: **More than 10 hours**

PUBLIC COMMENT: None

MOTION #3 DEC-01-11: Director Hetherington moved to approve Policy Instruction 504 – Temporary Policy Leases, Rents, Rates & Charges with the requested changes. Director Jones seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

- Airport Art Coordinator Contract

Vice President Van Berkem requested the District consider addressing parameters under which the art that is being displayed can be sold. Mr. Smith stated that this will be made a part of the guidelines, policies and procedures.

PUBLIC COMMENT: None

MOTION #4 DEC-01-11: Vice President Van Berkem moved to approve the Airport Art Coordinator Contract with the requested changes. Director Hetherington seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

TRUCKEE TOMORROW / TMA PRESENTATION

Ms. Lynn Saunders, President and CEO of the Truckee Donner Chamber of Commerce gave a presentation to the Board on an Economic Development Initiative. This has been a collaborative effort between the Truckee Donner Chamber of Commerce, the Truckee Downtown Merchants' Association and the Town of Truckee. The four priority projects discussed were Transportation, Business Retention & Recruitment, Downtown Truckee Improvements and Enhanced Marketing of Truckee. Mr. Tony Lashbrook, Town Manager discussed the Transportation portion of the presentation. The Transportation sub-committee is working on several initiatives to help fill the gaps in the transportation system serving the Truckee / North Lake Tahoe areas. Mr. Smith stated that the District has been very involved in this process. Through the District's Master Plan, the District will be able to understand what role they have in this process. President Eagan requested clarification on the use of District property as a transportation hub. Mr. Lashbrook stated that the short term goal is finding existing pavement to use where peak park-and-ride times do not compete with the need for that pavement such as at the school grounds or the airport however there is no concrete proposal. The proposal will come with a complete design of a

transportation system. He added that they are looking for long term funding partners for transportation and would welcome the opportunity to participate in the District's Master Planning effort. This would be a more appropriate way for more in depth discussions to take place with regard to partnership opportunities.

PUBLIC COMMENT

Ms. Jan Collier with the Transportation Management Association (TMA) stated that the Truckee Tomorrow organization has put a spark in her life. The challenges with transportation do not end. They have had a lot of things they have been able to put on the ground in the last 6 ½ years and every season they get one more piece. The first meeting Ms. Collier attended at Truckee Tomorrow there was a discussion about transportation. She is concerned about the whole broken system and the need for more year round continuity for the resort triangle. That has been on TART's agenda and their short range transit plan. She has fought to keep it there. The way the system goes if it is not something that they can meet financially, it goes off their radar. Ms. Collier is hoping that the TMA can partner with the District on transportation. If it can be included in the District's Master Plan, it can be looked at as a beginning to how everything is connected.

Mr. Andrew Terry stated that it is great that we are looking strategically at how we can improve our area. He does not think the transportation system was ever broken because it was non-existent. One thing we have to think about is what will get you out of your car. They have limitless funds because they are on vacation. We have to rethink transportation. There is one area where we can think out of the box - think off road. Look at alternative sources of transportation such as cable cars or ferries that can transport people over the lake. Another issue is parking. Who pays for parking? What causes us to pay for parking is the lack of free parking spaces. Paid parking does keep locals out of the downtown hub. The third thing he brought up was that California and Nevada have agreed to combine their efforts for the 2022 Olympics. The infrastructure that is going to come from that is going to be quite large. All the transportation issues would dissipate if that went through.

ANNUAL AUDIT PRESENTATION

Mr. Bob McClintock and Mr. Eric Allen of McClintock Accountancy presented the fiscal year 2011 audited financial statements of the District. Mr. McClintock advised the Board that his firm conducted the audit as of September 30, 2011. He stated that to be discussing financial statements in almost final form only 60 days after the end of the fiscal year is remarkable and is a statement of the condition of the records which were found to be in fine shape. It is rare to have a governmental entity even be able to close their books within 60 days after the end of a fiscal year with as much construction and other projects going on throughout the year.

Mr. McClintock offered his opinion as an unqualified or clean opinion. In addition, his opinion presents fairly within the guidelines of generally acceptable practices for governmental entities. The financial statements used in the audit are the property of the District and the audit documents and reports are the property of McClintock Accountancy. The audit was conducted under generally accepted accounting standards which are designed to obtain reasonable, but not absolute assurance about the financial statements.

Mr. Allen outlined the audited financial statements and explained the report for the Board. Mr. McClintock stated that there were no disagreements, or difficulties encountered while performing the audit. The District financial statements are in good order.

PUBLIC COMMENT: None

Mr. Smith expressed his appreciation to the McClintock Accountancy staff for their patience during the audit as they had to work out of Hangar 2 this year. Mr. Smith and the Board also thanked Ms. Dykstra and staff for their outstanding job along with the auditors to get the audit done.

MOTION #5 DEC-01-11: Director Hetherington moved to approve the report on the District's financial condition from McClintock Accountancy. Director Morrison seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

AIRPORT COMMUNITY ADVISORY TEAM

ACAT Chair Andrew Terry updated the Board on the current status of ACAT. There have not been many community outreach opportunities lately for ACAT. Most organizations have ceased their meetings for the year. However, ACAT is still going to be participating on the committee for the upcoming Air Festival. Vice President Van Berkem stated that there are more residents in the area during the winter months than the rest of the year and was concerned that ACAT was not continuing their outreach efforts through the winter months. Mr. Bumen noted that although there may be a lack of outreach efforts from ACAT through the winter months, District staff stays very involved in the community and is continuing outreach efforts such as the Santa Fly-In. ACAT has also refocused their efforts on RNAV departures and Performance Based Navigation. Among the options discussed, Mr. Terry mentioned expanding Runway 1/19. Director Morrison suggested that signage be provided for pilots with recommended departure routes. Mr. Terry stated that all ideas are being explored however the expansion of Runway 1/19 is the ideal solution for the larger aircraft to utilize.

PUBLIC COMMENT: Mr. George Edmonson stated that Runway 1/19 was one of the main issues when he was General Manager for the District about 39 years ago. At that time, Runway 19 did not have a taxiway. It is a critical runway for foul weather conditions. There was also an RNAV B instant approach that had been approved by the FAA for Runway 19 because of that. The District had looked at relocating Highway 267 at one point in time as well. However, due to the grade in the land in that area, it is not possible to get even 500 feet out of it. The critical thing with Runway 19 today is the wheel loading. It is in the NOTAMS to pilots. In regards to lengthening the runway, there is very little area to do so. The biggest thing to do on that runway is to re-evaluate the load bearing capacity.

The Board requested ACAT continue to pursue the issues in regards to concentration and dispersion of aircraft in an effort to help the residents. Mr. Terry added that the Road shows went well in Concord and Livermore. The new member of ACAT, John Aadland will be at the next meeting. ACAT will be reviewing the officers' positions at its next meeting as well.

PUBLIC COMMENT: None

BREAK: At 10:37 a.m. the Board recessed for a short break. At 10:45 a.m. President Eagan reconvened the meeting.

ADMINISTRATION BUILDING CONSTRUCTION UPDATE

Mr. Peter Beaupre of Prosser Building & Development, Inc. updated the Board on the activity on the new administration building. The project is now approximately 90% complete in terms of cost. Most areas have had the electrical, HVAC and cabinetry installed. The kitchen is scheduled to be tiled this week with the finished equipment and shelving being installed thereafter. The multi-purpose room has significant amount of audio visual equipment that should be on-site within the next week and installed. Once that is done, the drywall can be installed in the ceiling. The major tasks ahead include the startup and commissioning of the HVAC system as well as the flooring installation. Estimated occupancy is scheduled for mid-January 2012.

PUBLIC COMMENT: None

PAVEMENT MANAGEMENT PLAN

Mr. Reinard Brandley reported to the Board on the proposed pavement management plan. The Pavement Maintenance Plan Ad Hoc Committee is recommending approval of the 2011 Pavement Evaluation Study and its associated Pavement Maintenance/Management Plan (PMP). The FY2011-12 Budget allocates \$530,000 for airfield pavement maintenance which includes:

- Apron A2: Mill and Fill or Hot Recycle - \$255,000
- Apron A2 and A4: Crack Repair, Seal Cracks & Joints - \$130,000
- H3 Taxi lanes and Warehouse Area: Saw and seal new joints – Supplemental - \$115,000

The study considers both surface distress conditions as well as deep seated distress to establish a program for year to year maintenance. The plan projects approximately \$500,000 per year on pavement expenditures to maintain the District's Pavement Condition Index of 65. This is a reasonable industry standard for pavement condition maintenance. Mr. Brandley also reviewed his recommendations for maximum load limits based on the current conditions of the runways to avoid maximum deterioration.

Director Hetherington requested clarification on Mr. Brandley's recommendation to add 3" AC to Runway 10/28 based on the funds the FAA was going to grant to the District for this project. Mr. Brandley stated that the District has three choices: 1) If the FAA does not grant the District the funds then the lifespan of the runway will be shortened and the District will have to redo the runway in 18 to 20 years; 2) the District can pay for the entire project as presented to lengthen the lifespan of the runway; 3) the FAA can pay for the entire project as presented. That decision will need to be made after Mr. Smith meets with the FAA. Director Jones asked if the load bearing estimates presented by Mr. Brandley were based on the current load bearing or based on the enhanced runway load bearing. Mr. Brandley stated that it is based on the runway with the enhanced section. Runway 10/28 has a current load bearing of 80/50. It will be the same load bearing after the enhancement because the east end of the runway is the limiting factor.

Director Morrison asked what the load bearing on runway 10/28 would be if the money was received from the FAA and the District opted to make all the modifications recommended in Mr. Brandley's presentation. Mr. Brandley stated that the load bearing would still be close to the 80/50 it is today. It's a question of how many large aircraft the District will have operating and how many are authorized to use it.

Mr. Smith stated that he will be meeting with the FAA next week to discuss this and will report his findings at the January 26, 2012 Board meeting. Director Hetherington requested that Mr. Brandley perform a sensitivity analysis on Runway 1/19 by increasing the usage of the runway. The Board agreed.

PUBLIC COMMENT: None

The Board also requested Mr. Brandley recalculate the load bearing on Runway 10/28 with the enhanced features.

MOTION #6 DEC-01-11: President Eagan moved to direct staff to move forward with the Pavement Maintenance Plan outlined in the 2012 Plan year to include Apron A2 Mill and Fill in the amount of \$255,000, Apron A2 and A4 (May substitute for Rejuvenator option) Crack Repair, Seal Cracks & Joints in the amount of \$130,000 and H3 Taxi lanes and Warehouse Area: Saw and seal new joints – supplemental in the amount of \$115,000. Director Hetherington seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

PUBLIC COMMENT: None

President Eagan requested clarification on whether or not there would be any disadvantage to delaying the decision on the PMP until January. If the \$2.8 million dollar plan is presented to the FAA and then later changed to \$2.3 million, is the FAA going to insist the District move forward with the \$2.8 million dollar plan? Mr. Smith cannot confirm the FAA's position on this until after his meeting next week, however, more than likely the FAA will agree with whatever the District selects as the best product for the airport; Mr. Brandley agreed.

MOTION #7 DEC-01-11: Director Jones moved to approve the Pavement Management Plan as recommended by Mr. Brandley and by approving the plan this is in no way absolute until there is Board action on the individual items such as load bearing.

Director Hetherington inquired as to why the Pavement Management Plan study shows the existing load bearing of Runway 10/28 as higher in the study than as it was presented in June of 2011. Originally Mr. Brandley indicated that the load bearing cap was a 29/38 and the new calculations show a 50/80. Director Hetherington also asked for more information as to why Design Option A as approved by the Board was going to take the runway to a 37/57 standard load bearing but now as per the PMP it is at 50/80. Mr. Brandley indicated that the original load bearing calculated for the June 2011 meeting was based on CBR analysis and general FAA standards. They did not have the benefit of the FWD data at the time. The data in the PMP is more accurate. Director Hetherington stated that while she is in agreement with the new plan there were still some inconsistencies that need additional review. Mr. Smith indicated that the Ad Hoc committee will meet again to discuss these issues.

President Eagan stated that by approving the plan the District is not committing to anything in absolute. The load bearing limits will be approved separately at a future meeting. The Board agreed. The strength of the plan is in how comprehensive it is which is reviewed on a yearly basis. Mr. Smith stated that staff will be doing a yearly analysis of the plan and proposing future projects based on that analysis.

PUBLIC COMMENT: Mr. Bob Fink is not a pilot and totally agrees with approving this.

President Eagan seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

President Eagan thanked Director Hetherington, Director Morrison and Mr. Bill Quesnel for the great job they did working on this committee.

CLOSED SESSION

At 12:32 p.m. the Board entered closed session pursuant to government code sections:

- GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATORS
 - Alder Hill Estates Subdivision, Lot 8
- GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATORS
 - Jones Property

At 1:48 p.m. the Board recessed out of closed session and reported the following actions:

- GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATORS
 - Alder Hill Estates Subdivision, Lot 8 - *Direction given to staff*
- GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATORS
 - Jones Property – *Direction given to staff*

President Eagan noted that Vice President Van Berkem is a non-paid member of the Board of the Truckee Donner Land Trust which is a 501c3 corporation.

AIRPORT CAPITAL IMPROVEMENT PROGRAM (ACIP)

Mr. Smith stated that the five year ACIP is due to the FAA in mid-January. Mr. Smith will be reviewing the ACIP at his meeting with the FAA next week however, the final version does not need to be turned in to them until mid-January. There has been a substantial change this year to incorporate recommendations from the new Airport Pavement Maintenance Plan (PMP). Not all projects from the PMP are listed in the ACIP. The projects have been prioritized based on the likelihood of funding from the FAA. The \$5,599,000 in the 2013 to 2017 plan is a manageable number and based on good information and analysis included in the new PMP.

PUBLIC COMMENT: None

MOTION #8 DEC-01-11: Director Jones moved to approve the Airport Capital Improvement Program for FY 2013 – 2017 with whatever changes may arise pursuant to the meeting with the FAA in addition to considering the addition of some of the other District maintenance projects. Director Morrison seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

OFF-SITE MEETING LOCATIONS

The Board discussed options for off-site meeting locations for 2012. The Board agreed that the live video feed is a beneficial means of reaching the constituents. Mr. Smith stated that the audio visual feed may not be ready until April or May of 2012. Director Hetherington suggested that the Board consider having one more off-site meeting at Kings Beach in April based on availability, as the last off-site meeting. Mr. Collinson stated that although the District will be broadcasting a live feed, the public will not be able to make public comment unless there is a phone line installed for the public to call in. Director Jones noted that conference call facilities are available for these types of situations. The Board agreed to hold the off-site meeting at the North Tahoe Event Center in Kings Beach in April of 2012 provided the District's audio visual system is not up and running yet in the new building.

BREAK: At 2:05 p.m. the Board recessed for a short break. At 2:10 p.m. President Eagan reconvened the meeting.

PEAK STAFFING REVIEW

Mr. Smith stated that the main objective of this discussion was to align the Board and staff expectations as to a course of action and desired result of peak staffing considerations and potential operational changes. Staff wants to use efficiency to capture man hours and retool employees to handle new tasks. Two employees have been selected to be transferred to work under the Director of Aviation and Business Services to capture those hours on slower days and be able to assist with other airport systems. These employees will be fully qualified to do all other Unicom duties as well. Other efficiency enhancements have also been proposed including outsourcing the building cleaning to a private vendor as well as an earlier airport closure time of 9:30 p.m.

Each Board member was asked to define peak staffing. Director Jones requested clarification on why the fuel island is turned on and off every day and not left on 24 hours a day. He also suggested that the resources being used in this area might possibly be deployed in other areas of the airport. Mr. Stoner stated that it has to be attended due to Nevada County Environmental Health Code. Mr. Smith noted that staff will research the option of having the fuel island open 24/7.

PUBLIC COMMENT: None

GENERAL MANAGER'S REPORT

Mr. Smith updated the Board on his outreach efforts in the community. The Santa Fly-In is scheduled for Saturday, December 10th at 10:00 a.m. The District Holiday Party is scheduled to take place at the Cedar House on Saturday, December 3rd at 5:30 p.m. The January Board Workshop is scheduled for January 31, 2012. The proposed facilitator for the workshop will be either Cathy Van Berkem or Pam Fox Rollins. Mr. Smith also thanked Director Hetherington for the details brought up with regards to the lease agreements. It made the District's lease agreements better. The District is reviewing the possibility of participating with other agencies in the acquisition of the golf course in Tahoe City. It looks very feasible. More information will be forthcoming to the Board as it becomes available. Mr. Smith also reviewed the Project Tracking List with the Board.

PUBLIC COMMENT: None

BOARD MEMBER ANNOUNCEMENTS: None

CLOSED SESSION

At 3:10 p.m. the Board entered closed session pursuant to government code sections:

- GOVERNMENT CODE SECTION 54957 – GENERAL MANAGER ANNUAL PERFORMANCE REVIEW

At 4:14 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 approved a 4% pay increase for the General Manager. The Board also authorized a \$5,000 training allowance for FY2012 to be used for Instrument Procedure Training and Emergency Maneuver Training/Mountain Flying. This training allowance is in addition to flight currency allowance in General Manager Contract.

GENERAL MANAGER 2012 PERFORMANCE GOALS DISCUSSION

The Board discussed performance goals for FY2012 with the General Manger. Goals were discussed and agreed upon by both the Board and General Manager in key focus areas such as Board/General Manager Relationship, Community/Pilot Relations, Leadership, Communication Skills, Managing Financial and Material Resources, Human Relations Skills, and various other management objectives. It was discussed that these collaborative goals along with general advice and counsel received from the Board will be used to guide the District in the coming year. These goals and objectives will also assist in measuring the performance of the General Manager over the coming year. It was agreed that these goals are considered public information and are reviewable by the public upon request. It was noted that progress will be reviewed on a quarterly basis with the next General Manager Quarterly Review scheduled for the March 2012 Board Meeting.

ANNUAL SELECTION OF BOARD PRESIDENT AND VICE PRESIDENT

MOTION #9 DEC-01-11: President Eagan moved to nominate Vice President Van Berkem as President of the Board, effective December 2, 2011. Director Jones seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

PUBLIC COMMENT: None

MOTION #10 DEC-01-11: Director Morrison moved to nominate Director Jones as Vice President of the Board, effective December 2, 2011. Vice President Van Berkem seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

PUBLIC COMMENT: None

ADJOURN

MOTION #11 DEC-01-11: Director Jones moved to adjourn. Director Hetherington seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

At 4:15 p.m. the December 1, 2011 regular meeting of the Truckee Tahoe Airport Board of Directors adjourned.