

1 The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS regular  
2 meeting held Thursday, September 22, 2011 at the Truckee Tahoe Airport Conference Room, 10356 Truckee  
3 Airport Road, Truckee, CA 96161 at 9:00 am.

4 **CALL MEETING TO ORDER:** 9:01 a.m.

5 **DIRECTORS PRESENT:** President Kathleen Eagan  
6 Vice President J. Thomas Van Berkem  
7 Director Mary Hetherington  
8 Director John B. Jones, Jr.  
9 Director James W. Morrison

10  
11 **STAFF PRESENT:** Mr. Kevin Smith, General Manager  
12 Mr. Phred Stoner, Director of Operations and Maintenance  
13 Ms. Jane Dykstra, Director of Finance and Administration  
14 Mr. Kevin Bumen, Director of Aviation and Business Services  
15 Mr. Hardy Bullock, Environment and Technology Specialist  
16 Ms. Maria Martinez, District Clerk  
17 Mr. Brent Collinson, District Legal Counsel  
18

19 **VISITORS:** There were five (5) visitors present

20 President Eagan requested that everyone observe a moment of silence for the terrible tragedy that occurred last  
21 Friday at Reno-Stead Airport. She also asked that everyone give thanks that the pilot of the Piper Aztec was able  
22 to survive the accident that occurred here at Truckee Tahoe Airport yesterday.

#### 23 **SPECIAL ORDERS OF BUSINESS**

24 Mr. Smith stated that the District had an incident yesterday. He thanked the Board for being on scene. The Board  
25 was very complimentary of staff's performance during the incident. Mr. Smith was at a meeting in Grass Valley  
26 when the incident occurred. Mr. Smith was also very impressed with the work that staff did in following the  
27 District's emergency protocols in place as well as the help they provided to the pilot in moving him to safety away  
28 from the wreckage. Directors Jones and Morrison acknowledges Mr. Phred Stoner and Mr. Peter Beaupre for  
29 their efforts in moving the pilot to safety immediately after the incident.

30 Mr. Smith also commended Mr. Bullock for his efforts in completing the 300 mile race to raise funds for Big  
31 Brothers Big Sisters. Mr. Bullock thanked the District for their support. President Eagan added that it is nice to  
32 see when someone can marry two passions. One for children and their future and one for cycling and turn it into  
33 something that can benefit the youth of this community.

34 **PUBLIC COMMENT:** None

#### 35 **CONSENT CALENDAR**

36 Vice President Van Berkem requested that Policy Instruction 511 – Airport Operations Monitoring Systems and  
37 Policy Instruction Revisions – Sections 400 (Maintenance) and 500 (Operations) be pulled from the Consent  
38 Calendar.

- 39 • Minutes: August 25, 2011 Regular Board Meeting
- 40 • Monthly Service Bills and Fees
- 41 • Financial Report
- 42 • Revision of Policy Instruction 213.0 – Designation of Unrestricted Net Assets (Annual Update)

43

44 **PUBLIC COMMENT:** None

45 **MOTION #1 SEP-22-11:** Vice President Van Berkem moved to approve the rest of the items on the Consent  
46 Calendar. Director Jones seconded the motion. President Eagan, Vice President Van Berkem, Directors  
47 Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

48 • Policy Instruction 511 – Airport Operations Monitoring Systems

49 Corrections were requested by Vice President Van Berkem. The corrections were noted as follows:

50 **Page 2 of the Policy Instruction 511**

- 51 • Individual flight tracks with transponder tail number identification will only be made available to  
52 authorized District personnel, the airframe owner, ~~company chief pilot, if any,~~ and the pilot in command.
- 53 • Authorized District staff ~~and Board members~~ shall have access to flight tracking data, as authorized by the  
54 General Manager.
- 55 • **Item D: Flight tracking data shall not be used for assessing individuals' compliance with any**  
56 **noise abatement procedures (NAP), nor may it be used as a basis for ~~developing or enforcing NAP~~**  
57 **operational sanctions or incentives. ....**
- 58 • **Item D-1:** Flight tracking information can be used to counsel pilots on suggested noise abatement ~~routes~~  
59 ~~procedures~~. Counseling shall be confidential and advisory in nature; staff shall respect prerogatives of the  
60 pilot in command.
- 61 • **Item D-3:** Flight track information may be used to help assess compliance to contracted curfew programs  
62 ~~(although the airfield camera system currently is the primary tool for outbound operations);~~
- 63 • **Item D-4:** Aggregated flight tracks may be used to determine actual flight pattern trends and ~~to motivate~~  
64 ~~used to aid~~ development of refined NAP recommendations.

65 **MOTION #2 SEP-22-11:** Director Jones moved to approve Policy Instruction 511 – Airport Operations Monitoring  
66 Systems subject to the requested changes. Vice President Van Berkem seconded the motion.

67 **PUBLIC COMMENT**

68 Mr. Rick Tavan stated that most of Vice President Van Berkem's changes are very appropriate. He disagrees with  
69 pulling the final item on "flight tracking data shall not be used for...", as well as dropping the words "developing  
70 or". Although it could be considered redundant, this is the single specific issue that has caused the most anxiety  
71 in the pilot community. He thinks a little bit of redundancy here as a point of emphasis would go very far to  
72 ensure pilot cooperation and support of this system.

73 Mr. Andrew Terry stated that he also has no great objection to any of the changes Vice President Van Berkem is  
74 proposing. He also supports Mr. Tavan's desire to reiterate that the flight tracking system is not designed for a  
75 compliance tool. Remember that the flight tracking system is the camera system as well. Mr. Terry stated that  
76 he has no broad objections to any of the changes suggested other than putting a little more emphasis on what the  
77 flight tracking system will not be used for.

78 **AMENDED MOTION #2 SEP-22-11:** Director Jones moved to approve Policy Instruction 511 – Airport Operations  
79 Monitoring Systems subject to the requested changes with the exception of eliminating the last three lines on the  
80 page from being changed and the removal of the words "developing or". Vice President Van Berkem seconded

81 the motion. There was no call for vote. After further discussion, the Board agreed to have staff make the  
82 proposed changes to the policy and bring it back for Board approval at the October 27, 2011 Board Meeting.

- 83 • Policy Instruction Revisions – Sections 400 (Maintenance) and 500 (Operations)

84 Corrections were requested by Vice President Van Berkem. The corrections were noted as follows:

85 **Policy Instruction 505 – Use of Truckee Tahoe Airport District Board Room**

- 86 • Change the reference of “Board Room” to “Community Room” throughout the policy document.

87 **Policy Instruction 507 – Access Control of the Airport Operations Area (AOA)**

- 88 • Change the definition of Tenant to read: Any ~~legal person~~ authorized individual or entity with a TTAD  
89 lease or operating permit whose leasehold or permit area is in the AOA; ....

90 **PUBLIC COMMENT:** None

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91  
92 **MOTION #3 SEP-22-11:** Director Hetherington moved to approve Policy Instruction Revisions – Sections 400  
93 (Maintenance) and 500 (Operations) subject to the requested changes. Director Jones seconded the motion.  
94 President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of  
95 the motion. The motion passed.

96 **DISTRICT ENGINEER’S REPORT**

97 Mr. Smith reported that the FAA has requested that the District resubmit the grant paperwork for the Hangar  
98 Rows J & K project. Funding has become available through the FAA for this project, however, all documentation  
99 has to be submitted prior to September 30, 2011. The work will begin in the fall with the majority of the work  
100 being completed in early summer of 2012.

101 Vice President Van Berkem requested clarification on any work that can still be completed before winter that has  
102 not been approved and is a safety issue. Mr. Smith stated that staff is still working on what was approved at the  
103 July 2011 Board meeting. All areas that are safety hazards are being addressed and are being handled by priority.  
104 Staff has nothing else to bring to the Board at this time. The Ad-Hoc Committee will be meeting on the Pavement  
105 Maintenance Plan to identify where the work needs to be targeted for the next 5 years. This information will be  
106 brought to the Board for approval later this year.

107 **PUBLIC COMMENT:** None

108 **AIRPORT COMMUNITY ADVISORY TEAM**

109 ACAT Chair Andrew Terry updated the Board on the current status of ACAT. ACAT has completed the revisions on  
110 the Community Outreach Presentation. This is a good tool for ACAT and staff to use during public presentations  
111 to provide information on what the airport is doing. ACAT has also met with representatives from Whispertrack.  
112 ACAT will be using the road show to contact airports to see if they would be interested in participating in  
113 Whispertrack to create more of a regional solution. There may some benefit if partner airports adopt  
114 Whispertrack to facilitate the dissemination of Noise Abatement Procedures. ACAT has also completed their  
115 review of the Airport Operations Policy. Staff will be revising per the Board’s comments for approval at the  
116 October 27, 2011 Board meeting. The iPads have been used by ACAT members over the past few months. The  
117 Board members that do have iPads have been unable to open the Board book attachments. The Board requested  
118 staff provide a set of instructions to facilitate this functionality. President Eagan requested clarification on cost  
119 savings related to the use of iPads. Mr. Smith stated that there is a savings on paper however that is less

120 important than some of the other benefits including storing a resource library on the device in addition to the  
121 added functionality. President Van Berkem requested VPN access to allow him to access Board book documents  
122 when he travels. Member Robert Leftwich will have a proposal to the Board for the October 27, 2011 Board  
123 meeting. ACAT is also researching potential repositioning of operations. More information will be provided as it  
124 becomes available on this item.

125 **PUBLIC COMMENT**

126 Mr. Leeds Davis stated that the iPads are great. It saves him a lot of time. He added that the flight simulator has  
127 been a big success. The public has been very receptive to this outreach tool.

128 **ADMINISTRATION BUILDING CONSTRUCTION UPDATE**

129 Mr. Peter Beaupre of Prosser Building & Development, Inc. updated the Board on the activity on the new  
130 administration building. Overall, the project is now approximately 70% complete. Substantial completion of the  
131 building is scheduled for late December or early January. The site earthwork is substantially complete as well as  
132 the pavement. The landscape contractor is working on the irrigation system. Planting will begin once that has  
133 been completed. On the interior of the building, painting and installation of cabinetry is being completed  
134 upstairs.

135 **PUBLIC COMMENT:** None

136 **BREAK:** At 10:09 a.m. the Board recessed for a short break. At 10:19 a.m. President Eagan reconvened the  
137 meeting.

138 **FISCAL 2011 – 2012 BUDGET**

139 Ms. Dykstra stated that the revised budget is presented based on changes made at the Budget Workshop. Vice  
140 President Van Berkem complimented Ms. Dykstra on her efforts.

141 **PUBLIC COMMENT:** None

142 **MOTION #4 SEP-22-11:** Vice President Van Berkem moved to approve the revised 2011-2012 Fiscal Year Budget as  
143 outlined in the current Board book. Director Jones seconded the motion. President Eagan, Vice President Van  
144 Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

145 **MASTER PLAN RFQ**

146 Mr. Smith stated that he has made some changes to the RFQ. The intention is to solicit proposals. This document  
147 will give the consultants a better idea of what is important to the District. The next step after the Board approves  
148 the RFQ and Scope of Work is to send this out to the list of stakeholders in the community for their input. Mr.  
149 Smith is still working with the FAA to find out when the funding for this Master Plan will be coming through.  
150 Director Hetherington stated that it was important to phrase the questions appropriately in order to generate  
151 input from the community. President Eagan stated that there is value in asking for the consultant's success in  
152 collaboration. She added that there are a lot of neighborhoods that do not have homeowner's associations. It is  
153 going to be very important to devise ways to reach out to these neighborhoods. Mr. Smith noted that he will be  
154 soliciting comments from the stakeholders and bringing back the results for Board review at the October 27, 2011  
155 Board meeting.

156 **PUBLIC COMMENT:** None

157 **RATES AND FEES DISCUSSION – POLICY INSTRUCTION 621.1**

158 Mr. Collinson stated that he contacted Mr. Smith and Mr. Bumen as well as the two pilots that are on the Board  
159 about the potential for conflict of interest in that the decisions and direction being given ~~would~~ could have an  
160 economic impact on them. If so, the discussion would have to be split into two separate discussions. Mr.  
161 Collinson will bring it to the attention of the Board if there appears to be a conflict during the discussion. Mr.  
162 Bumen reviewed the proposed changes to Policy 621.1 with the Board. The revision includes increased flexibility  
163 for staff to optimize the business model, continued alignment with revised goals discussed during the June and  
164 July 2011 Board meetings as well as stable or improved financial performance of the enterprise portion of the  
165 District. Among the data presented for review were the types of aircraft that currently purchase fuel from the  
166 District as well and fuel pricing comparisons. Mr. Bumen also discussed revising the tiers and pricing of Transient  
167 Use Fees. He also stated that there may be a benefit to creating a range that is agreed upon by the Board to give  
168 management the ability to set fuel prices using a margin within that range. There is also an opportunity to  
169 consider a price differential program between self-serve and fuel truck fuel prices in an effort to eliminate the  
170 truck roll fee. President Eagan requested that staff clarify how the Board is going to measure the results of the  
171 proposed changes to the policy by providing baseline details to determine if staff is successful in reaching their  
172 overall goal. Director Jones also requested that staff provide the margins for the individual data points as well.  
173 Director Hetherington requested staff provide baseline comments to judge the effectiveness of how this relates to  
174 how we are serving the stakeholders. The Board agreed.

#### 175 PUBLIC COMMENT

176 Mr. Tavan stated that staff has a very good proposal. They have their fingers on the pulse of the airport and its  
177 clients. He is not surprised that the Board does not want to give up their micromanagement power easily. But,  
178 there is enough in the proposal that the Board could give staff approval to proceed and report back once a  
179 quarter, year or week to show the Board a margin in each category and total margin and let the Board observe  
180 the trends as the ~~staff~~ Board manipulates prices and policies so that the Board can see that staff is managing the  
181 business appropriately. This is exactly the way every board that he has been on has managed their operation.  
182 Boards don't tell staff how to price the products. Boards manage price by exception, not by policy. That is what  
183 staff has asked the Board to do. He appreciates that President Eagan wants to know how it's going to be  
184 measured but it's almost obvious from the slides how it's going to be measured. You are going to have margin per  
185 product, total margin and the results of what the enterprise activities at the airport are bringing in. If staff raises  
186 one price and lowers another price and shuffles a policy around, you will see the results - if any - on the bottom  
187 line. Wait until you get a report and then if you have to, make a suggestion for adjustment. He thinks staff is  
188 headed in the right direction and he is sorry that the Board is going to delay them again.

189 Mr. Terry stated that one thing that is missing is a goal to make it affordable for the local pilots. That generates a  
190 big constraint in running this District in a business-like manner. It needs to be explicitly noted that the Board has  
191 that constraint. The margin is a very big hammer and lacks in sophistication of what most businesses run by. For  
192 example, the cost of collecting some of these fees can explode the cost not on direct margin but downstream in  
193 cost of accounting, collecting, monitoring, and auditing. All these costs are adding up to make doing specific  
194 businesses much more expensive than meets the eye. Another little tactical issue with changing the whole  
195 approach of the Board dictating by policy to management running this as a business is that it will be much tougher  
196 in the budget cycle to reconcile the budgetary goals. One other little nuance is we see fees come in at seven  
197 dollars and eight dollars. His idea is to round it to the nearest five dollars. Finally, if the Board chooses to hand  
198 over this multi-million dollar infrastructure in a monopoly business over to management, which he thinks they do  
199 know the business better than the Board probably does, it does need a whole lot of infrastructure in place to track  
200 success metrics. Staff needs to be incented to run this as a business. It needs very sophisticated metrics. From his  
201 perspective, gross margin is not sophisticated enough. But staff does know the business best and if they are

202 incented to maximize income, they have the tools in place to be able to run this as a successful business. It's a big  
203 change and he is not sure if the Board is ready for that big change.

204 Mr. Bumen stated that he understands per the discussion, that everything is moving in the right direction and that  
205 the Board has requested more details. Director Jones requested staff bring back the draft policy for Board  
206 approval to the October 27, 2011 Board meeting. The Board agreed.

207

#### 208 **WADDLE RANCH – Sugar Pine Foundation and U.C. Davis**

209 Mr. Bullock stated that U.C. Davis has ten students who are interested in using Waddle Ranch to do some study  
210 work. Mr. Malcolm North will be heading up that class. He is scheduled to come up within the next month to  
211 look at the areas where he and his class will be doing the study. Mr. Bullock noted that the plans that are outlined  
212 in the staff report are all aggregated in the District's Strategic Plan.

213 For the area adjacent to Unit 2 of Waddle Ranch, Mr. Bullock reviewed the plans from the Sugar Pine Foundation  
214 to introduce blight resistant stock into a grove of Sugar Pines on the Waddle Ranch property. This would allow for  
215 cross pollination and make a hybrid tree that would be blight and rust resistant and allow it to spread throughout  
216 the ranch. Unit 3 and Unit 4 are areas that have been impacted by logging that staff is hoping to mitigate with  
217 some planting. They are open areas taken back by brush. Some Ponderosa and Jeffrey Pine are currently growing  
218 in that area however Sugar Pine would help mitigate some of that past impact. Director Jones requested  
219 clarification on the size of the plants that would be planted in that area as well as their size in approximately ten  
220 years. Mr. Bullock noted that they are two years old. The long term mortality would be fifty percent at  
221 approximately seventy-five years old so maturity would probably survive to be eight to twelve inches in diameter.  
222 Director Hetherington requested clarification on the potential liability issue with allowing people to plant on the  
223 property. Mr. Bullock stated that liability would be limited for the District. Staff would be involved to the smallest  
224 degree possible. President Eagan stated that the Sugar Pine Foundation should have some kind of a release form  
225 for this project and requested that staff review it.

226 **PUBLIC COMMENT:** None

227 **MOTION #5 SEP-22-11:** Vice President Van Berkem moved to approve the \$4,000 for the Sugar Pine planting.  
228 Director Jones seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington,  
229 Jones and Morrison voted in favor of the motion. The motion passed.

#### 230 **GENERAL MANAGER'S REPORT**

231 Mr. Smith updated the Board on his outreach efforts in the community. Senator Gaines visited the area. Mr.  
232 Smith had the opportunity of touring the airport with him. Robin Hunt from the FAA was also on property that  
233 same afternoon. She had the opportunity to tour the property and the runways as well. Mr. Stoner added that  
234 there may be some emergency repairs needed to the pavement after the aircraft incident yesterday. The  
235 environmental cleanup from the incident will start this afternoon and finish tomorrow morning. Mr. Smith also  
236 reviewed the Project Tracking List with the Board.

237 **PUBLIC COMMENT:** None

#### 238 **BOARD MEMBER ANNOUNCEMENTS**

239 President Eagan reviewed the General Manager's performance review process with the Board.

240 **CLOSED SESSION**

241 At 12:42 p.m. the Board entered closed session pursuant to government code sections:

- 242 • GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATORS

243 At 12:55 p.m. the Board recessed out of closed session and reported the following actions:

- 244 • GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATORS

245 *Direction was given to staff.*

246 **ADJOURN**

247 **MOTION #6 SEP-22-11:** Vice President Van Berkem moved to adjourn. Director Jones seconded the motion.  
248 President Eagan, Vice President Van Berkem, Directors Hetherington, Jones and Morrison voted in favor of the  
249 motion. The motion passed.

250 At 12:56 p.m. the September 22, 2011 regular meeting of the Truckee Tahoe Airport Board of Directors  
251 adjourned.

DRAFT