

The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS regular meeting held Wednesday, December 3, 2014 at the Truckee Tahoe Airport District Community Room, 10356 Truckee Airport Road, Truckee, California at 4:30 p.m.

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

DIRECTORS PRESENT: President John B. Jones Jr.
Vice President James W. Morrison
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: 20

SPECIAL ORDERS OF BUSINESS

Mr. Kevin Smith stated that the Martis Valley West Parcel Project update and the financial audit presentation has been deferred to the January 28th regular Board meeting.

PUBLIC COMMENT: Mr. Tom Meadows stated he had a comment not aimed at any agenda item, but stated that buying land around the Airport is not a new concept. Mr. Meadows discussed past purchases that were made by the Airport while he served on the Board of Directors.

Ms. Laurel Lippert encouraged the Airport to buy the western portion of the PC-3 property. Ms. Lippert stated that a letter of support was signed by many pilot community members for the purchase of the previously proposed sections of the PC-3 property. Ms. Lippert read the letter of support to the Board of Directors. Mr. Tom Lippert showed a video simulation of what could happen if a plane experienced engine failure, and the options that the pilot would have to safely land.

Ms. Debbie Ross, former hangar tenant, stated that the Truckee Tahoe Airport is one of the most difficult airports to fly into. Ms. Ross expressed that more potential buildings surrounding the airport should be discouraged.

CONSENT CALENDAR

- Minutes: October 29, 2014 Regular Meeting
- Monthly Service Bills and Fees
- Annual Statement of Fact to Placer/Nevada County – State Controller
- Liability Insurance
- Financial Report
- Quarterly Noise and Comment Report
- Quarterly Communications Report
- Employee Certification Incentive Program Adoption
- PI 504.1 Skydiving Minimum Standards Policy Revision
- PI 312 Funding Assistance Policy Adoption

- Release the Request for Proposal (RFP) for Minimum Standards/Rules and Regulations
- Release the Request for Proposal (RFP) for Professional Consulting Services, Demand Drivers of the Truckee Tahoe Airport

Director Lisa Wallace stated that she would like to pull PI 312 Funding Assistance Policy Adoption, the RFP for Minimum Standards /Rules and Regulations and the RFP for Professional Consulting Services, Demand Drivers of the Truckee Tahoe Airport.

Director Mary Hetherington stated that she would like to pull the Financial Report and the Quarterly Noise and Comment Report.

MOTION #1 DECEMBER-03-14: Director Van Berkem motioned to approve the October 29th Regular Meeting Minutes, Monthly Service Bills and Fees, Annual Statement of Facts to Placer/Nevada county – State Controller, Liability Insurance, Quarterly Communications Report, Employee Certification Incentive Program Adoption, and PI 504.1 Skydiving Minimum Standards Policy Adoption. Director Wallace seconded the motion. President Jones, Vice President Morrison, Directors Hetherington, Van Berkem and Wallace voted in favor of the motion. The motion passed.

Director Hetherington stated that the “Gallons Sold” section on the front page of the Financial Report has always been helpful for her, and that she would like that section to be placed back in the financial report on a monthly basis. Director Hetherington stated that she would like to see how many comments the District is getting per type of aircraft in the Quarterly Noise and Comment Report. Director Hetherington expressed that she really liked the intro letter that was drafted and the new sets of data that was provided. She stated that she believes that the new system (Vector) is allowing the District to do more in depth analysis. Director Hetherington presented a Resolution from 2004 that states “Truckee Tahoe Airport District does not intend to expand capabilities to handle larger aircraft or attract scheduled air services, but has existing, unfilled demand for small aircraft storage hangars, defined as hangars to accommodate up to Type 3 aircraft” and “When the actual operations count for any rolling 12-month period exceeds either 60,000 operations, or the proportion of jets exceeds 15% of the total, the Truckee Tahoe Airport Board shall initiate a process to control the tempo and times (frequency and hours) of operations beyond those measures already taken, in accordance with legally applicable measures.” Director Hetherington expressed that the District should be tracking the operations as we are reaching these standards. Mr. Smith stated that he would like to look at the numbers more and come back with a report regarding it. Vice President Morrison stated that he would like to see the raw numbers of operation totals and not an average amount. Mr. Smith stated that this will be brought back and this item agendaized at the January 28th meeting.

PUBLIC COMMENT: None.

Director Wallace stated that she wanted three points within PI 312 clarified, point three on page two, funding of construction upgrades, she would like to replace “when” to “if”. Point four, “review opinion” should be “review and opinion” and on point six, Director Wallace questioned why the District would exempt state or federal buildings. Mr. Smith replied that it would be based on a property tax argument.

PUBLIC COMMENT: None.

Director Wallace had one comment on the Request for Proposal for Minimum Standards/Rules and Regulations regarding the example about core development standards, specifically the context of the development standard. Mr. Smith replied stating that the District will stipulate to a commercial builder the size, scope, etc. of the building they would like to construct. Director Wallace stated that she would like the “scope” to include a review for consistencies with the Town of Truckee, Placer County and the Nevada County guidelines, so that it can be consistent with the jurisdiction.

PUBLIC COMMENT: None.

Director Wallace stated that on the staff report for the Request for Proposal (RFP) for Professional Consulting Services, Demand Drivers of the Truckee Tahoe Airport, she would like to add “are there amenities that would encourage people who come to our region to fly to the Truckee Tahoe Airport, rather than to fly to other general aviation airports in the

area.” Mr. Bullock replied that the question Director Wallace wished to include is in the most current version of the RFP, which he then read to the Board to verify.

Director Van Berkem stated he would like to add a detailed analysis of the Hangar waitlist to the RFP.

PUBLIC COMMENT: None.

MOTION #2 DECEMBER-03-14: Director Wallace motioned to approve the Financial Report, Quarterly Noise and Comment Report, PI 312 Funding Assistance Policy Adoption, the RFP for Minimum Standards /Rules and Regulations and the RFP for Professional Consulting Services, Demand Drivers of the Truckee Tahoe Airport as amended. 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.

PRESENTATION AND APPROVAL OF ANNUAL AUDIT

Mr. Smith stated that the Audit is available for viewing. The auditor will be at the January 28th meeting to conduct a formal presentation.

PUBLIC COMMENT: None.

REPORT ON MULTI-USE HANGAR PROJECT PUBLIC INPUT PHASE 1 REPORT

Mr. Smith stated that we are going to review public comment that was received November 5th at the workshop. Ms. Seana Doherty, with FreshTracks, stated that three methods to collect feedback were used: workshop, series of phone and in person interviews with three select groups. Ms. Doherty stated that comments were submitted online and in person at the workshop. In general, of the public that was surveyed, people liked the idea of the multi-use hangar, and the idea of having a commercial kitchen, as this is lacking in the Truckee area. Some concerns were conveyed, such as the impact of air traffic as well as event traffic, use prioritization between community events and storage of aircraft, and disapproval of the building being built at all. Director Van Berkem asked Ms. Doherty if anyone suggested the use of a possible stage. Ms. Doherty stated that there was a lot of engagement from Tahoe Truckee Unified School District, fourteen emails were received from their Food Service Department, PE Teachers, and STEM programs.

Vice President Morrison gave a presentation on behalf of the Multi-use Hangar AdHoc Committee which discussed different site options for the multi-use hangar (pros and cons), different sizing options of the building that would reflect the different options added to the building, such as, hangar meeting rooms, commercial kitchen, and pop out spaces. The AdHoc Committee is in favor of Site 3 as it has least conflict with existing airport uses, it can take advantage of the jet ramp for parking for large events, it provides more flexibility for maneuvering aircraft in and out of the hangar, it is less disruptive to front line ramp operations, the hangar door faces the west (which is best alignment for winter) and places the building closer to the administration building, hangar 2 and the playground. It was also stated that Site 3, through certain mitigating factors, can hold up to 600 people.

PUBLIC COMMENT: Mr. Andrew Terry stated that the Airport has tried deicing before, and failed to make money off of the service. Mr. Terry expressed that the primary justification of building a facility like this would be for the community aspect of the facility. Therefore, the community side of the facility would have priority of use over the aviation side of the facility.

Ms. Tatiana Bennett, community member, stated that she has worked for an airport previously, and questioned what type of deicing method the airport would be using; as using deicing chemicals would not pair well with a kitchen located within the building. Vice President Morrison replied that radiant heat will be the method for the deicing.

Director Hetherington expressed that the policies for the multipurpose hanger be defined prior to the hangar being conceptualized, such as facility use prioritization, keeping up the kitchen, moving of aircraft (more staff, liability, etc.).

Vice President Morrison stated that the AdHoc committee needs help from the Board on how to develop policies for the facility, but the issue is, how do policies get developed before the Board knows what the building design is.

Director Wallace stated that it's fair to go and get conceptual renderings and costs for different versions of the buildings that can support different demands, needs and programing. Director Wallace expressed that she is comfortable with that process due to the numerous off-ramps along the way. Director Wallace reiterated that a business/financial plan needs to be submitted for the facility.

It was the Boards consensus for Mead & Hunt to continue on to the conceptual renderings of the Multi-Purpose Hangar which include building options 1-4 located on Site 3.

AIRPORT COMMUNITY ADVISORY TEAM

Mr. Bullock stated that ACAT had an offsite strategic planning workshop where four members of the public attended. District Counsel Collinson conducted the annual Brown Act Training. The annual work plan was discussed, collaborative projects were screened and list and work priorities were identified.

ACAT Interim Vice-Chair, Ms. Deborah Croyle stated that the off-site meeting was very well received by all members, and that everyone was engaged with a lot of creative thought. Ms. Croyle stated that the work items that are listed as "deferred" are only done so because there is not adequate amount of staffing for them currently.

PUBLIC COMMENT: None

APPROVAL OF THE 2014 PAVEMENT MANAGEMENT PLAN UPDATE

Mr. Damon Brandley, representing Mr. Reinard Brandley, Consulting Airport Engineer, presented the Truckee Tahoe Airport Pavement Maintenance/Management Plan update to the Board. The Plan was presented to the Board back in 2011 and it was recommended that the pavement maintenance/management plan be brought back to the Board every three years for an update. Mr. Brandley stated that several condition surveys were conducted on the pavement, updates of the existing pavements sections were made and recent construction projects were completed. Mr. Brandley presented the maintenance and rehabilitation pavement schedule, where the schedule is broken down by year and provided an estimated construction cost for each scheduled project. Specific projects are highlighted as required projects that are difficult (and not recommended) to be shifted around in the schedule, and others are highlighted as reconstructed projects that can be evaluated for need based on a more flexible schedule. Pavement condition survey and rehabilitation schedules are in table format (in appendix C), there are approximately 72 tables that are included in the pavement management/maintenance plan. Mr. Brandley explained the construction project cost changes. The costs have been based on experience of the last several years.

Director Hetherington expressed concern about the reconstruction of the pavement scheduled for hangar row G, as the hangar stores light aircraft. Director Hetherington stated that the reconstruction cost of that pavement, seems high. Mr. Brandley replied saying most of the funds are tied into the Hangar row G and H row, as, H row houses more heavy aircraft.

Director Wallace stated that the Airport should have a long term plan regarding pavement. Director Wallace expressed that she was comfortable with approving the pavement maintenance/management plan tonight, assuming that the Board continues to have an annual approval process.

President Jones stated that the District started the process of a pavement maintenance/management plan due to the complaints of the status of the pavement. The Board at that time made a decision that the District needed a plan to be put in place, especially because the District has the capital to support it.

PUBLIC COMMENT: None.

MOTION #3 DECEMBER-03-14: Director Van Berkem motioned to approve the 2014 Pavement Maintenance/Management 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.

APPROVAL OF THE 2014-2019 AIRPORT CAPITAL IMPROVEMENT PROGRAM (ACIP) AND APPROVAL OF THE 2015 SUMMER MAINTENANCE PROJECTS

Mr. Bill Quesnel, District Engineer, stated to the Board that in their Board books, there are a list of all the major projects for the years of 2015-2025 that will be submitted to the FAA. The projects listed are all available for FAA funding, some are low priority (probably won't be funded) and some are high priority (and most likely will be funded).

Mr. Quesnel stated that the 2015 construction season pavement projects likely to be 90% funded by the FAA include the Runway 2-20 widening, taxiway G – Saw and seal supplemental joints and surface seal, South jet apron reconstruction (pending decision on Hangar 3), and the removal of taxiway E and apron A1 & A2 widening. The 2015 construction projects likely to require partial or full funding by the District include the hangar taxi lanes west G and G/H reconstruction, Hangars L, M and warehouse area taxi lane seal, and the purchase of the snow removal loader replacement. Mr. Quesnel went over and summarized the future construction projects for 2016-2025 for the Board.

Mr. Smith clarified to the Board that project priority that is based on a National Priority Ranking (NPR) and that doesn't always match our priorities. Mr. Quesnel stated that once the District submits the ACIP and the individual project information to the FAA, the District will know what the funding from the FAA is. Based on the funding, the District can change the methodology and move projects around if needed.

PUBLIC COMMENT: None

Director Hetherington asked if the District encourages local companies to complete the projects. Mr. Quesnel replied stating that it can be difficult with projects funded by the FAA. But with projects funded by the District, we have more control. Mr. Smith stated that the District has a local preference policy, but agreed that with FAA funded projects that is not the case. Mr. Smith stated that sometimes the District does occasionally get local bids on the FAA funded projects, but the District cannot necessarily follow the local preference policy.

Director Hetherington questioned Mr. Brandley about the spring thaw study and Mr. Brandley stated that the sensors are permanently in the runway. The sensors are currently collecting data and it has shown that the frost hasn't penetrated any deeper than six inches, which indicated that there was not any spring thaw issue.

MOTION #4 DECEMBER-03-14: Vice-President Morrison motioned to authorize Mr. Smith to submit the 2014-2019 Airport Capital Improvement Program to the FAA and to approve the 2015 Summer Maintenance Projects. Director Van Berkem seconded the motion. President Jones, Vice President Morrison, Directors Hetherington, Wallace and Van Berkem voted in favor of the motion. The motion passed.

REVIEW PROPOSED LETTER OF INTENT FROM CLEAR CAPITAL AND JMA ON PROPOSED OFFICE BUILDING ON DISTRICT PROPERTY

Mr. Smith stated that the District has a Letter of Intent for a new option to build a 10,000 sq.ft. commercial building on Airport property, with the intention of Clear Capital being the new tenant, which would house 100 employees. The location of the building is to be determined, but the preferred location is near long term parking. President Jones stated that the District does have a letter of intent, but that the goal is to have a contractual agreement to bring back to the Board for approval, if all the parties agree. Director Van Berkem expressed that the Board has a very short window of time to reach a decision, and that, in the past the Board has discussed about finding ways to bring in other sources of revenue. The construction of the building will be paid with District funds, and the District will be the landlord. The projected rent is set to be approximately \$150,000/year, with a much better return than we can get with current

investments. Director Van Berkem expressed that this opportunity gives the District the first piece of a potential office park development.

President Jones stated that keeping the building off of Soaring Way allows the District to defer all the issues regarding whether to annex into the Town of Truckee or not. It allows the District to reposition the car rental facility with the opportunity to hold two car rental companies instead of just one. The existing long term parking lot is in need of refurbishment and instead of refurbishing it, it can be relocated closer to the plane tie down parking, which is more convenient for the transient users.

Director Wallace requested more clarification of the tenant improvements. President Jones replied that the District would build a shell, and depending on what the tenant would like to do, the tenant would receive an allowance to finish the building the way they would like it to be finished. Director Hetherington asked if the vacancy rates of commercial space in the region was considered. President Jones stated that it was considered. He further indicated that there currently isn't any type of structure that meets Clear Capital's needs.

Mr. Art Chapman, JMA Ventures, stated that it's important that the building be designed for future airport use. The vision of the space would be a one story building with a mezzanine use for meetings and private office space. Mr. Chapman explained that commercial space inside the Town of Truckee forces Clear Capital to break up their teams in different buildings.

Director Wallace pointed out that the letter of intent allows Clear Capital to negotiate in Reno while they are still negotiating with the District. Director Wallace stated that she will probably vote to proceed, but she expressed disappointment that the letter of intent is only two pages in length.

Director Hetherington stated that she has concerns about the lease length (7-10 years) and the two options. The District has a non-compete policy, and by building a building like the one that is proposed are competing against other business developers in the Town of Truckee. Director Hetherington expressed that the District has worked hard to develop better relationships with other Districts and the Town of Truckee and to ignore that would be displeasing.

Director Van Berkem conveyed that if the construction of the office building does not happen, the last remaining Clear Capital jobs in Truckee will go away. Director Van Berkem expressed that building the office building outside of Town limits is not done so in disrespect to the Town of Truckee, it's due to the lack of suitable options inside or outside the Town of Truckee.

PUBLIC COMMENT: Mr. Terry expressed that the Airport is bending over backwards for Clear Capital/JMA once again, and that again, the Board is under pressure to make a decision.

Vice-President Morrison stated that Clear Capital employs many people who live in this community, and that he struggles to see the negative in keeping those employee's jobs in the community they reside in.

Mr. Smith stated that the District should consider development of its property, eventually the District will be doing something with its land. Mr. Smith expressed that he did not have any issue about spending more time and money looking at one more concept about what's possible with the District's land. Mr. Smith stated that the letter of intent was sent to the Town of Truckee, the issue with Soaring Way is a topic of great interest to the Town of Truckee. We need to have some Board dialog on this topic. Mr. Smith conveyed that he would like the District to not develop on Soaring Way until sufficient dialog amongst the Board has happened, as there are differing opinions of its future use.

MOTION #5 DECEMBER-03-14: Vice-President Morrison motioned to have President Jones and/or General Manager Mr. Smith to sign the Letter of Intent with JMA and Clear Capital as tenants of a proposed office building on District property. Director Van Berkem seconded the motion. President Jones, Vice-President Morrison and Director Van Berkem voted in favor of the Motion. Director Wallace and Director Hetherington opposed the motion. Both Directors indicated that they

were not opposed to keep Clear Capital in Truckee but they did not agree on the Letter of Intent and felt the timeline was too tight. The motion passed 3-2.

BREAK: At 7:53 p.m. the Board recessed for a short break. At 8:03 p.m. President Jones reconvened the meeting.

GENERAL MANAGERS REPORT

Mr. Bullock stated that two ACAT members, two staff members and one Board member will be attending the Palm Springs Noise Symposium in March. Mr. Smith stated himself and Director Van Berkem will be attending the Aviation Issues conference January in Hawaii and that the Airport Design and Construction Symposium is in February (18-20).

Mr. Smith stated that the Board retreat (February) will be located in the Boardroom at Northstar, and there are quarterly workshops being proposed to help tackle issues that need more time. Director Wallace stated that she would like land development policies and strategies be discussed during the February Board retreat. Director Hetherington also stated that she would like to discuss the ideas that were brought up during the Master Plan outreach process that was conducted back in March. Director Van Berkem expressed his interest in tackling the term “managed growth” and what it means to the District. President Jones suggested the idea of hiring a facilitator(s) that are experts in the main topics that will be discussed at the retreat.

Mr. Smith informed the Board that Civil Air Patrol sent a letter stating that they are interested in Hangar 2. They would like to build an aeronautical learning center in there, and would find it beneficial to have their office space close to a hangar space.

The District sent a letter to the Town of Truckee regarding PC-3. Mr. Smith wanted to inform the Board and the supporters wanting the District to acquire part of PC-3, that the District will be waiting until the Town of Truckee and the developers are done with the process that has been happening for a number of years now before the District interjects itself in a possible acquisition.

Mr. Smith questioned the Board if they were in approval of having the joint ACAT meeting prior to the regular Board meeting (2:00 – 4:00 p.m.) or a special meeting can be scheduled separately. Director Wallace explained that she felt the last combined meeting felt rushed when it was set prior to a regular Board meeting. It was decided that the combined meeting date and time needs to be decided by ACAT first and that a future date and time is forthcoming.

PUBLIC COMMENT: None.

ANNUAL SELECTION OF BOARD PRESIDENT AND VICE PRESIDENT

The Board reviewed Policy Instruction 209 regarding the Assignment of the Board President and Vice President for Fiscal Year 2014. President Jones stated that he felt that the policy is unusual, that being it doesn't take into consideration the four year term of Board members and the five year cycle the policy outlines.

Vice President Morrison indicated that he would like to pass on the opportunity of holding the President's position for the current term. Director Wallace stated that she would like one more year of experience before she would take on the position of President. Director Wallace expressed that the role of Vice President would be more suitable. President Jones stated that he would be willing to serve as President for one more term. Director Van Berkem stated that he would second President Jones serving as President for another term.

PUBLIC COMMENT: None

MOTION #6 DECEMBER-03-14: Director Van Berkem moved to assign Director Wallace as Vice-President and to maintain President Jones as President of the Board of Directors from December 2014 through November 2015. Vice-President Morrison seconded the motion. President Jones, Vice President Morrison and Director Van Berkem and Wallace voted in favor of the motion. Director Hetherington abstained her vote. The motion passed

BOARD MEMBER ANNOUNCEMENTS: None.

PUBLIC COMMENT: None

ADJOURN

MOTION #7 DECEMBER-03-14: Director Van Berkem 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 8:31 p.m. the December 3, 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
