

Oregon State Aviation Board

Final Meeting Minutes

January 17, 2007

Salem, Oregon

Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and mailed to persons on the mailing list of the Committee, a meeting of the Oregon State Aviation Board was held January 17, 2007 at the Shilo Inn in Salem, Oregon.

Board Members in attendance included: Board Chair Mike Burrill; Board member Joe Smith.

Employees in attendance included: Director Bob Hidley; State Airports Manager, Larry Weber; Administration Manager, Jennifer Kellar; State Aviation Program Manager, Bob Altemus; State Aviation Planning Analyst, Chris Cummings, State Airports Secretary, Tammy Cavilee, Executive Assistant to the Director and Board Secretary, Jody Brewer. Department of Justice Attorney, Lynn Rosik.

Presenters and Guests in attendance: ODOT's Julie Redden; Southend Airpark pilot, Ted Millar; Oregon Pilots Association, John Cox; Bend Airport Manager, Greg Phillips; Eugene Airports, Phil Groshong; Port of Portlands, Ken Anderton; Independence State Airports, Ken Hardwick; DAS Risk Management employees, Terry Soli and Andrea Peters.

Teleconference: Vice-Chair Chris Corich; Board Member Carrie Novick; and Board Member Jack Loacker.

1. Call to Order

Chair Burrill called the meeting to order at 9:00 a.m. Board Members and ODA employees introduced themselves. Directly following all audience members introduced themselves.

2. Information Item – Public Comments

No public comments

3. Action Item - Agenda adjustments

Immediately following Agenda Item 3 we will

- Add Agenda Item 3a. Essential Air Service (EAS) in Pendleton

Immediately following Agenda Item 6 we will

- Add agenda Item 6a. Senate Bill 139

3a. Action Item - EAS in Pendleton, Oregon

- ❖ US Dept of Transportation Letter distributed

Pendleton Airport Manager, Larry Dalrymple spoke regarding the proposals from the airlines to provide EAS. Mr. Dalrymple suspects they will receive a recommendation from the city council within two weeks and expects the dollar difference to become the deciding factor. Mr. Dalrymple feels if Horizon would give a revised schedule there wouldn't be a problem.

Larry Dalrymple requested the Board send a letter to Horizon requesting the revised schedule and urging the appropriate times needed. Board Members Jack Loacker and Carrie Novick concurred.

- Board Member Joe Smith motioned and Board Member Jack Loacker seconded the motion to direct the Director to write a letter of support to U.S. Department of Transportation for Essential Air Service at the Eastern Oregon Regional Airport and to urge the time schedule change of an earlier morning departure and later evening arrival to be included. The vote was unanimous.

4. Information Item - Board Meeting Process

Due to poor weather conditions this item will be postponed and covered at a future Board meeting.

5. Information Item -Board Member Activity Update

Due to poor weather conditions this item will be postponed and covered at a future Board meeting.

6. Action Item - Approval of minutes. Board Member Novick moved and Board Member Corich seconded approval of the November 2006 minutes. The motion passed unanimously.

6.a. Information Item – Senate Bill 139. Chairman Mike Burrill explained Senate Bill 139 has been introduced regarding requiring airports to provide notice for proposed permanent closure. On January 18th, ODA staff and other interested parties will testify before a Senate Committee Hearing regarding this bill.

Board Member Novick suggests looking at the FAA rules on the procedure. Board Member Smith inquired if the bill passes as currently written “would it be enjoyable?” Discussion followed regarding whether to amend the language and it was decided to continue to present the bill as currently written.

7. Information Item – Mulino Airport

- ❖ Presentation slides and handouts: Management Transfer Agreement for the Mulino Airport

Director Hidley explained ODA and Port of Portland held a series of meetings regarding the management agreement. The agreement has been approved by the Port of Portland and the Port Commission. Director Hidley reviewed the bulleted points on the presentation. ODA feels this agreement could be very beneficial to the growth of aviation in the area.

Port of Portland's, Ken Anderton thanked the Board for inviting him to the meeting. Mr. Anderton explained the port has developed the Mulino airport and feels that further development will work well with ODA.

8. Information Item – Review of Pending List

- ❖ Board Pending List in Board Packet

Disclosure Laws – ODA's Jennifer Kellar:

This Legislative concept was rescinded at the request of the Governor's office. As any statutory modification would affect the real estate community directly, input from this constituency should transpire prior to proceeding with this concept. Input can be solicited during the legislative session by all affected parties and this concept can be carried forward at that time should that be the determination.

There was Board discussion regarding the apparent necessity of this proposed legislation and the anticipated need to address this issue with the real estate constituency, the Governor's office, State Aviation Board and ODA during session.

Chair Burrill stated he wanted to move forward and for the following action to take place

- Conclusion: A letter from the Department to Chris Warner stating the Board of Aviation had the discussion and would like to continue to move forward.

Land Use laws – Attorney Lynn Rosik explained the legislature will be looking at BM 37 and at this time she has no idea where this will go. The Apple Valley Issue was concluded and now the airport owner has an appeal filed. This case should help with the writing of the process and should be followed. Lynn will look into the time for the outcome of this case. Chair Burrill suggests we then add this outcome and written answers to our agenda.

HB 2243: Director Hidley explained this bill will change the language for pilot renewal to be on their birth dates.

9. Information Item – Connect Oregon Update

- ❖ Spreadsheet Handout listing IGA#, App #, and application information.

Julie Redden presented an overall briefing of ConnectOregon:

- Process
- Lottery bond initiative
- SkyHighway withdrawal (more money will be available)
- Tracking of each project (project milestones)
- Reports due to checkpoints on projects
- Completed projects – ODOT will site check

ODOT has implemented a procedure to monitor progress of grants.

10. Information Item – Management Control Program

Staff - Director Hidley introduced two new employees, Bob Altemus and Chris Cummings. Maintenance vacancies were created due to promotions. Continuing search for Engineering position.

ADS-B update - Waiting for the Bonds to be sold in February. Once monies are released the first three ground stations will be activated by FAA. Sensis Corp will then begin installation of the six additional stations. Sample contracts have been sent out to the airports where ground stations will be located.

SB 680 – Monthly meetings. Draft contract will be completed by Lynn Rosik within a few weeks. Applications were sent out to all airports. We will be covering these applications at our next board meeting.

Walter Broaher Charter Club – Director Hidley gave a presentation of the Dept of Aviation at a Charter meeting.

ODA Building – Waiting for the City of Salem to complete their appraisal of our Building.

FAA – Staff will meet with FAA to finalize our Capital Improvement Program.

Oregon Leadership Summit – Director Hidley attended. Transportation was discussed including the projected need of 3.5 billion dollars to solve congestion problems.

NASAO conference – Teleconferences are being held to plan the 2007 NASAO conference which will be held in Portland, Oregon. Currently obtaining speakers, and securing sites for events. Evergreen Aviation Museum for the Monday night event.. ADS-B demo flights are planned.

Featured Airports – State Airports Manager Larry Weber presented Owyhee Reservoir. Larry described the airports features, it's remote location and maintenance needs. He

recommends a future runway rehabilitation project. ODA maintenance staff members are planning a summer visit to complete various tasks.

Pavement Maintenance – Bob Altemus recapped the program, hi-lighting the specific airports and work done. He then summarized the taxi way work at Aurora. Explained the work with W&H is ongoing. Finalizing land purchase at Jordan Valley. The intent being to purchased and utilize *ConnectOregon* monies for airfield construction.

Capital Improvement Plan – Summary of 2006 and planned for 2007 and 2008 was presented

Financial – ODA’s Jennifer Kellar presented the graphs and explained ODA is below the 2005-07 Legislative Approved Budget on both the revenue and expenditures side.

Fuel Tax – Director Hidley explained one of the main sources is the fuel tax. Since tax is set at a specific amount of cents per gallon, there is no increase for inflation. Result expense increase and no increase in revenue. This issue will need to be addressed in the future.

Chair Burrill stated we should look at McDermitt Airport and partnering with Nevada for the upkeep, due to this airport serving Nevada mostly.

11. Working Lunch

12. Action Item – Annual Report

- ❖ Annual Report in Board packet

Board Member Chris Corich felt the annual report should contain more information on the pilot and aircraft registration.

Discussion developed regarding registration fees and the policing of. Chair Burrill asked this issue to be added to the Pending list.

- PENDING LIST: PILOT REGISTRATION AND THE POLICING OF
- Joe Smith motioned and Chris Corich seconded the motion to approve the Annual Report as presented. Approved by unanimous vote.

13 Action Item – Insurance Coverage Limits Review

- ❖ Smart Contracting document

DAS Risk Management Manager Terry Soli and DAS employee Andrea Peters gave a presentation.

Terry stated at this time they are looking at Aviation exposure for Risk, and trying to identify whether self insurance is the best option or whether a commercial coverage would be best.

Andrea presented our document to the broker. The broker found our “Smart Contracting” document was appropriate. Terry explained they strongly agree with keeping the statement regarding our requirement that the tenant list the dept as name insured.

Board Member Smith explained the “deep pocket” theory he is concerned of. Discussion developed regarding landlord and liability, etc.

- Board Member Novick motioned and Board member Loacker seconded the motion to approve the “Smart Airport Contracting” document as presented. Vote passed unanimously.

14. Information Item – Public Comments

Ken Hardwick commented on the insurance review. He stated the comments he hears is that you have too many stipulations and with all of the stipulations the tenants feel they will not be covered anyway, should something happen

15. Adjournment

Results from January Board Meeting:

- Direct the Director to write a letter of support to the U.S. Department of Transportation for Essential Air Service at the Eastern Oregon Regional Airport and to urge the time schedule change of an earlier morning departure and later evening arrival to be included. The vote was unanimous
- ADD TO PENDING LIST: PILOT REGISTRATION AND THE POLICING OF
- ❖ INDICATES HANDOUTS/PRESENTATIONS