

Oregon State Aviation Board

FINAL Meeting Minutes

March 14, 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 March 14, 2007 at the Mill Creek Inn, Salem, Oregon.

Board Members in attendance: Board Chair Mike Burrill; Board members Joe Smith, Carrie Novick, Jack Loacker, Steve Beckham

Employees in attendance: Interim Director Dan Clem; State Airports Manager, Larry Weber; Administration Manager, Jennifer Kellar; State Aviation Program Manager, Bob Altemus; Executive Assistant to the Director and Board Secretary, Jody Brewer. Department of Justice Attorney, Lynn Rosik.

Presenters and Guests in attendance: Mead & Hunts: Damon Smith and Kevin Mulcaster; EDR Groups, Steven Landau; Corvallis Municipal Airports, Dan Mason; Roseburg Airports, Mel Cheney; Klamath Falls Airport Manager, Ann Crook, Eugene Airport Manager, Bob Noble, and Phil Groshong; Pendleton Airport Manager, Larry Dalrymple, Horizon Air's Bruce Tecklenberg; Val Avionics, Jim Harr; Southend Airpark pilot, Ted Millar; Oregon Pilots Association, John Cox; ODOT's, Julie Rodwell; Salem Airport Commission, Mark Renard; Florence Airports, Rennie Rick, Grant County Regional Airport Manager, Gary Judd

Teleconference: None

1. Call to Order - Introduction

Chair Burrill called the meeting to order at 9:00 a.m.

Interim Director Dan Clem introduced himself and on behalf of the Governor's office, assured the State Aviation Board Members the Governor's office is looking forward to working with the Department of Aviation to balance the budget and move forward with a successful plan for the future.

Board Members and ODA employees introduced themselves. Directly following all audience members introduced themselves.

2. Information Item – Public Comments

Eugene Airport Manager Bob Noble announced: Tim Doll had been selected as his replacement. Mr. Doll's starting date will be sometime the middle of April.

3. Action Item – Agenda Adjustments

None

4. Information Item – Board Member Activity Update

Chair Burrill

- Asked to help out on the Transportation Tourism Task Force and is now Vice Chair. The Task Force is currently focusing on signage at airports around the state. Concern being a need for a better “Information Center”. Looking at FBO’s to serve as Information Centers.
- Attended the House Transportation and Workforce Development Committee Meeting, with Dan Clem. Focus was “new technology in aviation”.
- Attended the Salem Airport announcement of commercial service.
- Working with Mead and Hunt and the planning process.
- Plans to meet w/OAMA folks at the OAMA conference.

Board Member Steve Beckham

- Fielding questions about Ballet Measure 37.
- Researching ADS-B

Board Member Carrie Novick

- Met with personnel from the city of Madras to talk about airport issues.
- Busy with Terminal design. Plan to add a air carrier space to original design
- Working with city on reverse marketing. Example: Las Vegas to Central Oregon.

Board Member Joe Smith

- Testified regarding SB 139 on the 18th of February.
- Quarterly meeting of OPA. OPA convention planned for August 25 and 26. This will be in conjunction with the Albany Art and Air Faire.
- Involved and disagrees with the proposal to increase gas tax and user fees.

Board Member Jack Loacker

- Attended Oregon National Guard meeting February 14, 2007. Meeting was centered around the question of “What to do with UAV’s. How to get the UAV’s into Training areas. The main meeting regarding this issue will be held in Salt Lake City.

Dan Clem explained

- Senate Bill 139 has passed the House. He has talked with Eagle Air and with the department attorney regarding adding irrevocable easements for airparks. At this time he advises we do not try to add to the bill. Wanted the Board to be aware of this idea to consider in the future.

Attorney Lynn Rosik felt adding a property statement regarding irrevocable easements may keep Senate Bill 139 from moving forward.

5. Action Item - Approval of minutes.

Motion - Board member Novick moved and Board Member Loacker seconded approval of the January 17, 2007 minutes with the following changes:

Page 2, 6a. second sentence. Should read: “Would it be enjoivable?”

Page 6, 14, second sentence. “and with all of the stipulations”

The motion passed unanimously

6. **Information Item** – Horizon Airline Presentation

❖ Horizon Air Update PowerPoint presentation

Horizon Airline's Bruce Tecklenberg delivered a forward looking presentation into the future planning and issues facing Horizon Air and the Industry. The Market outlooks contained in the presentation do not represent any kind of imminent changes to service (unless already announced) but do indicate challenges and opportunities that the future may bring.

The presentation included:

- Where Horizon flies
- Fleet Transition CRJ-700's returning and addition of Q400's
- The opportunities and Challenges for Market Growth and studies done

Questions for the Board, Answers for Bruce Tecklenberg:

- Need for air transportation from Eugene to Portland. The flights are set for the connecting market.
- Moving Cargo and will this change with this new proposal? With using the Q400 they can have additional cargo which will help with the cost.
- Provided Service to rural Oregon and being subsidized by the State. Horizon does not like to work with a "subsidy contract" as these contracts only last for a period of time, and once that period is up, they will lose money.
- What is the future of RJ's? Alaska is using their RJ700's at this time, through a capacity purchase agreement.
- How can the Board help to encourage Horizon to provide a schedule from Pendleton to Portland? They looked at past bids and they would not be able to beat the lowest bid.

Eugene airport manager Bob Noble stated the dilemma is to find the right size aircraft for the community. He then asked Bruce if Horizon was open to interlining with other businesses to enable the communities to receive service? Bruce explained, Horizon has a relationship with Big Sky. They currently have interlining and running of seamless flights. Bruce feels there must be a third tier carrier to make this work.

Chair Burrill sees a need for educating the public on air service and air craft size.

Klamath Airport Manager Ann Crook asked about the "threatened routes": North Bend and Klamath Falls. Ann feels the answer for Horizon is to have more seats. Bruce stated the risk was that to add a fourth flight could be more monies lost.

- Chair Burrill encouraged Airport Managers to inform the State Aviation Board of their needs and to let the Board know of other airlines they feel they would like to see make presentations to the Board.

7. **Information Item** – Review of Pending List

❖ Pending List

See specific changes made to chart. Additional information was discussed on the following topics included in the list:

Jordan Valley: Proceeding with Purchase Agreement. Meeting is scheduled

Rates and Charges: Administrative rule calls for a market analysis. We are currently looking at lease rates and what we will need to charge in the future. The department should have an analysis done every two years. Prior analysis was done in 2004.

Disclosure laws: *Education to the public is needed.* Joe Smith currently attending noise meetings of Portland's Citizens' Noise Advisory Committee.

- **Action**: ODA to set up a meeting with the Director of real estate agency to discuss disclosure laws.

Best Management Practices:

- **Action**: Send related paperwork to Chair Burrill

Mead & Hunt Study: Presentation by Mead & Hunt will be later in this meeting

Land Use Laws/BM37: Discussion regarding airport protection act. Airports and safety should be addressed when receiving a claim related to Measure 37. Process of notification regarding claim and Airports.

- **Motion**: Board Member Smith moved and Board Member Beckham seconded the motion to direct the Chair and/or Director to draft a letter to the three administrators of Measure 37 claims process. The letter will ask the department to advise the ODA of any claims affecting aviation services. **The motion passed unanimously.**

Tax Increment Financing: Audience member Aron Faegre explained the current SB 807. It was suggested the Board set up a subcommittee

Action: Director Clem asked the Members of the Board to review the senate bill and send an e-mail to ODA regarding their position.

Pilot Registration: HB 2243 refers to registration. Concern is the number of pilots who are not registering in Oregon.

8. Action Item – SB 680 Applications

ODA employee Jody Brewer presented:

- On November 8, 2006 applications for the "Through the Fence" pilot program, were mailed to all Oregon airports.
- Applications have been reviewed by the ODA for qualifications.
- Two applications are being presented to the Board Members to review and vote in 2 additional pilot sites

❖ Through the Fence Applications (two)

Motion: Board Member Beckham moved and Board Member Locker seconded the motion to approve the Baker and Scappoose applications.

The motion passed unanimously

9. Information Item – Current Topics

❖ Current Topics Spreadsheet

ODA operations: Interim Director Clem explained the agency will need to meet the authorized budget by June 30, 2007.

The current plan to accomplish this:

- Delay some projects and payment
- Cut back on small operational expenses.
- Review fees

Future Plan

- Grants management is critical
- Find money for FAM grants
- Look at TIF to help with airports

Add to Pending List: New line item - Balancing the budget

We are beginning “Phase one” to reconcile four years of grants.

ConnectOregon Project: For technical questions on the project, ODOT will refer to the Department of Aviation.

PAVEMENT MANAGEMENT PROGRAM: Bob Altemus explained the PMP process and the department plans to make some adjustment and start back on this program in July.

- ❖ PMP presentation

Air Service: Larry Weber explained air service and enplanement activity.

- ❖ Air Service presentation

Airport Update: ODA employee Larry Weber discussed the six capital improvement projects. The CIP's are as follows: Aurora Taxiway, Cottage Grove Runway, Lebanon PAPI replacement, Joseph AWOS and Beacon, Independence property, Mulino development.

FAA reauthorization:

- ❖ PowerPoint Presentation for FAA reauthorization

Director Clem referred to the PowerPoint presentation and discussed bulleted points relating to the reauthorization. Board Member Novick felt this reauthorization would be a disaster for air carrier airports.

NASAO: Jody Brewer recapped the preparation strategy the department is discussing with NASAO members to prepare for the convention.

The Board Members stressed the importance of Oregon showcasing Oregon's Aircraft manufacturers

Action: Send an e-mail to each Board Member and ask for the following:

- Aircraft manufacturer and/or aerospace industry company in Oregon you are aware of or work directly with.

10. Action Item: ADS-B site selection

❖ Sensis Powerpoint Presentation

Dan Clem presented the Sensis original site selection presentation. Dan explained the ODA recommended of this selection. The original six sites are: OTH, RDM, PDT, BKE, 5J0, and BNO.

❖ Presentation by Gary Judd of John Day Airport

A presentation was given to showcase the coverage and importance for ADS-B ground station at the John Day Airport.

Action: Send Board members John Day video

Board discussion regarding the siting and additional sites (coverage).

Motion: Board Member Beckham moved and Board Member Novick seconded the approval of the original six sites (listed above) for ADS-B implementation. Motion passed 4 – 1.

11. Working Lunch

12. Information Item: Legislative Update

Dan Clem presented an update which included:

Fuel tax bill (HB2653): Senator Johnson asked to have aviation language removed from this bill.

13. Information Item: Mead & Hunt Presentation

❖ Mead & Hunt PowerPoint Presentation

Kevin Mulcaster began the presentation explaining the State Aviation Planning Studies

1. Categories: Names have changed slightly
2. Projects – Divided by regions. Using the Region breakdown from ConnectOregon
3. Forecast – Projected Growth
4. Results will be presented in volumes within a three ring binder
5. ODA will receive a binder will all Airports
6. Each individual Airport will received their own results
7. Deficiencies based on performance criteria
8. Goals and Plans pertaining to: Environment, Location, Growth, Emergency Response, and Community Service (Drive time)

Steve Landau presented the Report related to monies, broken down by Region.

14. Information Item: Public Comments

Bob Noble extended his and OAMA's help to the ODA. They are interested in working with the department on aviation issues such as ConnectOregon II, Senate Bill 807, air carrier service and a unified message regarding reauthorization. He advised the Board to insist on reviewing the ODA's budget. Bob Noble stated he has a market rates study on "leases and he would be happy to share this information with the ODA. He then suggested the Board consider Larry Dalrymple for a Board position.

Ann Crook: Expressed OAMA's interest in working with the ODA. Offered help on projects such as NASAO, Mead and Hunt responses, Maintenance of airports until ODA is able to maintain them.

Next Board Meeting was scheduled to be held in Eugene. Due to the budget, he suggests we stay in Salem. This will be Carrie Novick's last Board meeting.

15. Adjournment

Chair Burrill adjourned the meeting at 2:45.

❖ Indicates handout or presentation

P: board/march/minutes/final1