



MINUTES

Board Meeting

Wednesday, October 14, 2015 | 1:00 pm

Division of Aeronautics

5126 Front Range Parkway | Watkins, CO 80137

Joseph H. Thibodeau Room

MEMBERS PRESENT:

Ray Beck	Chairman
Ann Beardall	Vice-Chair
Robert Olislagers	
Joe Rice	
William "T" Thompson	

MEMBERS ABSENT:

Jeff Forrest	
John Reams	Secretary

OTHERS PRESENT:

David Ulane	CDOT - Division of Aeronautics Director
Christine Eldridge	CDOT - Division of Aeronautics
TK Gwin	CDOT - Division of Aeronautics
Mike Krochalis	CDOT - Division of Accounting & Finance
Shahn Sederberg	CDOT - Division of Aeronautics
Scott Storie	CDOT - Division of Aeronautics
Kaitlyn Westendorf	CDOT - Division of Aeronautics
Scott Young	CDOT - Division of Accounting & Finance
Richard Baker	Fremont County
Peter Bangas	Governor's Office of Information Technology
Kevin Booth	Yampa Valley Regional Airport
Winnie DelliQuadri	City of Steamboat Springs
Jesse Erickson	Jviation
Dan Eveatt	City of La Junta
Ray Hawkins	Seaplane Pilots Association
JD Ingram	Jviation
Adam Kittinger	Bob Adams Field - Steamboat Springs
Jason Licon	Fort Collins-Loveland Airport
Leo Milan	Office of the State Attorney General
Zech Papp	Harriet Alexander Airport - Salida
Bill Payne	William E Payne & Associate



Andy Remstad	Aviation
Dave Ruppel	Front Range Airport
Francis Song	San Luis Valley Regional Airport
Travis Vallin	Aviation

This meeting was live-streamed over the internet.

Pledge of Allegiance

1. CALL TO ORDER

Meeting commenced at 1:00 pm.

2. APPROVAL OF MEETING MINUTES

Robert Olslagers made the MOTION to approve the minutes from September 9, 2015 and Ann Beardall seconded.

The MOTION carried unanimously.

3. AMENDMENTS TO THE AGENDA

There were no amendments to the agenda. Robert Olslagers made the MOTION to approve the agenda as presented and Ann Beardall seconded.

The MOTION carried unanimously.

4. BOARD MEMBER REPORTS

William "T" Thompson had nothing to report. Ann Beardall spoke about the Aircraft Owners and Pilots Association (AOPA) Fly-in at Colorado Springs on September 26th. Ann was a guest speaker at the Girls in Aviation Day event held at Metropolitan State University. She concluded by saying that the Colorado Pilots Association membership meeting will be held on November 7th at the Rocky Mountain Metropolitan Airport. Joe Rice spoke about an upcoming meeting on November 5th with the Associated Governments of Northwest Colorado. Robert Olslagers said that he and David Ulane attended a press conference at Denver International Airport that focused on inappropriate use of Unmanned Aerial Systems (UAS). Robert reported that the Wings Over the Rockies Museum held a dedication ceremony for the new ramp for the annex of the museum to be located at Centennial Airport. The Wings Over the Rockies Museum will host the Wings Gala on November 14th. Robert said that last night, he and David Ulane met with the Federal Aviation Administration (FAA) Management Advisory Council. Ray Beck said that he and Ann Beardall attended the Capital Improvement Process (CIP) Workshop hosted by the Division this morning and was very complimentary to the staff about the presentation. Ray spoke about live streaming of the Colorado Aeronautical Board (CAB) meetings and addressed the question of attendance via the live stream for Board members and the public. For the present time, if you choose to view the CAB meetings via live stream, you will not be listed on the minutes as having attended the meetings. In the future, if we are able to get teleconferencing in place, that policy may change.



Ray said that at the suggestion of David, the Aeronautics policy manual and the CAB policy manual will be combined and the goal is to have a draft manual unveiled at the January 2016 joint CAB and Colorado Airport Operators Association (CAOA) meeting.

5. PUBLIC COMMENTS

Dan Eveatt took a moment to thank the Board and the staff for all they do to support the La Junta Municipal Airport. Jason Licon expressed his appreciation on behalf of the Fort Collins-Loveland Municipal Airport for being included in the Virtual Tower Project. Ray Hawkins gave a quick update on the movement to allow seaplanes on Colorado waterways. Francis Song introduced himself as the new Airport Manager at San Luis Valley Regional Airport and spoke briefly about the UAS Certificate of Authorization (COA) that the airport has. Zech Papp said that Chaffee County also has a UAS COA. The Board expressed interest in learning more about UAS activity in the state, so David suggested that Constantin Diehl with UAS Colorado speak at the next CAB meeting.

6. DIRECTOR'S REPORT

David Ulane referred to an outline he gave to the CAB of recent activities he has participated in. In September, David, TK Gwin and Todd Green participated in the Northwest Chapter of the American Association of Airport Executives annual conference. The following week, David attended the National Association of State Aviation Officials (NASAO) 84th annual conference in Boise, Idaho. On September 25th, David and Shahn Sederberg participated in the Girls in Aviation (GIA) Day at Metropolitan State University. At this time, the Board was shown a video that Shahn produced about the GIA event. On September 26th, David and Shahn attended the Aircraft Owners and Pilots Association (AOPA) Fly-In at Colorado Springs. Last week, David was the keynote speaker at the Adams County Economic Development Council's monthly meeting. Tomorrow, David will be speaking at the Rocky Mountain UAS Professional's meeting. At the end of the month, David will be traveling to Washington D.C. with CDOT's legislative consultant and CAOAs to discuss statewide aviation legislative priorities with Colorado's congressional delegation. David gave kudos to the Aeronautics staff for work done at this morning's planning workshop. At this time, David introduced Peter Bangas, who is the Public Safety Communications Network Manager with Colorado Governor's Office of Information Technology (OIT). Peter's office is responsible for maintenance on the twelve CDOT owned Automated Weather Observing Systems (AWOS) throughout Colorado. Peter gave a briefing on his unit and their areas of responsibility. With lightning being a particular problem this year, Peter gave some examples of the measures his unit takes to protect all their systems from potential damage. Ray Beck thanked Peter for this presentation and expressed gratitude to OIT for the work they do to maintain our AWOS system. William "T" Thompson inquired about an upcoming Colorado Springs Chamber of Commerce Business Alliance UAS discussion that David has been asked to participate in and wondered if the Board should have a position on UAS matters. This question led to a discussion between the CAB and the Director on what the formal engagement of the CAB and Division should be when it comes to UAS matters. This topic was addressed at the CAB Workshop last month in Rifle and at that time it was determined that the Division's role at this time, due to limited staff and financial resources, would be to continue to administer the COA for CDOT's UAS usage and to also serve as an informational clearing house for the public, who may have questions on this subject.



7. PARAGON AUDIT PROGRESS REPORT

David Ulane said that the Paragon Performance Audit resulted in 23 recommendations to be addressed, so the Division has developed an implementation plan that was included in the Board packet. The three recommendations that have been completed since the last meeting are: #13 - Purchase requisitions do not require Business Office approval; #15 - A Memorandum of Understanding has been drafted to share the WIMS System Code with the State of Idaho without CAB discussion and approval; #17 - Inadequate and untimely information provided to stakeholders regarding financial constraints. David added that by the end of today's meeting, these additional three recommendations should be completed as well: #3 - No set calendar for CAB meetings; #2 - No standardized CAB package with accurate key understandable metrics; #16 - The FAA reimbursable agreement for Wide Area Multilateration Blended Airspace reporting and status has not been fully communicated to the Aeronautics Division and the CAB. There was a brief discussion on some of the open recommendations between the Board and the Director. In conclusion, David said that following each CAB meeting, staff will meet with CDOT Internal Audit to discuss the progress of the implementation plan. The following month, he will brief the Transportation Commission Audit Committee on the progress, as well.

8. 2015 GRANT UPDATE

David Ulane said that the total dollar amount awarded for the 2015 grant cycle was \$3,353,649. One of the changes made this year, was that the Division didn't actually contract the awarded money until the airports received their FAA grants. This allowed us to accurately match what the FAA granted to the airports. As a result, the actual amount of state funds contracted was \$2,995,981 for the 2015 Grant Cycle. David said that previous to the current financial situation, staff was authorized to make administrative amendments to grants that did not affect the dollar amount awarded to the recipients or change scope. Staff would like the ability to once again make those administrative amendments and advise the Board of such changes in a timely manner. William "T" Thompson made the MOTION to allow staff to make administrative amendments to the grants as long as it doesn't increase the dollar amount or change the scope and Robert Olislagers seconded.

The MOTION carried unanimously.

9. DIVISION OF ACCOUNTING & FINANCE (DAF) UPDATE ITEMS

9.1 Financial Update/Dashboard

Mike Krochalis referred to the financial dashboards within the Board Packet and discussed what information each of the six graphs contained. The Aviation Fund balance went negative in July. In August, the balance was -\$1.69 million and we anticipate the same balance for the month of September. In August, the interest rate charged to the Aviation Fund for the loan from the State Treasury was 0.97% for a total interest charge of \$2,211 for the month. Currently, we have a total of \$8.5 million of outstanding, encumbered grants and an additional \$1 million left to contract for the 2015 Grant Program. We anticipate receiving a total amount of drawdowns around \$9 million for FY16 and we've already processed \$2.6 million of that, which leaves the existing balance of \$6.4 million to be paid from FY17 through FY20. Of the \$11 million Treasury limit, we anticipate using between \$6-8 million by the end of FY16. The Division is predicting that the fund will return positive in mid-FY19. Mike said that these forecasts will change, depending



on fuel prices and fuel flowage. William "T" Thompson asked if the data used for these forecasts reflected conservative revenues and fuel prices and David Ulane assured him that we were being very conservative. Mike said that for July, sales tax disbursements to the airports totaled \$1.2 million and \$727,000 for August. In July, the amount received from the Department of Revenue (DOR) for sales tax into the Aviation Fund was -\$1.2 million and \$2.7 million was received in August. The amount received from DOR for excise tax for the two months was \$237,000, resulting in \$163,000 being refunded back to the airports. In July, the Division discovered that amended fuel tax returns filed by United Aviation Fuel (located at DIA) for five months in 2012 were submitted to the Department of Revenue (DOR) for a total of \$2.7 million in adjustments. After research, it appears that duplicate filings took place in 2012 and the Aviation Fund had been credited twice for the same large purchases in 2012. As a result, DOR reduced the Aviation Fund by the same \$2.7 million amount and subsequently, the normal refund of sales tax back to DIA was reduced in the following month. The Division is requesting from DOR managers an improved notification process between DOR and Aeronautics for large amendments like these, as the Division was not notified in advance and it made a major negative impact on the fund balance for the reporting period.

9.2 FY17 Administrative Budget Approval

Mike said that the CDOT Budget Office has requested that Aeronautics prepare and submit their Administrative Budget for FY17. The Division would like the CAB to approve an update from an internal CDOT FY17 revenue estimate of \$30 million to a revised forecasted amount of \$25 million and submission of an FY17 Administrative Budget estimate of \$1,050,000. Per Statute, the Administrative Budget for the Division cannot exceed 5% of the prior year's total revenue. The forecasted total revenue for FY16 is currently estimated at \$21 million, based on current and reasonable foreseeable fuel prices. The Administrative Budget includes CAB expenses, staff salaries and benefits, as well as operating costs. Robert Olislagers made the MOTION to approve the adjustment of the FY16 overall budget to \$25 million and the FY17 Administrative Budget in the amount of \$1,050,000. William "T" Thompson seconded the MOTION.

The MOTION carried unanimously.

9.3 Aeronautics Business Manager Update

David Ulane said that CDOT Human Resources has approved the job description and the position should be posted within the next week or two.

10. GREELEY STATE INFRASTRUCTURE BANK (SIB) LOAN APPLICATION

David Ulane said that Greeley has submitted a loan application in the amount of \$1 million to be paid back over five years, to do some general aviation hangar pavement rehabilitation. This was the same SIB application that was submitted last year and approved by the CAB and the TC at that time. The airport rescheduled the project and pulled the application at that time and are now ready to move forward. Once the CAB approves this request, it will go to the TC for their review and approval. Ann Beardall made the MOTION to approve the Greeley SIB loan application submission to the TC for their approval and Robert Olislagers seconded.

The MOTION carried unanimously.



Robert Olislagers stated that Centennial Airport plans to submit an SIB loan package for consideration at the next CAB meeting.

11. WIDE AREA MULTILATERATION (WAM) - PHASE III UPDATE

Bill Payne updated the Board on Unmanned Aerial Systems (UAS) and Virtual Air Traffic Control Towers (VATCT). Bill said that the FAA chose Fort Collins-Loveland as the location for the VATCT Demonstration. The next steps are to have the equipment and site certified, required documents submitted and the installation to take place hopefully by the end of January. On the UAS side, Bill has met with personnel at FAA Headquarters in Washington D.C. in an attempt to expand the COA's we currently have for CDOT and to apply for a Section 333 Exemption. David Ulane stated that within the Board Packet is a copy of the latest "Statement of Account" from the FAA reimbursable agreement on the WAM project, which shows there is \$5,892,231.35 remaining in that account.

12. LEGISLATIVE ISSUES

Robert Olislagers talked about the CAO A agenda items for the upcoming legislative year. The first item is to make the VATCT Program eligible for Airport Improvement Plan (AIP) funding. The second is to modernize the Passenger Flight Charge (PFC) program. Next, to request multi-year re-authorization for the FAA Airport & Airway Trust Fund. Lastly, to address the pilot shortage, as well as the small community air service issue that is related to that. Robert went into detail on each topic and then made the MOTION to have the Board support David Ulane's upcoming trip to Washington D.C. with representatives of CAO A to support these legislative issues. Joe Rice seconded the MOTION.

The MOTION carried unanimously.

Joe Rice said that as a topic for an upcoming CAB meeting, he would be interested in knowing what CDOT's upcoming legislative agenda looks like, particularly as it relates to aviation in Colorado. Also, he would like to have a discussion on seaplanes and what position the CAB wants to take on that topic. David said that he recently met with the administrative staff of Colorado Parks and Wildlife (CPW) and later with CDOT Executive Director Bhatt, to discuss the current ban on seaplanes in Colorado. David said that CPW is not interested in lifting the ban on state-owned waterways. However, CPW is considering sending letters to all of the other waterbody jurisdictions in the state to advise them that they can set their own rules to allow seaplanes on their waterways, if they so desire. David said that at this time, CDOT does not want to entertain legislative action to support seaplane usage on state owned Colorado waterways. David added that he will contact Herman Stockinger with CDOT Government Relations to have him attend a future CAB meeting to discuss what might be on the legislative horizon. Joe said that he still feels that the Board should decide what their position will be, in relation to this issue. Ray Beck asked Leo Milan for his thoughts on this topic and Leo said that CPW has the power to ban seaplanes from state owned waterways. William "T" Thompson said he would like staff to research this topic, specifically if higher altitude is a factor, and report the findings back to the Board. Robert suggested that the Board direct the Director to request CPW come before the CAB to explain their reluctance to allow seaplanes on state owned waterways.



13. PROPOSED CALENDAR

The next scheduled CAB meeting will take place on Wednesday, November 18th at Metropolitan State University, starting at 1:00 pm. David said that the morning before this meeting, he would like to schedule a tour of the FAA Denver Center in Longmont. The following CAB meeting will be on December 9th at the Division Offices in Watkins.

At this time, David asked the Board to review the 2016 CAB Master Calendar and requested that they adopt this calendar, per the Paragon Performance Audit recommendation #3. William "T" Thompson made the MOTION to approve the master calendar as presented and Ann Beardall seconded.

The MOTION carried unanimously.

14. OTHER MATTERS BY PUBLIC & MEMBERS

There were no other matters.

15. ADJOURNMENT

The meeting adjourned at 3:22 pm.

