



COLORADO

Aeronautical Board

MINUTES

Board Meeting

Wednesday, August 10, 2016 | 1:00 pm

Denver International Airport

City Conference Room

8500 Pena Boulevard | Denver, CO 80249

MEMBERS PRESENT:

Ray Beck	Chairman
Ann Beardall	Vice-Chair
John Reams	Secretary
Jeff Forrest	
Robert Olislagers	
Joe Rice	
William "T" Thompson	

OTHERS PRESENT:

David Ulane	CDOT - Division of Aeronautics Director
Christine Eldridge	CDOT - Division of Aeronautics
Todd Green	CDOT - Division of Aeronautics
TK Gwin	CDOT - Division of Aeronautics
Bryce Shuck	CDOT - Division of Aeronautics
Shahn Sederberg	CDOT - Division of Aeronautics
Scott Storie	CDOT - Division of Aeronautics
Kaitlyn Westendorf	CDOT - Division of Aeronautics
John Bauer	FAA - Denver ADO
Maggie Covalt	Applied Pavement Technology
Angela Folkestad	CO/WY Chapter - ACPA
Jim Fritze	Former CAB Member
Ray Hawkins	Seaplane Pilots Association
Bryan Johnson	Rocky Mountain Metropolitan Airport
Steve Lee	Denver International Airport/Colorado Airport Operator's Association
Jason Licon	Fort Collins-Loveland Airport
Bob Lohne	
Kenny Maenpa	Jacobs Engineering
Leo Milan	Office of the Attorney General
Bill Payne	William E Payne & Associates
Chris Schaffer	FAA - Denver ADO
John Sweeney	FAA - Denver ADO
John Thompson	CH2M
Bill Totten	Colorado Pilots Association



Pledge of Allegiance

1. CALL TO ORDER

Meeting commenced at 1:02 pm.

2. APPROVAL OF MEETING MINUTES

John Reams made the MOTION to approve the minutes from June 2, 2016 and Robert Olislagers seconded.

The MOTION carried unanimously.

3. AMENDMENTS TO THE AGENDA

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

The MOTION carried unanimously.

4. SOUTHWEST AIRLINES UPDATE

Mike Sikes, Business Development Senior Manager, gave an informative presentation on past, current and future endeavors at Southwest Airlines.

5. BOARD MEMBER REPORTS

Joe Rice said that the Colorado Space Business Roundtable is once again doing their Aerospace Business Development road trips, August 29th through September 2nd. William "T" Thompson had nothing to report, but apologized for missing the last CAB meeting. Jeff Forrest had nothing to report. Robert Olislagers said that Centennial will conduct three live fire drills next week. He also spoke about some upcoming aviation conferences and meetings occurring later this month. Robert announced that the main runway at Centennial Airport will shut down for 35 days for a complete rehab, beginning August 22nd. John Reams had nothing to report. Ann Beardall spoke about many aviation events that have taken place or will take place this summer. Ray Beck said that he, David Ulane, Robert Olisalgers and Bill Payne gave an aviation presentation at the Colorado Municipal League Annual Conference at Vail in June. Ray briefed the Board on various upcoming Club 20 events.



6. PUBLIC COMMENTS

Jason Licon spoke in support of the William E Payne & Associates Remote Tower contract, which will be presented to the Board for consideration today. Jason expressed his appreciation to the Surplus Program, which took place at Denver International Airport last week. Jason also took a moment to thank TK Gwin for his years of service at the Division and to wish him well as he prepares for retirement. At this time, Ray Beck requested that each member of the audience take a moment to introduce themselves.

7. DIRECTOR'S REPORT

David referred to a written memo provided to the CAB in their packet, outlining his activities since the last meeting. He spoke about some upcoming events and conferences that he and staff will be attending.

8. PARAGON AUDIT PROGRESS REPORT

David Ulane said that since this will be a topic for discussion at the workshop in September, he will keep this update brief. He said that since June, we have closed out four more of the 23 recommendations, which means there are only two remaining items to complete. David believes we can close those two items by the end of the year.

9. FINANCIAL UPDATE

9.1 Aviation Fund Update

David Ulane said that the Division had forecasted that we would end FY16 with \$16.5M in total revenue, but we actually ended FY16 with \$16.8M in total revenue.

9.2 Financial Update Dashboard

Bryce referred to the financial dashboards within the Board Packet and discussed the information contained in each of the six graphs. He informed the CAB that there may still be adjustments to these numbers, as CDOT prepares to close financial period 13. Bryce said that although the Memorandum of Understanding (MOU) with the State Treasurer expires on April 1, 2020, we are forecasting to be in the "recovery zone" in December 2018. As of the end of June, the Aviation Fund balance was -\$4.508M. The interest rate on our loan with the State Treasurer for June was .93 percent and the monthly interest payment was approximately \$3,000. In June, we received \$419,000 in sales tax revenue and sales tax refunds disbursed back to the airports totaled \$1.298M. In June, the Excise revenues to the Division were \$76,467 and \$400,359 was disbursed back to the airports. Our FY16 year-to-date revenue is \$16.8M and our forecast was \$16.7M. Bryce said that in June, the Division's administrative expenditures were \$87,128, bringing the cumulative fiscal year administrative costs to \$993,264. The Division came in well under the approved budget of \$1.104M. David added that at the workshop in September, we will discuss the various tools and scenarios that the staff is using to forecast finances in an attempt to not repeat what occurred in 2014.



9.3 Grant Administrative Update

TK Gwin referred to a memo provided to the CAB, detailing grants that are in the process of executing administrative amendments and/or new intern program contracts since the last Board meeting. These are typically done for grant amendments that do not require a change in scope of work or additional funding. Term extensions are also a part of this procedure. TK said that we had two new intern requests, one from Durango and the other from Eagle. Both were for six month internships. This brings the total amount spent on internships this year to \$104,000. TK added that in 2014, Walsenburg was granted \$400,000 for relocation of overhead power and a county road, AWOS maintenance, a tractor with attachments and overmatch for the west connector taxiways and ramp expansion to include an airport beacon. The federal project came in high when it was first bid and has since been rebid and is still over budget, but not by as much. The FAA has awarded an additional \$200,000 to complete the project. The removal of the overhead power and county road relocation element of the grant is complete, but still has funds remaining. Walsenburg requested to move \$11,111 from that element to the federal match element in order to complete the project. No additional funding was requested.

9.4 DEN Surplus Sale Recap

Kaitlyn Westendorf said that the sale took place last Wednesday at DIA. We had 14 airports RSVP for the sale, 13 attended and 11 left with equipment. The most popular equipment items were three tractors, all of which were sold quickly. The amount that was approved was \$250,000 and the actual amount spent was \$153,675. The plan is to have another sale next year. David Ulane gave kudos to Kaitlyn, Todd Green and Scott Storie for their amazing work at this event. He also acknowledged Steve Lee and the tremendous partnership we have between DIA and the Division.

10. WEB BASED INFORMATION MANAGEMENT SYSTEM (WIMS) SHARING POLICY

David Ulane said that one of the findings of the Paragon external audit was in relation to the sharing of our WIMS program with other state aeronautical agencies, specifically the "MOU drafted to share WIMS system code with the State of Idaho without CAB discussion and approval". The auditors recommended that "any request regarding Aeronautics intellectual property and its distribution should be discussed with the CAB before taking any further action". As a result, staff ceased all efforts to share any part of WIMS and the draft MOU with Idaho was never implemented. Since that time, staff has revisited this issue and would like to explore the possibility of sharing this successful program with other state aeronautics agencies. We have met with the Governor's Office of Information and Technology (OIT) to discuss how this might take place and get their approval. They are willing and eager to share the state's Salesforce-based applications with other state agencies to cement Colorado's leadership position, which supports CDOT's mission of becoming the best DOT in the nation. Additionally, we have had separate but related discussions with the FAA about the sharing of our General Aviation Airport Sustainability Program, which resides in WIMS, and they are extremely supportive of that. David asked the CAB to approve the Division's sharing of our WIMS application with other state agencies (at no cost to the Division), in accordance with any restrictions, requirements, limitations or conditions as may be implemented by OIT and the Office of the State Attorney General. William "T" Thompson made the MOTION to approve this request and Robert Olislagers seconded.

The MOTION carried unanimously.



11. REMOTE TOWER/BLENDED AIRSPACE PROJECT UPDATE

William "T" Thompson requested that this agenda item be moved prior to the WEPA contract agenda item. Bill Payne said that the evaluation of the unsolicited proposal to the FAA NextGen Program Office from Thales Corporation has concluded and the FAA has elected not to accept the proposal. Bill is having discussions with other interested parties, now that Thales is no longer being considered. This has caused some delay in the original timeframe, but Bill feels the time can be made up as soon as a vendor has been selected. William "T" Thompson referred to Bill's latest progress report and questioned what appears to be in-activity. Bill informed the Board that the FAA is running the program and that his role is to represent the Division of Aeronautics and State of Colorado. He said he can prod and poke and does have some influence, but it is still the FAA's program. Bill addressed some of the specific aspects of this project and mentioned the areas that he can affect, still mindful of the fact that the project belongs to the FAA. He added that the Remote Tower Project is something that is high on FAA Administrator Michael Huerta's list of priorities, since it is the future of air traffic control for airports. The issue is that airports can't fund these projects. Bill added that the FAA is interested in developing a vendor list and currently there is only one company on that list, Saab Sensis.

12. WILLIAM E PAYNE & ASSOCIATES (WEPA) CONTRACT

David Ulane took a moment to brief the CAB on the history of the previous contracts with WEPA. He then referred to a memo given to the Board that completely outlines the proposal and scope of work on the request for this new contract for the Remote Tower Project. David reiterated that one of the biggest challenges with these projects is that although they are funded by us, they are managed by the FAA. We can attempt to encourage, influence and coax, but in the end the FAA runs the program. Of the \$8.8M given to the FAA by the Division in 2013, just under \$6M remains unspent. David said he and Bill Payne met to discuss what was left to do on this project, develop a scope of work and determine a price. Like the previous contracts, this will be a fixed fee contract. David took an additional step and requested that Mead & Hunt preform an Independent Fee Estimate (IFE) on the scope of work. The fee that WEPA came up with for this project is \$381,077 for three years and the fee that Mead & Hunt said they'd charge for the same scope of work is \$604,319. There was a lengthy discussion between the Board, Bill and David, with many questions asked and answered. One of the suggestions was that the WEPA contract should go year to year and it was determined that all State contracts have a clause where we can terminate the contract if we so desire. David contacted Paul Fontaine with the FAA to see if the funds we already provided to them could be used to pay for Bill's contract and he said they would be willing to do that, but are not sure that they can legally do that. It sounds like the FAA could pay Bill directly for his work on this project, but then he would no longer be working on behalf of the Division. David will continue to have conversations with the FAA to determine what the best path forward will be on this project. Robert Oslagers made the MOTION to approve this contract request, as is, and John Reams seconded.

There was some follow up discussion on the desire of the Board to have reviews and progress reports on the status of the project. Ann Beardall requested that the progress reports be presented in a bar graph format, rather than written reports. Dave handed out an example of what could be provided to the CAB and they felt it would be helpful. In light of the IFE price determination that Mead & Hunt provided, Robert asked if the Board was prepared to spend additional funding on this project if something were to happen to Bill. Dave assured the Board that he has been engaged in this project, which means participating in conference calls and attending meetings with Bill, even in Washington D.C. William "T" Thompson said he doesn't



understand why the FAA doesn't fund this project, since it will benefit the entire nation. Bill said that the FAA will not fund Remote Towers. Ray stated that Colorado has always taken the lead in these types of projects and we are known for thinking outside of the box and for being pioneers.

William "T" Thompson and Ann Beardall abstained from the vote.

The MOTION carried unanimously.

13. CAB GOVERNANCE DOCUMENT REVIEW

David Ulane said that this document was created in 2010 as a result of the 2009 Internal Audit and had not been updated since then. Over the last several months, Ann Beardall, William "T" Thompson, Ray Beck, Leo Milan and David have revised the document and it is now ready for acceptance by the Board. Two topics that are newly referenced in this revision concern Executive Sessions and Robert's Rules of Order. Also, the document now stipulates that it shall be reviewed by the Board every three years. Ann Beardall made the MOTION to accept this document as presented and Jeff Forrest seconded.

The MOTION carried unanimously.

14. LEGISLATIVE ISSUES

14.1 FAA Reauthorization

David Ulane said that a couple months ago, Congress did reauthorize FAA for the next fiscal year. John Bauer added that the FAA still has the appropriation part of the bill to be acted upon.

14.2 Seaplane Legislation Update

Ray Hawkins gave a quick update on the Seaplane Splash-In event that took place on June 18th at Lake Meredith. There were four seaplanes that landed on the lake and Ray briefly spoke about each one of them. He said that the economic impact of this event was approximately \$36,000 and added that they hope to have another event like this next year at a privately owned lake in the Ft Collins/Greeley area. Future legislative proposals include bills for access, invasive species procedures and recreational use.

15. PROPOSED CALENDAR

The next scheduled CAB meeting will take place in conjunction with the CAB Workshop on Wednesday, September 14th at the Division Offices.

16. OTHER MATTERS BY PUBLIC & MEMBERS

Joe Rice said he would like to discuss Essential Air Service at a future CAB meeting. After adjournment, there will be a special recognition given to TK Gwin for his 17 years of service to the Colorado Division of Aeronautics and the State Aviation System, as he will be retiring at



the end of the month.

17. ADJOURNMENT

William "T" Thompson made the motion to adjourn and Ann Beardall seconded.

The MOTION carried unanimously.

The meeting adjourned at 3:18 pm.

