



**MINUTES**

Board Meeting

Thursday, June 8, 2017 | 1:00 pm

Colorado Airport Operator's Association Conference

100 Wulfsohn Road | Glenwood Springs, CO 81601

Glenwood Springs Community Center

**MEMBERS PRESENT:**

Ray Beck	Chairman
Ann Beardall	Vice-Chair
Jeff Forrest	
Joe Rice	

**MEMBERS ABSENT & EXCUSED:**

Robert Olislagers	
John Reams	Secretary

**OTHERS PRESENT:**

David Ulane	CDOT - Division of Aeronautics Director
Christine Eldridge	CDOT - Division of Aeronautics
Mike Krochalis	CDOT - Division of Accounting & Finance
Bryce Shuck	CDOT - Division of Aeronautics
Shahn Sederberg	CDOT - Division of Aeronautics
Scott Storie	CDOT - Division of Aeronautics
Kaitlyn Westendorf	CDOT - Division of Aeronautics

Cooper Anderson	Greeley-Weld County Airport
Todd Andrews	Woolpert
Lloyd Arnold	Montrose Regional Airport
Emily Blizzard	USDA/APHIS Wildlife Services
Kevin Booth	Yampa Valley Regional Airport
Brandon Borne	Aviation Management Consulting Group
Don Castellano	Jacobs Engineering
Anthony Clark	Metropolitan State University
Brian Condie	Rifle Garfield County Regional Airport
Kendra Cross	USDA/APHIS Wildlife Services
Kevin Eldridge	
Stacie Fain	City of Steamboat Springs
Jim Fluhr	Jviation
Matt Gilbreath	Jviation
Steve Hadley	National Business Aviation Association



Cameron Hallock	Centennial Airport
Ryan Hayes	Mead & Hunt
Jake Hoban	Armstrong Consultants
Kevin Hoffman	Woolpert
Dana Jackson	Colorado Springs Municipal Airport
Radha Kandukun	Woolpert
Jason Krueger	Rangely Airport
Charlie May	Sterling Airport
Leo Milan	Office of the State Attorney General
Gary Miller	Clima Patch
Gina Moretto	FAA - Safety Team CO/WY
Bill Payne	William E Payne & Associates
Justin Pietz	Armstrong Consultants
Ryan Pritchett	ACI
Roger Rash	Montrose County
Josh Reinhard	Electrical Excellence
Thomas Roisum	Colorado Springs Municipal Airport
Dave Ruppel	Front Range Airport
Jay Sarason	Rio Grande County
Ginger Scott	City of Steamboat Springs
Tyler Sipes	Greeley-Weld County Airport
John Stewart	Jacobs Engineering
Troy Stover	Colorado Springs Municipal Airport
Ian Turner	Pueblo Memorial Airport
Jessica Turner	Armstrong Consultants
Terrence Van Sant	VS Group

*This meeting was live-streamed over the internet.*

### *Pledge of Allegiance*

#### 1. CALL TO ORDER

Meeting commenced at 1:00 pm. Ray Beck announced that William "T" Thompson has resigned from the Colorado Aeronautical Board (CAB or Board), effective June 1st.

#### 2. APPROVAL OF MEETING MINUTES

Ann Beardall made the MOTION to approve the minutes from March 8, 2017 and Jeff Forrest 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. BOARD MEMBER REPORTS

Jeff Forrest spoke briefly about the 1,500 Hour Pilot Rule and his involvement in providing feedback to various organizations about it, including Representative Mike Coffman's office. Jeff talked about the Dream Big event that took place in Eads on April 27th. He added that the American Institute of Aeronautics and Astronautics Conference will take place on November 11th at the Auraria Campus. Ann Beardall gave a brief update on the progress made thus far by the Strategic Plan Committee. She talked about the recent Seaplane Initiative Splash-In Event at Lake Meredith and mentioned that there are many upcoming aviation events scheduled for the summer months. Ann added that she has heard concerns from many groups about the possible privatization of Air Traffic Control. Joe Rice said that the Colorado Space Business Roundtable (CSBR) Western Road Trip will be July 10th-14th and will include stops in Durango, Grand Junction and Montrose. He also spoke briefly about the CSBR Summer Internship Program, which focuses on students interested in Aerospace who are located primarily outside of the Denver metro area. Joe talked about CAB Policy Statements and how they are beneficial, effective and necessary. Ray Beck spoke about his recent trip to Washington D.C. and listed some of the individuals he met with. Ray mentioned the conference and said he was happy to see so many new people in attendance.

#### 5. PUBLIC COMMENTS

There were no public comments.

#### 6. DIRECTOR'S REPORT

David Ulane said he will be giving a more comprehensive update on the Division of Aeronautics (Division) during a session tomorrow morning, so this update will be brief. He said that the Division has never done a Strategic Plan and we are very excited to see what information we get from that. David said that the Planning Team has been busy conducting Pavement Condition Index (PCI) inspections at one third of the Colorado airports. David said he and staff have been updating the job description for the vacant Planner position with the goal of having the job opening posted soon and hopefully filled by September 1st. For the seventh consecutive year, Governor Hickenlooper has recognized June as General Aviation Month in Colorado. David said that the Board has weighed in on their concerns about Metroplex in a letter to the Federal Aviation Administration. David announced that Christine Eldridge will be retiring from the Division at the end of July and thanked her for the 10 years of service she has provided to CDOT. Ray Beck also thanked Christine, on behalf of the CAB. Ray took a moment to acknowledge the members of the Strategic Plan committee and thank them for their dedicated participation.

#### 7. FINANCIAL/GRANT UPDATE

##### 7.1 Financial Update Dashboard

Bryce Shuck referred to a series of financial slides that were provided to the Board in their packets. He said that due to the timing of this meeting, the May numbers are not yet available, but will be reported to the Board with the July CAB update packet. He said that our month ending cash balance in April was -\$1.9M. Bryce said we are still projecting revenues for the fiscal year to be at \$23M. Bryce said that our sales tax revenues for April were \$1.81M,



which was for February filings and refunds for April totalled \$1.17M, which was for January filings. Excise revenues for April were \$52K, which was for February filings. Excise refunds totalled \$95K, which was for January filings. Bryce said that there has been a change with our contact for excise files at the Colorado Department of Revenue (DOR) and he is optimistic that we will no longer experience some of the timing delays that have previously occurred. He added that in January, the Division changed the way we process the excise tax refunds by simply disbursing based on the information provided by DOR, therefore relieving the airports of the burden of gathering information and submitting for those refunds. In light of that, Bryce has gone back historically to fix some coding glitches and the result will be an additional \$7,000 disbursed this month to smaller airports that hadn't been filing in the past. Bryce said that the gallons of fuel used at DEN for April came in at 36.7M gallons. He added that there does not appear to be any slow down in fuel sales predicted at DEN, which is good news for the system. The year to date costs of our Administrative Budget equal \$756K. For our yearly projected totals, we are on track to spend \$911K, which is well below this year's 5% budget cap of \$1.066M. Based on April numbers, we currently anticipate the Division's recovery to a positive cash position between January and March of 2018. He said that our original FY2017 budget was showing a deficit of \$473K for the year, but we are now forecasting a surplus of \$3.7M for FY2017, due to fuel revenues being up \$6.8M at this point of the year to where they were initially budgeted. Accordingly, refunds paid to airports are up \$2.71M from their initial budgeted numbers. Ray Beck took a moment to praise David Ulane and his staff for everything they've done to enable the Division to potentially recover from the current financial situation two years earlier than originally predicted.

## 7.2 Grant Administrative Amendments

Kaitlyn Westendorf said that the Greeley-Weld County Airport had requested funding for a new internship totaling \$16,640, which accounts for half of the \$16 per hour salary. She said that the contract has already been executed and the intern, Tyler Sipes, is one of the attendees at this meeting. The Board requested that Tyler introduce himself and say a few words, which he was happy to do.

## 7.3 Division Financial Contingency Model

David Ulane said that as the Division moves closer to recovery to a positive financial position, staff has been working collaboratively on developing a financial contingency plan designed to protect the Division's future financial success. He said that the contingency model will:

- Be consistent with CDOT's cash management initiatives, which are geared toward obtaining maximum value and efficiency from transportation funds.
- Be indexed to the Division's outstanding and projected grant obligations, and thus based on an objective floating value, not just a fixed amount.
- Be established at an amount that would allow the Division to meet its current year grant obligations, plus the levels planned for the next grant cycle, even if fuel prices/consumption fall to a critical "worst case" level for a specified time.
- Provide as much notice as possible to airports and stakeholders when Division funding levels will be adjusted, either upwards or downwards.

David referenced a memo that was included in the Board Packet that went into great detail about the concept, the parameters, how it will work and the requested CAB action/implementation process and plan. This contingency plan has been thoroughly reviewed and vetted with CDOT's



Division of Accounting and Finance as well as the Attorney General's Office, which has concurred with this model plan, pending development of the internal financial mechanics. With the CAB's concurrence, staff will move forward with the defined process to work toward implementing and managing the plan. CDOT Deputy Chief Financial Officer Mike Krochalis took a moment to express to the Board his appreciation of how hard the staff has worked to come up with a good contingency plan that will put safeguards in place to help ensure that the Division does not find itself in the same financial situation that took place in 2014. David concluded by going over a timeline of what the Board can expect to happen over the next several months as the Division implements the contingency model. Jeff Forrest made the MOTION to approve the contingency model as presented and Ann Beardall seconded.

The MOTION carried unanimously.

#### 8. DENVER INTERNATIONAL AIRPORT (DEN) SURPLUS SALE 2017

Kaitlyn Westendorf said that due to some timing issues with DEN, it is likely there will be two surplus sales in the coming months. She is hoping to have the first sale the third week of August and the subsequent sale sometime next February. Kaitlyn had hoped to have a list of equipment for the August sale available to airports at this conference, but that did not happen. She verbally listed some of the equipment she is aware of for the August sale and promised that as soon as she gets the official list from DEN, she will promptly distribute that. Kaitlyn advised that the funding for this was approved in March, in the amount of \$250,000 and that the surplus program has been expanded to include sales at other airports, not just DEN.

#### 9. WRAY MUNICIPAL AIRPORT SURPLUS REQUEST

Kaitlyn Westendorf said that in 2011, the Walden Jackson County Airport was given a state and local match grant to obtain a self-serve fuel system, which was purchased and put into use by Jackson County. Since that time, the Fixed Base Operator (FBO) that occupied the field has departed. Jackson County owns the fuel system and it is not currently in use. The City of Wray has a current need for additional fuel storage for the sale of Jet A at the Wray Municipal Airport. Arrangements have been made for the City of Wray to purchase the tank and accessories from Jackson County. The purchase price that has been agreed upon will be no more than the local match to the original grant in the amount of \$7,163.05. The City of Wray will pay for 100% of all required tasks to get the tank relocated and operational. The Division is asking for CAB approval for an 80/20 grant, which coincides with our current surplus funding levels. The amount of state funding will not exceed \$5,728. Ann Beardall made the MOTION to approve this request and Jeff Forrest seconded.

The MOTION carried unanimously.

#### 10. SUSTAINABILITY PROFILE REQUIREMENT

David Ulane said that nearly a year ago, the Division rolled out the Colorado General Aviation Airport Sustainability Program and the associated Sustainability Toolkit in our Web-based Information Management System (WIMS). During the development of the Toolkit, it became apparent that the individual airport data within the sustainability profile possessed great benefits to the Division and the entire system of airports beyond just airport sustainability.



The information collected annually from each of the profiles can be used in many different ways, including pre-populating data for upcoming State Systems Plan and Economic Impact Study updates. Having current airport profiles would help the Division significantly reduce the cost of these updates and allow us to reinvest those saved funds back into airport projects. As more airports participate, the benefits will continue to grow. To date, six airports have completed their airport profiles. The Division is requesting CAB approval to make the data entries for the Operational and Financial sections of the Sustainability Profile a requirement to apply for a grant from the Division of Aeronautics, effective with the 2018 grant cycle. Those two sections contain basic and readily available information that most airports are already tracking or should be tracking. The Division has met with the Colorado Airport Operator's Association's executive committee and has received their endorsement for this proposal. The Division would like approval of the following Policy and Procedures Manual update language in section 4.1 to state: *Prior to being eligible to submit a CDAG grant application, the airport must have completed and updated its Operational and Financial profile section in WIMS.* Joe Rice made the MOTION to approve this request and Ann Beardall seconded.

The MOTION carried unanimously.

## 11. PROPOSED STATE GRANT ASSURANCES

David Ulane said at the most recent CAB workshop held last September, staff presented to the Board a recommendation that the Division develop a set of state grant assurances for airports receiving Division discretionary (CDAG) grants. Those would be conditions attached to a grant, describing various commitments the recipient agrees to as a condition of accepting grant funds. Based on that discussion, the Board was fully supportive of the concept and since then, staff has been discussing, refining and vetting a proposed set of state grant assurances. In Colorado, 49 of our 74 public use airports are in the FAA's National Plan of Integrated Airport Systems (NPIAS) and are considered "federally obligated" because they have received FAA Airport Improvement Program (AIP) funding. When an airport accepts AIP funds, they agree to a set of 39 federal grant assurances and when the Division matches those funds, the FAA's grant assurances also protect our financial investment in that airport. The same holds true when we provide CDAG funds to a federally obligated airport. However, the remaining 25 non-NPIAS airports in our system that are not federally obligated are not covered by federal grant assurances and when we invest CDAG funds in those airports, we are at some risk given our current lack of grant assurances. A draft copy of the proposed seven basic grant assurances was provided to the CAB in their packet and the topics include: compatible land use; hazard removal and mitigation; safe, efficient use and preservation of navigable airspace; operation and maintenance; airport revenues; airport layout plan and use for aviation purposes. The handout given to the Board contained detailed information about each assurance, as well as timelines for implementation. David is confident that these assurances would mitigate potential risk and protect the Division's future investments in non-federally obligated airports by requiring those airports to comply with a basic set of state grant assurances modeled on key FAA provisions. These assurances have been reviewed with the leadership of CAO and the Office of the State Attorney General, both of whom concur with the concept and the general topics addressed by the assurances. David stated that at this time, we are not requesting any formal CAB action on these assurances, but would like any additional CAB input and comments on the existing set of draft assurances. Leo Milan added that the Office of the State Attorney General is in support of the Division and CAB enacting these proposed grant assurances.



## 12. REMOTE TOWER PROJECT UPDATE

Bill Payne said that the FAA NextGen has selected the vendor for the Remote Tower Project at Northern Colorado Regional Airport (FNL) and they are in the process of negotiating an Other Transaction Agreement (OTA). Bill said that he is hoping the OTA will be signed within the next two weeks and as soon as that happens, the vendor will conduct a site survey at FNL. He said that although he can't yet disclose the name of the vendor, he is pleased with the proposal they submitted. Bill talked about some of the equipment that will be used in this project and added that under this agreement, the vendor will donate the equipment. He said that there is a lot of infrastructure that will have to be installed at the airport and they are trying to have that reflected in the OTA. Bill said that there is heightened interest in this project at the FAA. David added that they have been working with Jason Licon to get the Remote Tower Program to be eligible for inclusion in the FAA's Federal Contract Tower Program and to make installation of it eligible for AIP funding. He added that there is a draft bill sponsored by Senator Cory Gardner that would make that a part of the next FAA Reauthorization Bill. Bill added that he has been working with CDOT Region 3 on the use of their Unmanned Aerial Systems to perform analysis of highways.

## 13. LEGISLATIVE ISSUES

### 13.1 Essential Air Service Update

David Ulane said that at our last CAB meeting, Joe Rice had requested more information on the Essential Air Service (EAS) program. There are three airports in Colorado that benefit from the program and they are Alamosa, Cortez and Pueblo. David said that not long after Joe had made that request, Colorado Public Radio did a story on EAS. At this time, the recording of the news story was played for the Board. David spoke briefly about the Seaplane Initiative and how they will be back again next legislative season in an attempt to legalize seaplane usage on Colorado owned waterways. Steve Hadley spoke briefly about current political activities, as well as events within the National Business Aviation Association.

## 14. PROPOSED CALENDAR

The next scheduled CAB meeting will take place on Wednesday, August 9th at 1:00 pm at the Greeley-Weld County Airport. The following meeting will take place on Wednesday, October 11th at the Division offices in Watkins.

## 15. OTHER MATTERS BY PUBLIC & MEMBERS

Ray Beck thanked the Rifle Garfield County Airport for hosting this conference and CAO for sponsoring it.

## 16. ADJOURNMENT

The meeting adjourned at 2:36 pm.

