

MINUTES
REGULAR MEETING JULY 21, 1983

Members Present: Chairman Frank Dunn; Commissioners H. R. Barnett, Betsy Clark, Al Cornelison, Dave Humphries, Bill Love, and George White. Also present: Airport Manager Paul Bowers, Attorney Randy Pearce, and Clerk Mary Ann Harms.

Guests: Steve McMillan, Daily Sentinel; Lance Hernandez, KREX; Russ Schuckman, KQIL; Joe Bestgen, Avis; Chuck Kohles, Horizon Aviation.

Meeting was called to order by Chairman Dunn at 8:10 a.m. Chairman Dunn welcomed new board member Al Cornelison. Mr. Cornelison said he has an extreme interest in the airport and would like to get it into working shape following the construction period.

Good news: 1) Enplanements are up over 1982 by 1,102; 2) We received first FAA reimbursal of \$490,098; we have paid Corn \$386,600.

The new manager position was to have been announced today, however we haven't received confirmation yet. Comm. Barnett said we are still in the negotiating stage.

Minutes

Comm. Barnett requested the word "hit" be struck and "identified" be put in its place on page 6, second paragraph. Comm. Humphries moved the Minutes be approved as corrected. Comm. Clark seconded the motion which unanimously passed.

Management Report

1. Contractor Meeting on Building Problems: Chairman Dunn said he had walked through the building with the contractors and the problems are not that significant. They are all minor problems and we are aware of these problems. All the contractors and Porter feel strongly about the success of the building and they are proud of this building and its importance to the community.

Mr. Bowers said some specific soil tests need to be done and he suggested using Chen and Associates out of Glenwood Springs. One of their representatives will be in Grand Junction today. Mr. Bowers said Chen is one of the best in the region which may be of benefit in this case. Chairman Dunn polled the Board and it was their concensus that the Board hire Chen. Mr. Bowers said he will have a written report to the Board regarding this.

2. Trinidad Trip, July 12, 1983: Comm. Barnett said after the voting the word was Walker Field would receive partial funding. The Walker Field request was for \$150,000 - \$200,000. There was \$4,000,000 available and \$25,000,000 in requests. Mr. Barnett said the pictures Mr. Bowers had taken of Runway 4/22 were very effective. This runway had been constructed in 1942 and has had nothing done to it since that time and we stressed the safety aspects. We are hoping to receive \$100,000 and were given the impression that some local matching funds will be insisted upon.

Chairman Dunn said the Board appreciated Comm. Barnett and Mr. Bowers going to Trinidad and doing such a fine job. Mr. Bowers said Mr. Barnett had done an excellent job and any money received would be a result of his presentation.

3. Construction Update: Chairman Dunn said construction update meetings with Corn, Isbill, tenants and staff were held every Friday morning and that the Board Members may go out on the runways and see what progress has been made. Chairman Dunn urged the Board Members to attend. Meetings are held at 10:00 a.m. in the Board Room. Comm. Barnett said application of the petromat is very interesting and that it is not being used under the blast pads. The petromat should help keep the moisture out. Comm. Clark asked what a blastpad is. Mr. Bowers said the square end off the ends of the runway are called blast pads. Jets sit on the end and crank up which blows the gravel off these areas and the FAA regulations require no more than a 3" lip to exist off the runway end. The paved blast pads will be 150' long and will require quarterly rather than weekly repair. Mr. Bowers continued that the project is on schedule and this weekend is the first three day closure. Rocky Mountain Airways will be flying 15 seat, non-pressurized twin Otters from Grand Junction to Denver via Aspen, Transwestern will be flying its regular schedule and Frontier will be busing from Montrose. The second three day closure will be in early August. The airport will close Friday night at 8:00 p.m. and reopen Tuesday morning at 8:00 a.m. Mr. Bowers invited Board Members on a tour of the runway after the meeting.

4. Accounts Receivable: Comm. Barnett asked about the status of National. Mr. Wendland said a form copy of a letter is being drafted. Att. Pearce said he is drafting form letters for the different contracts; a schedule demand; small claims procedures, and large claim procedure.

Chairman Dunn said he had talked to Ken Cox and Ken very much wants to be a part of this airport. He will also have a used car lot on 12th and North. Mr. Dunn said Mr. Cox is getting his financial problems solved and will have money as soon as he receives the settlement on his car agency.

Comm. Humphries asked about Penner. Att. Pearce said in his conversation with Norman Frantz: 1) the \$5,000 check for lease extension should be received today or tomorrow; 2) the signed extension agreement was mailed with the check; 3) the lending institution loan board tabled the discussion pending receipt of final MAI appraisal. The Board will be meeting again next Tuesday and Mr. Frantz had contacted each Board Member and they had each expressed a favorable vote for Frantz receiving the funding.

Chairman Dunn said Mr. Frantz seems very positive. Comm. Humphries asked when the extension time is up and Comm. Barnett said August 1.

Comm. Barnett said he liked the Accounts Receivable format and thanked Mr. Wendland for his efforts.

5. Accounts Payable: Comm. Humphries commented we are paying our bills on time. Comm. Barnett said the Ute Water Bill is a result of not getting irrigation water and he feels guilty using treated water for irrigation. He said the Authority should approach that problem and buy some water shares.

Comm. White asked if the \$18,250.27 to Isbill was for the Master Plan Update. He asked if this is to be reimbursed out of the \$50,000 and Mr. Bowers said the grant is a drawdown. Mr. White asked when will we get the draft of the Master Plan Update and Mr. Bowers said August. Comm. White then asked about the United Bank of Denver \$1,877.39 charge. Mr. Wendland said that is the bond trust fees for the 1978 issue for the first half of the year. Comm. White said that issue is gone now and does this payment finish it and Mr. Wendland said he didn't know and would call George Thompson on it. Comm. White said that issue is gone now and Mr. Wendland said he would assume Mr. White is right.

Comm. White said there is \$333,000 on Accounts Receivable and without Penner's \$198,000 that generates positive \$130,000 Accounts Receivable and we have \$93,000 in Payables and that is a positive balance. Mr. Bowers said that won't be the situation next month with the Corn payment and Comm. White said that is a flow through. Comm. Clark said it was her understanding that was a separate accounting and Mr. Wendland said it is a separate general ledger fund. Comm. White asked if we had received our \$350,000 from the Department of Local Affairs and Mr. Bowers said we had received \$100,000 and after that it is a drawdown.

Comm. White moved we pay the Accounts Payable. Comm. Clark seconded the motion which unanimously passed. Chairman Dunn said we have to keep on top of this and Comm. White said he would still like to see a bank balance at the first of the month and would like to see us pay our bills on the 10th of the month where now we don't okay bills until the 20th, we need to get a better schedule. Mr. Wendland said this is something we can discuss at the Finance Committee workshop.

6. Enplanement Report. Chairman Dunn said this a a positive report. Comm. Barnett said he is glad to see Transwestern up. A discussion on airline rates followed. Comm. Clark said roundtrip to Denver is \$228.00. She then said she would like to direct the Chairman to write to all the airlines regarding fares and added that fares were cheaper from Montrose to Denver than from Grand Junction to Denver. Comm. White said Mr. Phelps had given a speech on how the airlines figure rates and would like to have Mr. Phelps do that for the Board. Comm. Clark said all of the rates are the same and we are all concerned and would like to help airline traffic and wants to see the Board write some letters.

Comm. Barnett said there are two things involved: 1) airlines have a basic operating cost but what they don't say is at a certain level, 50/60% load factor, they start making a profit and a full plane is important to them; 2) Marginal propensity consumer if the rates get to a certain point the consumer were no longer use the service. It is a give and take situation. Possibly Walker Field has too many airlines, hate to say that as we are always happy to have the schedules, but when United came in he believed it was a competitive decision and we can't get involved in that. Also he suggested we

do some marketing, not just letters, but work with the airlines. Chairman Dunn said these were good suggestions and he will write the appropriate letters.

Comm. Barnett asked if all the rates to Denver are the same and is there anything under deregulation that says they have to be and that basically we are dealing with a collusion situation. If deregulation is for free enterprise and an open concept then why can't Frontier come in with a reduced rate and why can't the airlines compete, why do they always have the same rate. Mr. Bowers said it may appear coincidental but it is not that all the airline fares are the same, they do match competitors fares and this is due to these fares being posted in computers for four to six weeks in advance of fare increases or decreases. Comm. Clark said the public is not aware of this and Mr. Bowers said it is not in the marketing interest of the carriers to market increases in fares only decreases.

Comm. Clark said she would still like to see the letters sent. Mr. Bowers said he would suggest that correspondence comes from businesses rather than individuals as they would have more impact. Comm. Clark said it was also important to have letters from the Airport Authority. Comm. Barnett asked if Mr. Bowers would give the Board a list of people in authority to write to.

Other Matters


1. Comm. White said the County Commissioners are working on the airport overlay but cannot proceed with any of the process until they get the Master Plan Update. They have directed the planning staff to get a copy of this plan from Isbill as soon as it is available.

2. Comm. Humphries asked if the Finance Committee Meeting had been rescheduled and Mr. Wendland said he would talk to the Committee members after the meeting. Comm. Cornelison said he was not on a Committee and the Board assured him he would be.

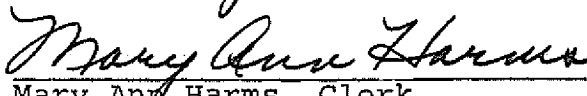
3. Mr. Chuck Kohles asked when aircraft could utilize his taxiway turnoff and Mr. Bowers said each of the turnoffs will have specific work done on them and that Horizon has access but not direct access. Mr. Kohles added that he is meeting with a fuel dealer today.

The meeting adjourned at 9:00 a.m.

Approved as set forth this 4th day of August, 1983.



Frank Dunn, Chairman



Mary Ann Harms, Clerk