

Walker Field Airport Authority

Minutes of the Regular Board Meeting

February 17, 1998

BOARD COMMISSIONERS PRESENT: Martin O'Boyle Robert McCormick
Miles McCormack Jim Richards
Charles Gillett Gary Morris
David Graham

AIRPORT STAFF PRESENT: Corinne Nystrom Ted Balbier
John Thomas Dennis Wiss
Dan Reynolds David Anderson

ALSO PRESENT: Bill Hogan of Interspace Airport Advertising; Doug Thompson and Diane Gibson of West Star Aviation; Don Pettygrove of Nichols Associates; Mesa County resident Larry Dowd; Paul Davies of the Daily Sentinel; Barbara Krause and Ken Krause of Coffee Time, Inc.; and Doug Briggs, Authority Attorney.

I. CALL TO ORDER

Chairman O'Boyle called the meeting to order at 5:21pm.

II. APPROVAL OF AGENDA

Chairman O'Boyle asked for additions or changes to the published agenda. Manager Nystrom requested the addition of "Other Items A4- Board Workshop Dates and Issues." Chairman O'Boyle requested that "Action Item B1- Terminal Building Renovation Design Plan Update" be relocated to immediately after "Approval of Agenda." The Agenda was amended as requested.

IIA. TERMINAL BUILDING RENOVATION DESIGN PLAN UPDATE

Don Pettygrove of Nichols Associates updated the Board regarding the terminal beams/trusses repair project. At the February, 1998 Board Workshop, Mr. Pettygrove had submitted a proposal for strengthening the trusses. After subsequent inspections by Mr. Pettygrove, it was discovered there was drywall behind one of the trusses, thus preventing the insertion of steel behind one of the beams. The use of cabling (or pre-stressing) has been determined to not be a feasible alternative.

Mr. Pettygrove recommended three options--either the replacement of the cords with a similar-type of wood, the use of steel tubes, or the installation of additional columns. Vice Chairman McCormack asked if the use of a double-strength member on either side of the beam would be a viable alternative. Mr. Pettygrove responded he would be concerned with the stress loads on the member. Chairman O'Boyle inquired if there was an advantage of using wood replacement instead of steel tubes. Mr. Pettygrove indicated the steel tubes would be a cleaner option because of less future problems. On the other hand, wood replacement would possibly lead to similar problems in approximately 15 years. Chairman O'Boyle asked whether Mr. Pettygrove needed any action from the Board. Mr. Pettygrove responded he would like the Board to decide which option the Authority should pursue for the design work.

Chairman O'Boyle inquired as to what the contract between Nichols Associates, Inc. and the Walker Field Airport Authority included. Mr. Pettygrove indicated he had intended to submit quotes for three options, but to design only one of the options. Commissioner Morris asked how long it would take to draft preliminary designs for all three options instead of just one. Mr. Pettygrove asked if the Board wished him to design two options or three. Commissioner Morris indicated two options should be designed because the wood beam replacement is really not an option. Commissioner McCormick suggested it would be better to look at all of the options.

Chairman O'Boyle asked Mr. Pettygrove if the preliminary designs could be prepared in time for the March, 1998 Board Workshop. Mr. Pettygrove indicated he could bring the designs to the Workshop. Chairman O'Boyle then asked how soon after an option is selected by the Board could the design specifications be ready to be included in a bid packet. Mr. Pettygrove stated the time period would be 30 days. Commissioner Graham suggested the Board should select an option and to proceed with it now. Mr. Pettygrove indicated that if the Board selected an option now, the time period for having design specifications for a bid packet would be decreased by 2 weeks--the amount of time between now and the Board Workshop. Manager Nystrom cautioned that because of FAA funding considerations, the Board should look at several available options and the costs involved.

Commissioner McCormick indicated the \$2,000 additional rent for the temporary shoring is worth the extra time to allow the Board to consider the other options. Commissioner Morris asked Staff if the review of the additional options by Nichols is still within the Scope of Work in the contract. Manager Nystrom noted that the work would still be within the Scope, but a subsequent agenda item will address a requested amendment to the Nichols Associates Agreement.

No action was taken by the Board.

III. PUBLIC COMMENTS AND COMMUNICATIONS

Larry Dowd presented a letter in response to the Authority's decision to not purchase his parcel of land owned by him which lies within the Airport's Critical Zone off of Runway 11/29. Mr. Dowd indicated he would be meeting on Tuesday, February 24th with Manager Nystrom and Dennis Wiss, Manager of Operations and Planning, and that he appreciated the timely response he has received from the Authority. However, he wanted the Board to be aware of the effects of any action in response to his request for the purchase of his parcel.

IV. SPECIAL PRESENTATION TO ROBERT MCCORMICK

Chairman O'Boyle presented Commissioner McCormick with a plaque of appreciation from the Board and Staff for Commissioner McCormick's service and contribution as Chairman of the Authority Board of Commissioners for 1997.

V. CONSENT AGENDA

A. Minutes: January 20, 1998 Regular Board Meeting

B. Resolution No. 1998-001: Resolution Concerning Execution of Documents Pertaining to Bank Accounts

Staff presented the Board with a Banking Resolution which reflects the new Chairman and Vice Chairman of the Board of Commissioners. The 1998 Banking Resolution is substantially similar to its 1997 counterpart, with the only exception being the change in Board officers. A copy of the Resolution would be sent to each banking institution for which the Authority has an account. Staff recommended the Board approve "Resolution No. 1998-001: Resolution Concerning Execution of Documents Pertaining to Bank Accounts," and that the Chairman be authorized to sign the Resolution on behalf of the Authority.

C. Revised Fuel Handling Procedures and Air Operations Safety Procedures

Commissioner Graham requested this item be relocated to "Action Item C: Revised Fuel Handling Procedures and Air Operations Safety Procedures."

Vice Chairman McCormack requested page 8, item C, paragraph 4 of the January 20, 1998 Minutes be changed to reflect that he abstained from the voting for the office of Vice Chairman.

Commissioner McCormick moved to adopt the Consent Agenda with the changes as requested. Commissioner Gillett seconded. Voice vote: all ayes. Motion carried.

VI. FINANCIAL REPORT

A. 1997 Audit Report Update

Manager Nystrom noted the 1997 audit is in progress. However, because of additional financial tests associated with the new federal audit requirements, the 1997 Audit Report by the auditors to the Board will not be available until the March 17th Regular Board Meeting. The January, 1998 financial statements will also be presented by Staff at that time.

B. Accounts Receivable Report

Attorney Briggs updated the Board regarding Maverick Airways' and Promoco's delinquencies. Attorney Briggs had just received an Answer today from Maverick Airways in response to the Complaint filed by the Authority. While Maverick acknowledged that they had breached their contract with the Authority, they contended that their security deposit which was provided to the Authority was adequate to cover any damages suffered by the Authority.

Commissioner Graham asked if the discussion of the merits of this case should be discussed during executive session. Attorney Briggs noted that at the present time, it is not necessary. Chairman O'Boyle inquired how much Maverick owed the Authority on the date they vacated their leasehold. Manager Nystrom commented Staff would research that amount and provide it to the Board. Additionally, she noted that this situation is unique because the passenger facility charges derived from Maverick were actually paid by Frontier Airlines.

With regard to Promoco, Attorney Briggs had initiated a "skip-trace" to discover what assets, if any, were available to collect from Promoco. The results of the "skip-trace" will not be available until next week.

1. Sun Pacific Airlines

Sun Pacific International Airlines utilized Walker Field for charter flights in October and November of 1997. To date, the Authority has not received any payments from Sun Pacific. Sun Pacific is delinquent in the amount of \$1,117.33. Delinquency letters were sent to Sun Pacific via U.S. Mail- Certified Return Receipt Requested on December 5, 1997 and January 16, 1998. Staff has received no response to the letters.

On January 30, 1998, Staff contacted Timberline Aviation and West Star Aviation to request that ground services, including fueling, be withheld from Sun Pacific until all delinquent amounts owed to the Authority are paid. Staff recommended the Board authorize Staff to continue to follow collection procedures which may include filing a formal complaint against Sun Pacific.

Commissioner Graham moved that Staff be authorized to continue following the Authority collection procedures which may, but not necessarily will, include filing a formal complaint as determined in the discretion of the Airport Manager and Attorney Briggs. Commissioner Richards seconded. Voice vote: all ayes. Motion carried.

VII. ACTION ITEMS

A. Resolution 1998-002: Revised Personnel Policy Manual

Staff presented the Board with a final draft of the proposed revised Personnel Policy Manual which incorporates changes and modifications which had been requested by the Board at recent workshops. Staff recommended the Board formally adopt the revised Personnel Policy Manual as submitted, and that the Chairman be authorized to sign the Resolution on behalf of the Authority.

Commissioner McCormick moved to approve "Resolution 1998-002: Revised Personnel Policy Manual" as presented, and that the Chairman be authorized to sign the Resolution on behalf of the Authority. Commissioner Gillett seconded.

Commissioner Graham inquired as to what Staff's understanding was of the Board's direction regarding the compensation portions of the Manual. Manager Nystrom responded that it is Staff's understanding that after the adoption of the Manual, the compensation provisions within

the Manual will be reviewed for possible changes or modifications. However, Manager Nystrom requested direction as to what time frame and priorities the Board has with regards to these provisions. Commissioner McCormick noted that in adopting this Manual, personnel policy manuals are generally under constant review and revision, and in a subsequent workshop the Board should request Staff review specific provisions. Commissioner Richards agreed with Commissioner McCormick and added the Manual is an evolving document.

Roll call: all ayes, except Commissioner Graham, who voted against the Resolution. Motion carried.

B. Terminal Building Renovation

1. Design Plan Update

Relocated to "IIA- Terminal Building Renovation Design Plan Update"

2. Engineering Services Contracts Amendments

Staff proposed that amendments be drafted to the existing engineering services agreements between Nichols Associates and Walker Field Airport Authority and between Isbill Associates and Walker Field Airport Authority. At the January, 1998 Board Meeting, the Board approved an engineering services agreement with Nichols Associates to perform design, construction oversight, and administrative engineering services for the terminal building roof/beams renovation project.

The proposed amendments to the Agreement would allow Isbill Associates to handle the administrative aspects of the renovation project. The reasoning for this is that Isbill Associates is already coordinating the administration of the AIP-17 project, and efforts are being made to include the beam renovation project in AIP-17 so that federal funding assistance will be available for up to 90% of the renovation.

Nichols Associates has indicated verbally that this change in administrative duties to Isbill Associates is amenable to them, and Staff is currently discussing with Nichols what the reduction from the \$9,950 already agreed to in their contract would be. Isbill Associates has also stated that they are amenable to taking on this additional responsibility as part of the AIP-17 project. The FAA has indicated it is comfortable with the proposed amendments.

Staff recommended that the Board authorize the amendments be made to both the underlying Nichols Associates and the Isbill Associates agreements to transfer the administrative functions of this project from Nichols Associates to Isbill Associates subject to the following contingencies:

1. FAA approval;
2. A reduction in the amount of the fees which Nichols Associates will be receiving for the project which reflects the transfer of the administrative functions to another party; and
3. A fee being negotiated with Isbill Associates to perform the additional administrative duties which is acceptable to the Authority and the FAA.

Commissioner Gillett moved to authorize the amendments be made to both the underlying Nichols Associates and the Isbill Associates agreements to transfer the administrative functions of the terminal building renovation project from Nichols Associates to Isbill Associates subject to the following contingencies:

1. FAA approval;
2. A reduction in the amount of the fees which Nichols Associates will be receiving for the project which reflects the transfer of the administrative functions to another party; and
3. A fee being negotiated with Isbill Associates to perform the additional administrative duties which is acceptable to the Authority and the FAA.

Commissioner Richards seconded.

Commissioner Morris asked if Nichols Associates' insurance would stand alone or would it cover the structural engineering and design. Manager Nystrom responded that Staff would clarify the liability coverage with both engineers. Commissioner Graham inquired that if this was merely a transfer of administrative duties from one engineering firm to another, then wouldn't the total project cost be the same. Manager Nystrom stated the total project cost should remain substantially the same.

Commissioner Richards moved to amend the Commissioner Richards' motion to include authorizing a \$5,000 differential between the original agreements and the amended agreements. Commissioner McCormick seconded. Roll call: all ayes. Motion carried.

C. Revised Fuel Handling Procedures and Air Operations Safety Procedures

Staff presented the Board revised Fuel Handling and Storage Procedures and Airport Operations Area Safety Procedures documents. The Airport Authority wrote Minimum Fuel Handling Standards in 1985 and an Airport Safety Manual in 1988 and has been enforcing them since that time. In an effort to update these documents, Staff looked at the current Airport environment relative to AOA safety and fuel handling and storage, and made revisions and additions to the documents as necessary.

Copies of the proposed revisions were sent to the tenants for comment, and a meeting was held with them on January 8, 1998. The revised documents take into consideration most of the tenant feedback. Staff does not consider either of these documents to be equivalent to the Minimum Standards Policy document, but rather as operating procedures established by the Authority. Therefore, the two documents have been renamed Fuel Handling and Storage Procedures, and Airport Operations Area Safety Procedures.

To the best of Staff's knowledge, the Safety Procedures were never presented in 1988 for Board endorsement, and the records are unclear regarding Board consideration of the Fuel Handling Standards in 1985. However, after consulting with the Chairman, Staff presented the documents to the Board at this meeting so the Board is aware that the Procedures exist and in the event the Board wishes to formally adopt them.

Staff recommended the Board adopt the Fuel Handling and Storage Procedures and the Airport Operations Area Safety Procedures as submitted.

Commissioner Graham inquired as to what effect Staff was trying to accomplish by the last two sentences of §XII-“Foreign Objects Debris (FOD)” in the Air Operations Area Safety Procedures by using the word “should” instead of “will” or “must.” In other words, is this a standard, or is it just advisory or precatory in nature? Staff responded that these provisions are currently followed by the existing fixed base operators (FBOs) and airlines. If these provisions used the word “shall” or “must,” the Authority would be required to take additional measures to enforce the requirements.

Commissioner Graham expressed concern that if these provisions are permissive, then such provisions should not be included in the document. However, if the provisions are mandatory, then the language should be changed to “shall.” Manager Nystrom cautioned that the term “procedures” should be distinguished from “standards,” and this document has been traditionally an operational procedures document. A “standard” has generally been a requirement the Authority has included in agreements with tenants. However, Manager Nystrom noted that if the Board wished this document to be treated as a compilation of standards, Staff could incorporate this document into existing agreements, with a violation of any standard to be treated as a breach of contract.

Commissioner Graham commented that §XIII-“Enforcement” contemplates the procedures shall be enforced. Thus if the procedures are important enough to enforce, then §XII should reflect similar language. Or, alternatively, §XIII language should be changed to be consistent with §XII. Manager Nystrom responded that the way §XIII is worded, a violation of any provision would not be treated as a breach of contract. Commissioner Richards asked why the Board is attempting to change these documents if the existing documents work. Manager Nystrom noted these documents are updated. Commissioner Graham stated that if there is room for non-compliance, a future tenant which does not follow these procedures may weaken the documents if there is not proper wording within the enforcement provisions.

Vice Chairman McCormack recommended that a provision should be added which requires a fire truck to be standing-by while an aircraft with a non-ambulatory patient on-board is being refueled. Commissioner Graham recommended that such a provision could be added to §VIII as subsection “D.”

Commissioner Graham moved to adopt Walker Field Airport Authority Air Operations Area Safety Procedures as written with the modification of the last two sentences of §XII to replace the word “should” with “shall” and the addition of a fire truck standby provision to §VIII as subsection “D” to the effect of “fire suppression equipment shall be required to be standing by if an aircraft is refueling with a non-ambulatory person on-board.”

Commissioner McCormick was concerned about refueling aircraft with passengers on-board. Vice Chairman McCormack agreed and stated that aircraft slides can be used during an emergency, but some passengers may not be able to exit the aircraft by themselves. Commissioner Graham asked if §VIII B covers that type of scenario. Manager Nystrom responded noting that this section applies only to the fueling vehicles. Staff also noted that airlines already have fueling standards set by the FAA

Commissioner Morris seconded. Roll call: all ayes. Motion carried.

The Board then considered the Fuel Storage and Handling Procedures document. Commissioner Graham noted there was some ambiguity and potential conflict in the interpretation of the document stemming from the fact the document is not designed to lay out fuel storage standards generally, and then to address different types of fuelers, such as fuel retailers, bulk fuelers, and mobile fuelers. There's also confusion that arises from treating mobile fuelers as self-fuelers even though these are separate categories. Commissioner Graham proposed that the organization of the document should not include general requirements in the sections addressing specific requirements. Commissioner Graham indicated he would be willing to work with Staff to revise and reorganize this document.

Commissioner Graham moved to table the adoption of the Walker Field Airport Authority Fuel Storage and Handling Procedures until the March, 1998 Regular Board Meeting. Commissioner Morris seconded. Voice vote: all ayes. Motion carried.

VIII. DISCUSSION ITEMS

A. Rental Car Concession Request for Proposals

Staff updated the Board regarding the rental car concessions. Manager Nystrom noted the current agreements will expire on April 30, 1998. Staff has proceeded to put together a bid package and has distributed the package to the six rental car operators which have agreements with the Authority, as well as publicly advertising the request for proposals. The closing date for the receipt of the bid proposals is March 6, 1998.

John Thomas, Marketing and Properties Coordinator, highlighted the changes between the 1992 agreements and the 1998 agreements. The new agreements will contain cost of living adjustments for the rental car service areas, clarification of the issue of fixed base operators providing rental cars, and a modification of the two-mile radius rental car revenue requirement. Attorney Briggs summarized that the Authority has to be fair to both the on-Airport and off-Airport operators. The on-Airport operators are currently paying a percentage of gross sales to the Authority for use of the facilities.

Mr. Thomas added that amendments to the existing off-Airport agreements are also being drafted to include a 5-year term, as compared with the current indefinite terms. Commissioner Graham asked why a definite expiration date of the agreement is needed. Manager Nystrom responded that if any issues developed after the execution of the agreement, those issues could be negotiated with the presence of a specific deadline. Fortunately, the Authority has a good working relationship with the existing off-Airport operators. However, as additional operators enter into the market, the definite term would be more of an issue.

Commissioner Graham inquired as to whether having the rental car customer mark on the invoice whether the rental originated from an Airport user or from a local resident may lead to some type of circumvention by the operator to avoid paying revenues to the Authority. Attorney Briggs and Mr. Thomas noted that there are several auditing methods which may be used by the Authority to discourage this type of situation.

No action was taken by the Board.

B. Interspace Advertising Concession Update

At the January, 1998 Regular Board Meeting, Staff was directed to research several items, including advertisers who have paid for advertising, but the advertising has not been installed. After obtaining the requested information, Staff was to report the results to the Board at this meeting. There were several other issues which were conveyed to Interspace.

Bill Hogan of Interspace addressed the Board regarding the Authority's concerns. Mr. Hogan apologized for the breakdown in communications between Interspace and the Authority. Mr. Hogan also commented he met with Authority Staff and provided them with a name and phone number of a contact person who can assist the Authority with any issues or concerns which may arise. He believes the advertising revenues can possibly be increased from \$65,000 to \$80,000 if capital improvements are made by Interspace. Additionally, Interspace contracts with a telemarketing firm to contact prospective advertisers in the western Colorado area.

Commissioner McCormick inquired whether any of Interspace's Walker Field advertisers have paid for advertising, but have not had their display installed. Mr. Hogan commented on a specific customer who's sign was not compatible with a display case because of incorrect dimensions provided by Interspace. Although the customer has paid rent for several months, Mr. Hogan noted the customer was provided with a credit, and the modification to its sign would be made at Interspace's expense.

Commissioner Graham asked Mr. Hogan to address the reasons for the shortfall in advertising revenues. Mr. Hogan responded that some prospective advertisers have expressed a reluctance to advertise at Walker Field because of the lack of passenger traffic through the terminal building and the perceived high costs of the advertising. Commissioner Graham also inquired if Interspace would make additional capital expenditures on advertising displays. Mr. Hogan stated that the capital expenditures would probably entail \$15,000 to \$20,000.

No action was taken by the Board.

C. Acquisition of U.S. Navy F-14 Tomcat Aircraft

Manager Nystrom presented the Board with a letter from Doug Thompson of West Star Aviation notifying the Authority that a F-14 Tomcat is available for static display if the Authority would like to have the aircraft. The majority of the associated costs of displaying the aircraft would be paid by Ron Rouse of Colorado Airlines and Mr. Thompson. The requested display area for the aircraft would be as close as possible to a planned restaurant to be owned and operated by Mr. Thompson and Mr. Rouse.

Mr. Thompson addressed the Board and highlighted some of the issues regarding of the proposed display. If the Board approved the display, the Authority would need to spend \$1,960 for hotel rooms and meals for a team to prepare the aircraft. The aircraft would be repainted and flown-in to Walker Field. Mr. Thompson indicated that if the Authority is at least interested in obtaining this aircraft, Staff should send a letter of interest to Captain Rasmussen at the Naval Air Museum in Florida.

Commissioner Graham commented the Authority has nothing to lose by sending a letter of interest, as long as the details of the mounting are provided to the Board at a later date.

Commissioner Richards asked if there would come a time when Walker Field would become saturated with static aircraft displays. Commissioner Morris asked if the restaurant was not built, would Mr. Thompson make improvements around the aircraft. Mr. Thompson said he would not. Commissioner Graham asked if the restaurant is not built, would Mr. Thompson be willing to assist the Authority with obtaining the aircraft. Mr. Thompson indicated he would. In addition, Mr. Thompson stated that if the restaurant is built, he would be willing to mount the aircraft at a different location close to the restaurant if the Board did not wish the aircraft to be adjacent to the restaurant. Chairman O'Boyle noted that there seemed to be a Board consensus for Staff to proceed with drafting a letter of interest to Captain Rasmussen.

No action was taken by the Board.

D. Contract Air Traffic Control Tower Update

Staff updated the Board regarding the status of the switchover of the Walker Field air traffic control tower staffing from FAA to contract employees. Chairman O'Boyle provided the Board and Staff with additional information, including a copy of a letter that the current Walker Field FAA tower employees received which indicates July 15, 1998 is the proposed date of the switchover. Additionally, Chairman O'Boyle noted Ogden, Utah, which has a similar number of operations as Walker Field, became a contract tower last year.

No action was taken by the Board

E. VOR Update

Staff updated the Board regarding its discussions with FAA Properties and Facilities officials in Seattle, as well as with officials in the Denver Airports District Office (ADO) concerning the relocation of the Fruita VOR to Walker Field, and whether the VOR relocation can be funded with Airport Improvement Program (AIP) entitlement funding. Dan Reynolds, Authority Project and Development Coordinator, commented that the FAA Properties and Facilities officials feel the VOR is very important, but they do not have the funding to assist the Authority with the relocation. Instead, they recommended the Authority contact Denver ADO for possible entitlement money.

Mr. Reynolds then spoke with officials at Denver ADO. Denver ADO stated that relocating the VOR from Fruita to Walker Field would not be AIP-eligible, unless the relocation was necessary because of an AIP-eligible project, such as a runway extension. However, AIP entitlement money could be used to purchase a new VOR. Denver ADO said it would strongly resist the Authority using AIP funding for a new VOR. Properties and Facilities suggested there is a possibility they would sign a Memorandum of Agreement (MOA) which would state that the Authority would be reimbursed at some point in the future for moving the VOR.

Commissioner Richards asked what would happen if Walker Field users did not have this VOR. Manager Nystrom commented that according to the FAA, the VOR is not a safety issue. If the VOR is not available at Walker Field, during inclement weather, aircraft would probably be diverted to Montrose or Rifle. One possibility of relocating the VOR would involve the Authority paying for the relocation, then conveying the VOR to the FAA for it to maintain. Commissioner Richards noted that if the FAA is going to move the VOR, they are not going to be able to get it done before the existing easement on which it sits expires. Commissioner

Graham commented that he had a conversation with the attorney of the developer of the land on which the VOR is located. The attorney mentioned the developer is eager to build.

Manager Nystrom noted the FAA is concerned that if the VOR is relocated to Walker Field, there would probably have to be an upgrade to a "Doppler" system. Chairman O'Boyle stated this issue affects the airlines, air cargo operators, and general aviation users. He did not know what the users would do if the VOR was eliminated. Manager Nystrom suggested Staff could approach the VOR users to see if they would be willing to pay higher fees to save the VOR. Additionally, she suggested Staff could explore local sources of funding. Commissioner Richards suggested several methods for obtaining funding.

Commissioner Morris asked how much it would cost to upgrade the VOR to a Doppler system. Manager Nystrom responded Staff would not know what the costs would be until the engineer's report is completed but that FAA estimated the cost to be \$400,000 - 500,000. Commissioner McCormick inquired how the VOR fits-in with regard to the instrument landing system (ILS). Chairman O'Boyle responded that there may be times when the glidescope is inoperable, but not the localizer. The VOR serves as a back-up in case one of the ILS components is not functioning. However, it is not an "H-Class" VOR, and it only has a range of 25 nautical miles. It is only used for approaches. Chairman O'Boyle noted the airline users should be consulted to find out how important the VOR is to their operations. Commissioner Graham suggested the Board review the costs and benefits of each option.

Vice Chairman McCormack inquired whether Staff has contacted a business who specializes in VOR relocation and set-up. Mr. Reynolds responded that he has dealt with ASMI, a Kansas firm. Vice Chairman McCormack recommended obtaining cost estimates for the three options, including relocating the existing VOR, building a new VOR, and relocating and upgrading the existing VOR to Doppler technology. Chairman O'Boyle noted the Board's consensus was for Staff to proceed with obtaining cost estimates for each of the options.

No action was taken by the Board.

F. Senate Bill 98-028 Concerning Commercial Air Service and Making Appropriations

Manager Nystrom updated the Board regarding proposed legislation pertaining to capital funding for Colorado airports. Senate Bill 98-028, introduced by Senator Thiebault of Pueblo, would allow airports, such as Walker Field, to request funding from the State for infrastructure projects. The Bill itself was approved by the Senate Transportation Committee, and is now being reviewed by the Appropriations Committee.

Mesa County contacted Staff to find out what the Authority's position is regarding the Bill, and whether the Authority would like the County to officially support the Bill. The Bill has received the endorsement of the Colorado Airport Operators Association (CAOA), but there was concern expressed by CAOAs of endorsing the Bill, including whether capital improvement projects at airports would actually improve or attract air service.

Commissioner Graham inquired as to whether other airports have taken an official position regarding this legislation. Manager Nystrom stated Staff could contact other airports to find out their positions. Vice Chairman McCormack asked Staff if there were any reasons why the Board should not support the Bill. Manager Nystrom responded the proposed funding would be

beneficial to Walker Field. However, she cautioned that if the Authority endorses this legislation, the community should be educated that this does not necessarily mean or translate into improved air service.

Commissioner McCormick moved that Staff send a response letter to Mesa County which details the Authority's support for Senate Bill 98-028. Commissioner Richards seconded. Voice vote: all ayes. Motion carried.

IX. OTHER ITEMS

Commissioner Graham moved that the Airport Manager be authorized to pay the next cycle of bills pertaining to the Runway 11/29 litigation consistent with Authority policy. Commissioner McCormick seconded. Voice vote: all ayes. Motion carried.

The Board requested the following items be placed on the agenda for the March 3rd Board Workshop: Staff review of the Personnel Policy Manual and discuss planning issues for 1998, including a list of projects from Staff. Chairman O'Boyle asked if the other Board members feel it is beneficial to hold workshops on a monthly basis. Several members noted the workshops are beneficial as long as there are important issues to discuss.

John Thomas, Marketing and Properties Coordinator, commented on the significance of the Fruita VOR as it pertains to airport marketing. One of the distinguishing aspects of Walker Field is that it is an all-weather airport. Thunder Mountain Ground Services has expressed to Staff the importance of the VOR to its business of handling diversions from other area airports during inclement weather. Chairman O'Boyle noted that the airline users of the VOR should be involved in the determination of VOR options for Walker Field.

A. Lease Negotiations (Executive Session)

Commissioner Graham moved to enter into executive session to consider the applicable items listed on the Agenda. Commissioner Morris seconded. Voice vote: all ayes. Motion carried.

All Board members and Staff present during the regular Board meeting, except Dan Reynolds, entered into Executive Session at 8:24pm.

1. ATM Concession Agreement

Grand Valley National Bank was awarded a bid to operate an ATM machine concession in the terminal building as the result of a bid process in which a Request for Proposals was published in the Daily Sentinel. This occurred in August of 1997. Negotiations for this agreement have been on-going since that time.

The agreement drafted by Attorney Briggs has been amended several times at the request of Grand Valley National Bank. Attorney Briggs, Staff, and Paul Briardy of Grand Valley met on February 10th to discuss a third set of changes requested by Grand Valley. Some of the requested changes are precedent setting changes which would require Board approval and deviation from Board policy. The precedent setting changes relate to fees, security deposit requirements, indemnification, and default and remedies.

Staff recommended that the status of the negotiations for this concession agreement be discussed in executive session so that the Board may consult with legal counsel relative to subsequent negotiations.

2. Request for Proposals for Airport Restaurant Concession

Requests for Proposals (RFPs) were solicited from restaurant operators throughout Mesa County and surrounding areas with regard to operating the Airport's restaurant concession. As a result of the RFPs, numerous operators attended a pre-bid meeting and subsequently, four operators submitted proposals to operate the restaurant and lounge concession.

Staff members conducted interviews with each of the responding operators on February 6th. The operators interviewed were: Marge's Frozen Custard of Fruita, T & S Restaurant dba JB's Restaurants in Moab and Price, Horizon Restaurant and Lounge of Grand Junction, and Plum Yummy of Gypsum. Because the granting of the restaurant concession involves a lease negotiation, Staff requested reviewing the RFPs with the Board during executive session. At the conclusion of the RFP reviews, Staff would make a recommendation on the award of this concession to an operator and request the Board's approval to proceed with negotiations with the chosen operator.

3. Land Leases

At the January, 1998 Board Meeting, Staff discussed with the Board in executive session two separate land lease negotiations currently in-progress. Staff requested that they be allowed to update the board in executive session relative to subsequent negotiations.

4. Board Workshop Dates and Issues

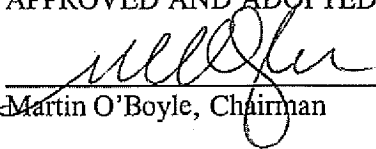
Discussed prior to entering into executive session.

Commissioner Richards moved to exit executive session. Commissioner McCormick seconded. Voice vote: all ayes. Motion carried. The public meeting resumed at 9:27pm.

IX. ADJOURNMENT

There being no further business to come before the Board, Commissioner Richards moved to adjourn the meeting. Commissioner Morris seconded the motion. Unanimously carried. The meeting was adjourned at 9:27pm.

APPROVED AND ADOPTED THIS 24 DAY OF March, 1998.



Martin O'Boyle, Chairman

ATTEST:



David J. Anderson, Clerk