

Walker Field Airport Authority

Minutes of the Regular Board Meeting

May 19, 1998

BOARD COMMISSIONERS PRESENT: Martin O'Boyle Robert McCormick
 Miles McCormack Charles Gillett
 Mike Sutherland Jim Richards

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

ALSO PRESENT: Larry Dowd; Joe Marie of Mesa Airlines; Steve Costello of Costello, Allyn & Co., P.C.; David Graham, former Authority Commissioner; David Lopez and Rick Bohannon of Enterprise Rent-A-Car; Ron Rouse of Colorado Airlines; Bill Meiers of Thrifty Car Rental; Diane Gibson of West Star Aviation; and Doug Briggs, Authority Attorney.

I. CALL TO ORDER

Chairman O'Boyle called the meeting to order at 5:19pm, and noted that Commissioner Morris would not be in attendance at this meeting.

II. APPROVAL OF AGENDA

Chairman O'Boyle asked for additions or changes to the published agenda. Chairman O'Boyle requested that Item IV- "Special Presentation to David Graham" be switched with Item III- "Public Comments and Communications." The Agenda was amended as requested.

III. SPECIAL PRESENTATION TO DAVID GRAHAM

Chairman O'Boyle introduced Commissioner Mike Sutherland who replaced former Commissioner David Graham as one of the City Council's representatives to the Board. Chairman O'Boyle presented a plaque on behalf of the Board to former Commissioner David Graham and thanked him for his service as a Board member. He noted that Commissioner Graham's wit and insight will be missed by the Board.

Former Commissioner Graham stated that he was honored and privileged to have served on the Board, and that he is confident Commissioner Sutherland will serve the Board well. He believed there are several items of which the Board should be mindful. One, the Authority should remain fiscally independent from the City and Mesa County. Secondly, the Authority should continue to pursue better air service.

IV. PUBLIC COMMENTS AND COMMUNICATIONS

There were no Board comments or communications. Manager Nystrom noted that responses to several letters pertaining to the Kempton Air Services issue were included in the Board packets. Additional letters just received, but not included in the packets, were written by the following: Lee A. Whitney of L.A. Whitney & Associates; Jerry Neal Fabor of JNF Structural Steel Retailing; and Mark A. Ward. Manager Nystrom commented that Vice Chairman McCormack has been responding to many of the letters as they are received by the Authority. Commissioner McCormick thanked Vice Chairman McCormack for responding to the letters.

V. CONSENT AGENDA

A. Minutes: April 21, 1998 Regular Board Meeting

B. Use and Lease Agreement with Air Wisconsin

Staff presented the Board with a proposed Use and Lease Agreement with Air Wisconsin, Inc. Air Wisconsin was provided with a standard Airline Use and Lease Agreement with the Authority commencing June 1, 1998. Air Wisconsin wishes to lease exclusively the entire third ATO in the main terminal building. This equates to 2,400 square feet at the \$22.34 per square foot per year rate, which includes operations and maintenance. The total monthly rent for the exclusive space would be \$4,468.00, with a term through September 30, 2002.

The Agreement contains the revised security deposit provision previously approved by the Board, wherein Air Wisconsin agrees to pay the following as a security deposit to operate from the airport:

2 Mos. Landing fees	\$11,746.88
2 Mos. ATO rent	8,936.00
2 Mos. Boarding Area	11,239.91
2 Mos. Baggage Claim Area	6,051.12
2 Mos. Security Phone Cost	<u>51.62</u>
TOTAL SECURITY DEPOSIT AMOUNT	\$38,025.53

After five (5) years of continuous service, Air Wisconsin can request a refund of the security deposit from the Authority, provided it has remained current and in good standing with the Authority.

The Agreement has not been signed by Air Wisconsin. Manager Nystrom distributed a Letter of Intent to the Board received from Air Wisconsin regarding the proposed Agreement. The Letter of Intent indicated that officers of Air Wisconsin had been unable to sign the applicable

portions of the Agreement in time for the Authority Board meeting. However, the officers wished for the Agreement to remain on the agenda, and they would sign the Agreement as soon as possible.

Staff recommended the approval of the Use and Lease Agreement with Air Wisconsin Airlines, Inc. based on Air Wisconsin's proven financial history within the industry and its commitment to serve the Grand Junction market. Additionally, Staff recommended that the Chairman be authorized to sign the Agreement on behalf of the Authority. Both of the recommendations were contingent upon the Authority's receipt of the security deposit, insurance certificate, corporate resolution, and Air Wisconsin officers signing the Agreement.

Commissioner Richards moved to adopt the Consent Agenda, including Air Wisconsin's Letter of Intent to sign the Use and Lease Agreement. Commissioner Gillett seconded. Voice vote: all ayes, except for Commissioner Sutherland who abstained from voting because he had not been present during the previous Board meetings. Motion carried.

VI. FINANCIAL REPORT

A. 1997 Audit Report

Steve Costello of Costello, Allyn & Co., P.C. provided the 1997 Audit Report to the Board. Mr. Costello thanked Staff for their cooperation with the audit. There were two portions of the report. The first portion pertains to the Authority financial statements. The second portion addresses the single-audit requirements.

Mr. Costello highlighted the financial statements portion of the report. This was a clean opinion—the financial statements are fairly stated. He highlighted several items within the financial statements. First, on the Balance Sheet in the Restricted Assets category, \$1,000,000 of passenger facility charges (PFCs) is listed. The Authority is approaching the end of the collection authority allowed under the first PFC application, and this issue must be addressed. Another item is Contingent Liabilities. This category lists sums of money that if the Authority prevails in the runway litigation, the State and federal governments must be reimbursed from the money received up to the amount of this line item. Long-term debt is no longer a line-item on the Balance Sheet because the terminal construction revenue bonds will be retired in 1998.

Regarding the Statement of Operations, Mr. Costello noted that the revenues and expenses this year are very consistent with last year. One item that is different this year is in the Gain/Loss on Asset Disposal line item with a loss of \$95,000 because of the runway repair issue. This number was derived from the net salvage value of the asphalt removed from the runway. Chairman O'Boyle asked for clarification of the PFC line item in the Restricted Assets portion of the Balance Sheet. Mr. Costello responded that the amount in this category is earmarked for capital improvements, and that the Authority was approaching the limit of its collection authority under the first application. Manager Nystrom noted that Staff is working with Leibowitz Airport Management Consultants, Inc. regarding this issue of being able to request that excess funds received be applied to projects approved under subsequent applications.

Chairman O'Boyle asked if the Authority has to earmark PFC money each year. Manager Nystrom responded that the funds are earmarked for each project. Once the funds are

collected, there is a time-frame in which to proceed with the construction of the project. The Notice to Proceed for a particular project is required to occur within 2 years of funding for the project being approved by the FAA.

Mr. Costello commented on the single-audit portion of the Audit Report. There are new federal requirements incorporated into the audit. Most of the compliance requirements pertain to the use of contractors. He recommended that the Authority modify its financial control system to exercise more direct oversight of contractor and 3rd party compliance with federally-recommended accounting methods rather than relying on the engineering consultant to perform this function. He stated that he would provide the Authority with audit checklists and a list of recommendations to assist Staff in this regard.

Commissioner McCormick moved to accept the 1997 Audit Report as presented. Commissioner Richards seconded. Voice vote: all ayes. Motion carried.

B. March, 1998 Financial Statements

Manager Nystrom updated the Board regarding the March, 1998 Financial Statements. She commented that March was a positive month, leading to a healthy first quarter of 1998. Staff has held down expenses very well. There was an increase in Cash and Investments, and Accounts Payable and Accounts Receivable balances are satisfactory. Working Capital increased compared to last month, and is substantially higher than the same period last year.

In revenues by category, airline revenues came in under budget, possibly because during the same month last year, Maverick Airways was still a tenant at the Airport. With the start of service by Air Wisconsin, these numbers will hopefully increase. Rental car companies have been doing well. The terminal tenants and parking lot revenues are a little under budget. General aviation revenues are doing well because of strong aviation fuel tax reimbursements. Military revenue is under budget, but the figures are higher than they were year-to-date last year. Interest income, although a smaller line item, is slightly under budget because the runway litigation funds would normally have been invested had they not been used to pursue the litigation. Overall, revenues are 1.5% over budget, operating expenses are right on budget, and the Authority is 37% over budget for year-to-date Income to Retained Earnings.

On the Statement of Operations, the maintenance department is doing very well at keeping its costs down. The Administration department expenses are higher than budgeted because of the increased utilization of the Authority Attorney as a result of several land lease and rental car concession negotiations. Additionally, marketing expenditures have increased. Overall, the Statement of Operations reflects a strong first quarter.

Regarding the military revenues, Chairman O'Boyle inquired when the runway reconstruction began in 1997. Manager Nystrom noted that reconstruction began in April, 1997, and that year-to-date military revenues are substantially lower this year than they were in 1996 before the first rehabilitation of Runway 11/29. Commissioner McCormick asked if military traffic has rebounded since the problems began with the runway. Manager Nystrom commented that from a financial standpoint, the Authority receives six cents per gallon fuel flowage fees, and those figures have not rebounded since April, 1996. Diane Gibson of West Star Aviation agreed with Manager Nystrom's statements and added that there have also been some military cutbacks nationwide. Commissioner Sutherland noted that the fuel prices are usually fixed for

the term of the defense fuel contract, thus leading to some military pilots refueling at military bases if the base prices are lower.

Commissioner Sutherland moved to acknowledge the receipt of the March, 1998 Financial Statements. Vice Chairman McCormack seconded. Voice vote: all ayes. Motion carried.

C. Accounts Receivable Report

Staff updated the Board regarding several items on the Accounts Receivable Report. GP Express and Viscount are still in Chapter 11 Bankruptcy Proceedings, and Great American Airways will be addressed as a separate Agenda item. Staff is still working with Attorney Briggs to collect the delinquent amounts from Sun Pacific International Airlines and Maverick Airways.

a. Settlement Offer by LSI, Inc. to Purchase Great American Claim

Staff presented the Board with an offer from LSI, Inc. to purchase the Authority's Chapter 11 bankruptcy claim against Target Airways d/b/a Great American Airways. LSI contacted the Authority in April, 1998 with an offer to purchase the Authority's claim. The amount of the original offer for the Assignment of Claim was \$1,122.80, which is fifty cents on the dollar for the amount indicated on Target Airways' Schedule of Creditors of \$2,245.59.

Target Airways filed for Chapter 11 reorganization on April 18, 1997. On the date of filing, Target owed \$2,269.11 to the Authority, with estimated passenger facility charges totaling an additional \$1,100.84. On May 5, 1997, the Authority received payment of \$1,100.84, which was applied to the outstanding PFCs owed to the Authority.

Just prior to the transition of Airport Authority attorneys (May 8, 1997), Attorney Doug Larson of Foster, Larson, Laiche, & Griff filed a Proof of Claim on behalf of the Authority in the amount of \$1,100.84. It is believed that the amount received from Target for the PFCs was mistakenly entered as the total amount of the claim rather than the \$2,269.11. The Authority is an unsecured creditor in the bankruptcy proceedings due to the fact that Great American flew gambling charters to and from Walker Field, was not a signatory air carrier, and, therefore, was not required to provide a security deposit to the Authority. LSI indicated it would be interested in purchasing the \$1,100.84 Claim for \$550.42.

Staff noted that according to the Assignment, if any portion of the Claim is disallowed, the Authority would be required to reimburse LSI for the difference between the Claim and the amount which is allowed by the Court. On the other hand, as long as the Claim is valid, regardless of the amount eventually paid to LSI, the Authority would not be liable to LSI for any deficiency between the amount of the Claim and the amount received by LSI. If any amounts are received in excess of the Claim, the Authority would receive one half of the excess amounts.

Attorney Briggs provided additional information for the Board to consider, including: difficulty in pursuing any action against LSI, Inc. should the need arise (because LSI is based in New Jersey); there may be enough Great American assets to pay the Authority

more than what LSI is offering; and that there is a provision in the Assignment which allows LSI to recover reasonable attorney's fees against the Authority if any part of the Claim is disallowed. Attorney Briggs' expressed concern that LSI may seek an extraordinary amount of legal fees because the term "reasonable" is vague.

Commissioner Richards cautioned against executing the Assignment until the Authority finds out more information regarding the legitimacy of LSI. Manager Nystrom commented that a Walker Field tenant recently exercised this offer and received its money quickly. Chairman O'Boyle asked what are some of the potential downfalls are if the Authority accepts this Assignment. Attorney Briggs commented that the way the Assignment is drafted, the Authority is giving LSI the authorization to incur attorney's fees to collect any deficiency from any disallowance of the Claim. Thus LSI could select an attorney who charges \$300/hour. Attorney Briggs recommended a quitclaim approach to assigning the Claim by eliminating any possible action against the Authority for the collection of any deficiency.

Commissioner Sutherland recommended including a provision which would require LSI to provide the Authority 30 days in which to pay any deficiency with no additional expense. Attorney Briggs commented that such a provision would address his concern of the attorney's fees provision. Commissioner Richards stated that by submitting the Assignment with this provision, the Authority could find out somewhat the legitimacy of LSI. Commissioner Sutherland recommended that if LSI does not agree to the provision, the Authority should not give the Assignment any further consideration. Vice Chairman McCormack suggested that Staff proceed with Commissioner Sutherland's recommendations.

Commissioner McCormick moved for Staff to alter the Assignment as suggested by Commissioner Sutherland, and that the Chairman be authorized to sign the Assignment on behalf of the Authority. Commissioner Sutherland seconded. Roll call: Ayes- Chairman O'Boyle, Commissioner Sutherland, Vice Chairman McCormack, and Commissioner McCormick; Nays- Commissioner Richards and Commissioner Gillett. Motion carried.

VII. ACTION ITEMS

A. Off-Airport Rental Car Concession Agreement with Farabee Adventures, Inc.

Because of recent discussions between Staff and Attorney Briggs, Manager Nystrom requested that the Board delay action on this Agenda Item. Staff had presented Farabee Adventures, Inc. with a proposed Off-Airport Rental Car Concession Agreement, which is the standard off-airport rental car agreement already in place with Enterprise Rent-A-Car with a modification to Article IV (Fees Payable to the Authority). Language was added to Article IV to clarify what specific charges are and are not included in calculating the 10% of gross revenues owed to the Authority (this language will be added to the Enterprise Agreement at a later date as an addendum).

The contract calls for a monthly payment to the Authority of 10% of all gross revenues which Budget Rent-A-Car receives from the leasing of rental cars to customers picked up from any point on the Airport premises within 24 hours of arrival at the airport. The security deposit

(\$13,750.00) is equal to 4 estimated monthly payments, and was computed based on 70% of the monthly revenue figure which Budget was enjoying while operating as an on-airport concessionaire. Insurance requirements shall be in the amount of \$500,000 for bodily injury and property damage, combined single limit, and shall cover all of Budget's ground transportation operations at the airport.

Manager Nystrom commented that Richard Farabee of Farabee Adventures, Inc. provided Staff with a list of concerns regarding the proposed Agreement and has not signed the Agreement. Farabee Adventures, Inc. is not currently under any Agreement with the Authority, and is currently delinquent in the amounts it owes to the Authority. Because of these factors, Staff recommended that Farabee Adventures, Inc. not be authorized to drop-off or pick-up passengers on the Airport until it brings its accounts current with the Authority and signs an Off-Airport Rental Car Agreement. Additionally, Staff recommended a letter be drafted to Mr. Farabee indicating they are not authorized to drop-off or pick-up passengers on the Airport until the two condition precedents are met.

Commissioner McCormick asked if any action was required by the Board. Manager Nystrom preferred that the Board take action regarding the proposed letter to Mr. Farabee because of the delinquent amounts and to provide notice to Farabee Adventures, Inc. that picking-up and dropping-off passengers at the Airport is not authorized. Chairman O'Boyle asked if Farabee Adventures, Inc. has a service facility at the Airport. Manager Nystrom responded that they own a service facility and have 60 days in which to sell the facility to an on-airport rental car concession operator. Chairman O'Boyle asked if they are continuing to use the facility. Staff commented that they have continued to use the car wash portion of the facility.

Commissioner Sutherland asked if the fees and amounts owed to the Authority are continuing to be tracked. Manager Nystrom noted that Farabee Adventures, Inc. owes \$8,961 as of today's date, but that they have a \$20,000 performance bond. Commissioner Sutherland recommended locking-up the service facility. Attorney Briggs commented that Farabee Adventures, Inc. indicated to him that they do not believe they can operate their business with this proposed Off-Airport Rental Car Concession Agreement.

Chairman O'Boyle asked for a refresher regarding Thrifty Car Rental's previous off-airport agreement. Manager Nystrom commented that the proposed Off-Airport Agreement was derived from the Enterprise Agreement, but with minor modifications. The former Thrifty Agreement did not have a specific term, whereas the proposed Agreement has a term of 5 years. Additionally, the Enterprise Agreement has a more clear-cut definition of "gross revenues" than the previous Thrifty Agreement. Staff noted that Farabee Adventures, Inc. requested a performance bond be allowed for a security deposit instead of a cash deposit.

Commissioner Richards asked Staff what it believed was the underlying reason why Farabee Adventures, Inc. objected to the proposed Agreement. Manager Nystrom stated that neither Mr. Farabee nor his attorney has contacted Staff indicating the reasons for Farabee Adventures, Inc.'s objections with the Off-Airport Rental Car Agreement. Vice Chairman McCormack asked what teeth the Authority has to enforce any actions it takes against Farabee Adventures, Inc. Attorney Briggs stated that because the Authority may determine who operates a business at the Airport, the Authority may seek an injunction against them.

Commissioner McCormick recommended giving Farabee Adventures, Inc. notice that if an Agreement is not signed and their delinquent account is not brought current by a specific date, their deposit will be applied to their account. Commissioner Sutherland asked if the Authority would have to seek an injunction, or would Farabee Adventures, Inc.'s continued operation at the Airport be trespassing. Attorney Briggs responded that it would probably be criminal trespassing. Manager Nystrom noted that the Authority still has the service area issue to resolve with them, and any transfer of the service area to an on-airport operator requires Authority approval. Thus the Authority could withhold authorization of transfer until Farabee Adventures, Inc. brings its account current.

Chairman O'Boyle commented that there are no surprises in the Off-Airport Agreement of which the prospective off-airport rental car operators were not aware of one month ago. Manager Nystrom commented that the discussions with the rental car operators regarding the On-Airport and Off-Airport Agreements have been taking place since December, 1997. The only surprise was that Farabee Adventures, Inc. is no longer an on-airport rental car concession operator.

Commissioner McCormick moved to send a letter to Farabee Adventures, Inc. indicating it is to cease picking-up or dropping-off customers on the Airport until its account is brought current and an Off-Airport Rental Car Concession Agreement is signed. If Farabee Adventures, Inc. fails to do so, the Authority will bar them from conducting any business on the Airport. Vice Chairman McCormack seconded.

Commissioner McCormick commented that he was not in favor of any negotiations being conducted directly between the Board and Farabee Adventures, Inc. regarding the terms of the Off-Airport Agreement. Commissioner Richards noted that the motion inherently specifies that Farabee Adventures, Inc. cease to pick-up or drop-off customers until they sign an agreement.

Roll call: all ayes. Motion carried.

B. Request by Coffee Time L.L.C. to Remain at Current Location

Staff presented the Board with a request by Coffee Time, L.L.C. to remain at its present location. When the roof beam support columns were first installed, Coffee Time had to be moved from its original location specified in its Agreement in order to accommodate one of the support structures. Temporary electrical connections were provided at the new location to Coffee Time in order to supply the same amount of power that was available at its original location. Since the relocation, Ken and Barbara Krause of Coffee Time submitted a written statement that they would like to remain in their current location in front of the 4th airline ticket office (ATO).

The permanent relocation of the Coffee Time concession to the area in front of the 4th ATO will require an amendment to the Coffee Time Concession Agreement. However, there are several other issues being discussed between Staff and Coffee Time, and it is Staff's intention to include all of these items in one amendment for Board consideration at a later date. The Mesa County Building Department informed Staff that the temporary electrical wiring is only acceptable for 120 days from the original date of wiring. Thus, the temporary wiring at the present Coffee Time location must be made permanent by June 25, 1998, or Coffee Time will be required to move back to its original location. The Krauses have agreed to pay for the installation of the

permanent electrical wiring if the Board authorizes them to remain in the present location even after the terminal renovation work is completed.

Staff recommended that the Board approve Coffee Time be allowed to remain in its present location subject to the execution of a written amendment to the existing Concession Agreement describing the new location and outlining the terms of the relocation, and in the event a commercial airline wishes to lease space in the 4th ATO and ticket counter, Coffee Time will agree to be relocated to other space, as available, in the terminal. Manager Nystrom noted that the only issue that Staff is presenting to the Board is the issue of whether Coffee Time should be allowed to remain in its present location.

Commissioner McCormick moved to approve Staff's recommendation that Coffee Time be allowed to remain in its present location subject to the execution of a written amendment to the existing Concession Agreement describing the new location and outlining the terms of the relocation, and in the event a commercial airline wishes to lease space in the 4th ATO and ticket counter, Coffee Time will agree to be relocated to other space, as available, in the terminal. Commissioner Gillett seconded.

Commissioner Sutherland inquired whether there was a permanent electrical hook-up at its original location. Staff responded that there was, and at the present location, the Authority paid for the temporary hook-ups. For permanent electrical hook-ups, the Authority received estimates of \$460 and \$550. However, if several items from the requested work are deleted, and only the work necessary to bring the connections up to Code are performed, it is believed the cost may be slightly lower than the \$460 estimate. Commissioner Sutherland asked if the terminal beams construction will interfere with Coffee Time's operations at its present location. Staff commented that construction will not begin until 8pm each evening. Thus only a few tables will have to be moved.

Commissioner Richards asked that if a commercial airline wanted to lease the 4th ATO space, would Coffee Time have to pay for the relocation. Manager Nystrom responded that Staff has not discussed this issue with Coffee Time, and the Amendment would address the relocation issue. Commissioner Sutherland inquired whether Coffee Time would be relocated to its original location if an airline wished to lease the 4th ATO. Staff noted that Coffee Time's present location was designated as an advertising area for Interspace Advertising. However, Interspace agreed to allow Coffee Time to remain in the present location in exchange for Interspace being allowed to advertise in Coffee Time's original location. Therefore, if another relocation occurs, it would be on a space available basis.

Roll call: all ayes. Motion carried.

C. Request for Funding to Purchase Additional Restaurant Chairs

Staff presented the Board with a request to appropriate \$800.00 for the purchase of 44 chairs for the restaurant. At the March 17, 1998 Regular Board Meeting, the Board authorized Staff to research the cost of new chairs for the restaurant. Three types of chairs were found that are agreeable to Marge Hood, the restaurant concession operator. A total of 40 chairs will be needed.

Estimates for three types of chairs were provided to the Board: Grosfillex Plastic Resin (similar in style to the chairs currently used in the restaurant) rated at 400 lbs.- 44 chairs for \$774.60 (only sold in lots of 22); Zesco Products metal bentwood chairs with vinyl seats- 40 chairs for \$1,908.00; and Bargreen Products (similar to Zesco's chairs)- 40 chairs for \$1,918.00. Delivery times for any of these three types of chairs is listed as 3 to 4 weeks, and payment must be made in advance to the supplier. Staff recommended the Board appropriate \$800.00 for the purchase of 44 Grosfillex white plastic resin chairs.

Commissioner Sutherland asked if the existing agreement with the restaurant operator requires that the Authority provide chairs to the restaurant. Manager Nystrom responded that the agreement does require the Authority to provide chairs.

Vice Chairman McCormack moved that the Board appropriate \$800.00 for the purchase of 44 Grosfillex Plastic Resin chairs for the restaurant. Commissioner Richards seconded. Voice vote: all ayes. Motion carried.

VIII. DISCUSSION ITEMS

A. Joint City/County Meeting Update

Staff provided the Board with an update on the Grand Junction City Council/Mesa County Commissioners/WFAA meeting to be held on Wednesday, June 17, 1998, at 7:30am in the MCEDC Conference Room on the 3rd floor of the terminal. Staff is working with Marge's Frozen Custard, the restaurant concession operator, to provide catering for the event. Chairman O'Boyle requested that Staff contact Commissioner Morris to let him know of the meeting. Additionally, he requested that Staff start preparing a baseline presentation, and Board members can provide additional information to Staff for the meeting during the June 2, 1998 Board Workshop. Manager Nystrom requested that if there are any major issues the Board would like to present at the meeting, to please provide the information to Staff for the June 2nd Workshop.

B. Special Events Update

West Star Aviation Special Needs Kids Day was held last Friday, and approximately 800 - 1,000 special needs children attended. Staff noted that this event has been very successful, and West Star always has a great show for the kids. Included in the event is free food and drinks from City Market and a chance to meet the pilots and sit in the aircraft.

Ted Balbier noted that two Authority Staff members received an award from the Mesa County Commissioners for saving a person's life through the use of CPR. Last year, Frank Tenorio and Todd Watkins responded to a call at Timberline Aviation in which a Timberline employee was experiencing a heart attack, and they were able to revive the individual by using CPR. He commented that he is proud of the fact that Authority Staff members are willing to help out the tenants and the community in any way possible.

Strand Aviation is sponsoring a Wings Program on June 12 - 14 with the assistance of the FAA. Chairman O'Boyle noted that the Program includes free dual instruction for pilots from all over the region, seminars, and an awards program. He commented that on the days that the

Program is held, Airport operations increase significantly because there are usually 300 pilots in attendance. Commissioner Sutherland stated that having the Wings Program at Walker Field is an excellent public relations tool for the Authority and the FAA. Chairman O'Boyle commented that he wanted to bring this program to the attention of the Board members because of the recent notation that the Authority works with the Confederate Air Force to help promote general aviation by conducting joint Authority/Confederate Air Force Airport tours.

C. AIP-16 Update

Staff provided the Board with an update on the progress of AIP-16. Staff noted that the first phase of the project, the resurfacing of Runway 4/22, is complete. The grooving of the runway will begin on June 1st. The runway is open during the day, but electrical problems with the runway lighting have caused it to be closed at night until the problem is fixed. The precision approach path indicators (PAPIs) are installed and awaiting inspection by an FAA engineer before the PAPIs are certified.

D. AIP-17 Update

Staff provided the Board with an update on the progress of AIP-17. Staff commented that the project originally included the rehabilitation of Taxiway Alpha and the installation of security fencing. Because the project now includes the terminal beams renovation construction, Staff is awaiting the cost estimate for the terminal beams portion before advertising for bids on the security fencing.

The FAA is reviewing the design specifications for the terminal beams project. The bid date for the terminal repairs has been changed to Friday, June 5th because all of the prospective bidders were having difficulty obtaining quotes for the scaffolding portion. Advertising for the fencing portion should be completed early next week. Staff noted that once the Notice to Proceed is given, there may be further delays depending upon when steel for the beams can be manufactured.

Manager Nystrom commented that Staff is working with the FAA to get the AIP-17 Grant Agreement ready for approval. Staff's goal within the next 30 days is to have the fencing and the terminal beams construction bids, send the Taxiway Alpha design specifications to the FAA for review and approval, and have the Grant ready to present at the June, 1998 Regular Board Meeting. Manager Nystrom stated that a Notice to Proceed cannot be issued until the AIP-17 Grant Agreement is approved.

E. VOR Update

Manager Nystrom commented that Staff called FAA Facilities & Equipment in Seattle to obtain feedback regarding the status of the VOR. Staff had conversations with four different FAA officials, and all four of the phone calls yielded consistent information, thus leading Staff to believe these four individuals have been in contact with each other. The indication is that the FAA is planning to decommission the VOR, and not replace it. According to the FAA, the instrument landing system (ILS) is sufficient for Walker Field. The FAA indicated it would send a letter outlining its intentions. However, as of today's date, Staff has not received the letter.

Staff submitted a Freedom of Information Act (FOIA) request to the FAA to obtain records on how many times the ILS has not been operational in the last few years, and what components of the ILS have not been operational during those times. Manager Nystrom noted that in previous discussions with the users of the VOR, Staff asked to what extent their aircraft are prepared for the use of global positioning system (GPS) navigation.

Chairman O'Boyle asked why a FOIA request was needed since FAA has a Facilities & Equipment office at Walker Field. Staff responded that conversations with the FAA Facilities staff at Walker Field led to the finding that other branches within the FAA had the information Staff needed. For example, the Walker Field FAA office could provide the number of times Notices to Airmen (NOTAMs) were issued, but it did not have the information as to why the NOTAMs were issued. Chairman O'Boyle commented that NOTAMs are not necessarily issued every time the ILS malfunctions.

Staff noted that several commercial airline pilot users of Walker Field indicated that GPS would not benefit their operations because their aircraft are not fitted for GPS. The operators indicated that they wanted a back-up system—anything except for GPS. One of the operators, Superior Aviation, stated it would pass the cost of installing a GPS receiver on to its customers. However, if prices are too high, its shippers may switch to a road-based shipping method. Overall, pilots don't want to lose the VOR, but none of the users want to pay for a back-up system.

The airline users commented that GPS is not a viable method of navigation for them at this point. Air Wisconsin's BAe-146 aircraft have GPS receivers, but the Dash-8s do not. Thunder Mountain Ground Services indicated that during inclement weather, when Thunder Mountain receives a lot of diversions, business will probably decrease without the VOR. Skywest Airlines stated that it is four to five years away from having widespread GPS capabilities. Staff noted the possibility of the FAA establishing an approach procedure off of the Grand Junction VORTAC.

Commissioner Gillett asked about the status of establishing a VOR privately. Staff commented that purchasing a VOR is AIP-eligible, but there is no guarantee the FAA would maintain it. Manager Nystrom noted that if the present VOR is moved on-airport, it would probably have to be upgraded to a Doppler VOR. She recommended that because the FAA has indicated it will not provide any back-up system with FAA Facilities & Equipment money, Staff should look at alternatives the Authority can pursue, and the costs for each of the alternatives. The GPS approach for Runway 11 is almost complete, and the GPS approach for Runway 29 is in the process of being written.

Chairman O'Boyle commented that Garfield County funded a localizer at the airport in Rifle and San Miguel County funded a VOR. The FAA took over the maintenance of both of those navigational aids. Manager Nystrom commented that having a private contractor establish a navigational aid is an option that Staff is exploring. Commissioner Sutherland stated that he believed GPS receiver costs will continue to decrease. Manager Nystrom commented that Staff received feedback from airport users, and will use the feedback to find out what redundant systems will work. Commissioner Sutherland recommended the possibility of the Authority entering into a land swap for the land on which the VOR is situated. Manager Nystrom noted that Staff is looking at all possibilities.

F. Terminal Building Aircraft Display

Staff provided the Board with information regarding a local resident who is interested in donating an aircraft to the Authority. Several weeks ago, an individual contacted the Authority regarding the possibility of donating a Pieten Pol homebuilt aircraft for static display in the terminal building. Staff requested feedback from the Board regarding whether to pursue the donation of the aircraft.

Chairman O'Boyle commented that Denver Stapleton and subsequently DIA have aircraft static displays in the terminal buildings. If the Board wished to pursue an aviation theme in the terminal, then this would be a good addition. The Board recommended that Staff obtain additional information regarding the aircraft.

G. Consultation with Airport Authority Legal Counsel Regarding Lease Negotiations (Executive Session)

Commissioner Gillett moved to enter into executive session. Commissioner McCormick seconded. The Board entered into executive session at 8:02pm to discuss the applicable agenda items.

H. Airport Manager Performance Evaluation (Executive Session)

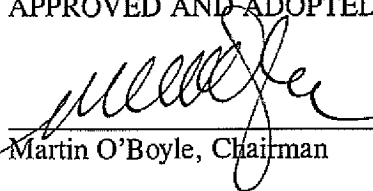
IX. OTHER ITEMS

There were no Other Items.

IX. ADJOURNMENT

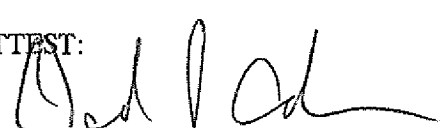
There being no further business to come before the Board, the Commissioners adjourned the meeting at approximately 8:45pm.

APPROVED AND ADOPTED THIS 16th DAY OF June, 1998.



Martin O'Boyle, Chairman

ATTEST:



David J. Anderson, Clerk