

CEDAR CITY REGIONAL AIRPORT  
BOARD MEETING  
JANUARY 14, 2016

A regular meeting of the Cedar City Regional Airport Board was held on Thursday, January 14, 2016 at 8:00 AM in the Conference Room at the Airport located at 2560 West Aviation Way, Cedar City, Utah.

PRESENT:

Jyl Shuler, Chairperson	Kirt McDaniel, Aviation
Karl Hugh, Member	Jeremy Lee, Aviation
Bill McVay, Member	Brenda Lee Blackburn, Sphere One
Scott Truman, Member	Scott Jolley, ULA
Burt Poulsen, Member	Rich Cannon, ULA
Terri Hartley, Cedar City Council/Member	Mike DeRoest, Skywest
Mark Leavitt, Member	Paul Bittmenn, Legal Counsel
Jeremy Valgardson, Airport Manager	
Kathy Dahl, Executive Secretary	

The Chairman welcomed everyone and called the meeting to order.

Chairman Shuler reported that she attended the open house at Skywest for retiring CEO Jerry Atkin and new CEO Chip Childs. She stated that she invited Mr. Childs to Cedar City anytime.

Chairman Shuler suggested that a letter be written to our United States Congressional representatives and Senators representing Utah expressing our appreciation for the Essential Air Service Program and the benefit it is to the airport.

1. NEW BOARD MEMBER

Councilwoman Terri Hartley was welcomed to the board. She stated she has served on the Airport Board before and is happy to be reassigned.

2. BOARD TRAINING

Paul Bittmenn, Cedar City legal counsel, met with the board to review the "Open and Public Meetings Act." He also reviewed the "Disclosure Compliance Under the Municipal Officers' and Employees' Ethic Act", described the violations of the Ethics Act, and gave each member a form to complete disclosing substantial interest in any business which is subject to regulation by Cedar City.

3. APPROVAL OF MINUTES

McVay moved, Poulsen seconded and motion carried unanimously that the minutes from the December 10, 2015 be approved.

4. INFORMATIONAL ITEMS

- Skywest

Mike DeRoest reported that they broke the enplanement record for both December and the yearly count. December 2015 enplanements for Skywest were 1,257 and the yearly total for 2015 was 13,330. There is nothing different in scheduling. There have been some flight delays due to the inversion and snow and de-icing issues in Salt Lake, but we have been taking care of the passengers during the delays and they appreciate it. In answer to query from Shuler, DeRoest stated that he hasn't seen a lot of skiers. He said in the past they have tried to work with Brian Head on posting their ski information but haven't been able to work that out with them.

- TSA – No one in attendance
- BLM

Bryan Brazzeal with BLM sent an email with his report for the board. The backup generator installed last month will automatically run a cycle every Tuesday AM no matter if the building is occupied. Aircraft contracts start mid-May. We are looking at 5 aircraft based in Cedar, 3 fixed wing and 2 rotor.

- FBO

Brenda Lee Blackburn reported to the board on the FBO. They have used their de-icing equipment more this year and the equipment is working great. There have been no delays due to de-icing. The transition with Imperial Aviation is moving forward and should be completed by the end of January, 2016.

- MSC Aerospace – No one in attendance
- Upper Limit Aviation

Scott Jolley of Upper Limit Aviation (ULA) met before the board and went over some of the history of ULA coming to Cedar City and partnering with SUU on their flight training program and also some history of self-fueling. Jolley stated that ULA tries to find a way to produce a quality deliverable at the most affordable price for both military veterans and private pay. The months of May, August and December are the months they fly the fewest hours due to the end of semesters at SUU. Jolley stated that ULA does self-fueling because of the cost savings. He stated they did negotiate with Sphere One and received a discount fuel rate for 2015. He also said they talked about purchasing the FBO in March, but that didn't develop. Jolley also said that after Mr. Matthew was introduced as purchasing the FBO, he assumed he was the owner and met with him to lease space and buy directly from the fuel farm, but when there was no response from Mr. Matthew, ULA negotiated with Parowan Airport to lease the tanks there. He said they are trying to be supportive of all the airfields in the area and also purchase fuel from Hurricane. He said ULA has no desire to see the FBO put out of business and that ULA's desire is to help the Cedar City Airport grow. Jolley reported that ULA's fuel

consumption for December, 2015 was 17,154 gallons with projected fuel savings for January, 2016 of approximately \$50,000. He addressed the concern over cancelling flights due to fuel shortages. He stated that happened only once with a night flight that was not critical to have that night, and was rescheduled for the next night. He stated that with the concern that ULA can manipulate the fuel numbers through the totalizers, Jolley stated that if they get caught, ULA will lose their permit and they are not going to jeopardize that by manipulating figures. He stated that ULA is 100% in compliance with the UDOT requirements for fuel hauling and will stay in compliance. With the concern that ULA severed their ties with Sphere One regarding hangar leasing, an invoice reached someone's desk in Salt Lake that was incorrect and that person over-reacted and though the mistake was corrected, it was too late and Jolley was told to move the aircraft out of the hangar. Jolley stated that ULA has an open door policy with the public. In answer to query, Jolley stated that during the summer months ULA utilizes 6 of the spaces at the helipad, but leave the other 2 open for transient aircraft. They coordinate with Valgardson if something is coming in and will clear the spots when necessary. During the winter ULA keeps several of the aircraft inside due to the cold weather. In answer to query relative to FAA funding for students, Jolley stated that funding was eliminated for the private rating for military veterans re-classifying their licenses as recreational. Congress eliminated the 141 certification as of January 1, 2016. ULA has a 141 certification. SUU's in-house flight training course is Part 61 which requires less hours to complete, so ULA will remain a Part 61 flight school under SUU. Jolley stated that they have 30 students enrolled for the coming semester. They would like to implement some customer service training for their students to assist them in finding meaningful employment in the aviation industry. McVay asked about the group meeting that was discussed to be held between ULA and the long-term fixed wing pilots on the airport. Jolley and Cannon stated that ULA is open to it but the issue is trying to get a group of users together. McVay will work on this.

- Enplanements for Skywest
  - December 2014 = 1,189
  - December 2015 = 1,257

##### 5. AIRPORT MANAGER'S REPORT

Valgardson reported to the board on an article showing statistics related to airports in the United States. There are over 44,000 airports in the nation. In the category of commercial service airports, Cedar City was ranked as #2. This is based on cancelled flights, delayed flights, average flight time, average taxi time and the number of lost or stolen luggage. There are 510 commercial service airports, and we are ranked #2. There are 250 primary non-hub airport and we rank #2. In enplanements across the nation we rank #370.

- Master Plan Update

Valgardson reported to the board that the master plan looks at the 5, 10 & 20 year plan for the airport, including future growth. The 1,500-foot runway extension is part of that plan. The master plan should be updated every 10 years and we are 2 years overdue. GDA Engineering is the consultant company doing the master plan and we are about 6 months into the 18-month process. The inventory section is almost complete. The process includes holding public meetings to inform people of what the plan entails, the process and the progress. The meetings are held at the airport. One has already been held. It is advertised in the newspaper and invitations are also sent out. There are approximately 3,000 names on the invitation list which includes the board members.

- Snow Removal Equipment Update

Another part of the master plan is the acquisition of snow removal equipment. FAA is requiring that we clear all primary surfaces of snow and ice within an hour of the event. With the equipment we have we can come close to meeting this, but due to efforts of our engineers we are getting an 18-foot sweeper at a cost of \$499,000 and a new blade for our truck. The sweeper has a 20-year life span – 10 years as the primary equipment and the last 10 as backup, so you would look at replacing it in 10 years. In the last 10 years it can also be used to clear other non-primary areas. It can travel about 40 mph with a limitation of 4-inches of wet snow and 8-inches of dry snow. It has already been approved by the Airport Board and City Council and should be here in April, 2016.

- Regulator Update

Valgardson reported that the regulator that was failing on taxiway Delta has gone out completely. If the lights on the Delta taxiway are out of service, Skywest can't come in, so we pulled the regulator from 8/26 to keep Delta lit. 8/26 is closed at night. It can be used for taxiing, but not for departure or arrival at night. The new regulator was purchased at the end of December, 2015 and should be here February 8, 2016. We also had a problem with the Delta lights going out and we think it is due to a prairie dog chewing through the wiring. The airport staff will be working on that today.

- Airport Rules and Regulations and Minimum Standards

Valgardson presented to the board amendments to the Airport Rules and Regulations and Minimum Standards with regard to self-fueling. Additions to the definitions section include: #K – Fuel Staging and #L – Fuel Storage. Also under the Section 2 – Self-Fueling, separate paragraphs have been added addressing Staging, Storage and Transferring Fuel. These changes have been approved by the FAA. Valgardson stated that in every self-fueling permit that is issued, there will be a staging area and this defines that that area is. A fuel rack is strictly a fuel farm. These regulations are based on National Fire Protection Association (NFPA) Regulation #407 – Standard for Aircraft Fuel Servicing. McVay asked about this rule in regard to MSC Aerospace. Valgardson

stated that as long as they transfer fuel on private property and not on the airport, they

## CEDAR CITY REGIONAL AIRPORT BOARD MEETING

JANUARY 14, 2016

PAGE -5-

are out of our jurisdiction. Leavitt moved, Truman seconded and motion carried unanimously that the board is in favor of the changes and recommended approval of the same to the City Council. Valgardson stated that this should be approved at the next City Council Action meeting on January 27, 2016.

- 2016 Airport Improvement Program (AIP) Aviation Scope of Work

Aviation Engineering presented the scope of work for the upcoming entitlement project for 2016. The project will include construction of a terminal apron hardstand, rehabilitation of the asphalt apron in front of the terminal building and rehabilitation of taxiway Delta's pavement and pavement markings. The entire cost of the project is approximately \$1,050,000 and will utilize the entire \$1 million entitlement funding. They are preparing to submit the 60% design drawings in early February, 2016 and anticipate bid documents by April, 2016 and bid values in June, 2016. The grant funds should be available by mid-summer and construction could begin the latter part of August, 2016 with a 35 day construction period. The concrete apron hardstand will be constructed in the area the commercial jets and charter flights park. It will be 75 feet wide and 150 feet in length and will be designed to hold 180,000 – 250,000 lbs. based on traffic of that weight 13-15 times per year, and if maintained should last about 45 years. They are working with Skywest and the BLM and will try and avoid any closure impacts to the BLM during fire season. The project will also remove the top 3-inches of asphalt on the remainder of the ramp; install some under drains to relieve some of the pressure of water coming up through the asphalt then relay 3 inches of new asphalt. In the southwest corner the asphalt is eroding due to water, and a catch basin and collection pipe will be installed to take the water to the ditch just south of the ramp. Valgardson has expressed concern with the possibility of a 757 having a mechanical problem and having to be moved during construction to allow Skywest access to the airport. If this problem arises, the equipment could be brought in from Las Vegas or Salt Lake to move the aircraft as we don't have the equipment to do that. There will also be about 4-5 days during construction when all aircraft will be taxiing out on Charlie and Alpha and back-taxi from 8/26. Work on Charlie and Delta will be done at night. The project will also mechanically remove all the old paint markings and put down new markings and then reseal. Valgardson stated that because of the write-ups from the FAA inspection, we have been allowed to put this into the Capital Improvement Program as an emergency project. Truman moved Leavitt seconded and motion carried unanimously that the board is in favor of this project and is recommending approval of the same by the City Council.

CEDAR CITY REGIONAL AIRPORT BOARD MEETING

JANUARY 14, 2016

PAGE -6-

6. OTHER BUSINESS

McVay reported that there are some humps in the asphalt next to the self-serve fuel area. Valgardson will look at this.

Valgardson reported that he called Mr. Reener regarding the issue with the Heli-Venture hangar. Mr. Reener directed him to a Mr. Murdoch who said he could let Valgardson in to the hangar. Valgardson hasn't set this up with him yet but will do so before the next meeting.

Valgardson reported that the Maxwell lease is still in a legal battle between the children, but the lease is still being paid.

Leavitt reported that they are very excited to have taken delivery of the first Honda Jet and have taken their first business trip. They will travel to North Carolina for training on the 20<sup>th</sup>.

Chairman Shuler discussed the possibility of holding a work meeting on the months where a regular meeting is not needed or scheduled to provide education and training for the board. Leavitt stated that he thought it would be a good idea if it is not mandatory. Hartley felt it would be good to go on site and see the things that are being discussed. The other board members also felt it would be a good idea. Kirt McDaniel from Jviation offered to also meet with the board and provide training.

Valgardson stated that the meeting in March will need to be moved or cancelled due to FAA inspector being at the airport and the airport conference in St. George. We will discuss this at the next meeting.

As there was nothing further, McVay moved, Hugh seconded and motion carried unanimously that the meeting be adjourned at 10:00 AM.