

CEDAR CITY REGIONAL AIRPORT
BOARD MEETING
FEBRUARY 11, 2016

A regular meeting of the Cedar City Regional Airport Board was held on Thursday, February 11, 2016 at 8:00 AM in the Conference Room of the Airport located at 2560 West Aviation Way, Cedar City, Utah.

PRESENT:

Jyl Shuler, Chairperson	Jeremy Lee, Aviation
Bill McVay, Member	J.J. McGuire, Sphere One Aviation
Karl Hugh, Member	Blaine Nay, Citizen
Burt Poulsen, Member	Clayton Cheney, Citizen
Mark Leavitt, Member via telephone	Bryan Brazzeal, BLM
Terri Hartley, Member	Jared Brit, ULA
Ryan Marshall, Public Works Director	Chuck Taylor, Syberjet Aircraft
Brad Beadles, Airport Staff	Mike DeRoest, SkyWest
Kathy Dahl, Executive Secretary	Brenda Lee Blackburn, Sphere One, Inc.

Chairperson Shuler welcomed everyone and called the meeting to order.

APPROVAL OF MINUTES

Hugh moved, Poulsen seconded and motion carried unanimously that the minutes from the January 14, 2016 meeting be approved.

INFORMATIONAL ITEMS

- SkyWest

Mike DeRoest from SkyWest reported that the final enplanement number for 2015 was 13,346 which are up 215 from the previous year. Also the January 2016 enplanements were 993 compared with 920 in January of 2015. SkyWest's schedules are staying the same; they are just trying to deal with the weather issues in Salt Lake for on time flights.

- TSA

No one was present.

- BLM

Bryan Brazzeal from BLM reported that Zion National Park was trying to put some funding together for an exclusive-use helicopter, but it looks like the funding fell through, so he is not sure if they will have those additional people this year. The big sky crane helicopter is scheduled to be here the first of May, 2016 and their base will be operational May 15, 2016. They are expecting 2 single engine tankers here this year. BLM has been working with Rick Patton of GDA engineers on the airport expansion, providing numbers and data to GDA, and looking at what is realistic for BLM as far as the firefighting fleet and the chances of the DC-10 and some of the new era tankers working out of Cedar City. BLM is looking at the expansion of the airport in Cedar City,

or moving their base to St. George, and what is going to serve people better. Right now, he doesn't know which way BLM is going to go. It is all based on funding. St. George already has the runways in place and the flight time is not much different between St. George and Cedar City. Because of the altitude, some of the BLM planes are not able to carry their required load of materials when taking off in Cedar City. All of the information submitted to the engineers has also been submitted to Valgardson.

The Forest Service is taking ownership of 7 C130's over a 5-year plan. They will be retro-fitted to drop retardant. This is a little bit different because they have always relied on contractors for this service, but these will be agency-owned aircraft.

Brazzeal stated that it seems the FAA is stating that if the Cedar runway expansion is being constructed primarily based on the needs of the BLM and Forest Service, then perhaps these agencies need to come up with some of the funding for the expansion. Shuler stated that if there is anything the Airport Board can do to show support of having the BLM continue to stay based in Cedar City, please let the board know.

- FBO

J.J. McGuire from Sphere One Aviation reported that they are working through the transition to the new ownership. Fuel prices seem to be going down a little bit.

- MSC Aerospace

Chuck Taylor reported that his company, MSC Aerospace has entered into the Utah Aerospace Pathways Program. The purpose of the program is to build a pathway for high school students that aren't interested in the college path but want to get into the aerospace business. Students will work at MSC Aerospace during high school either in the fabrication area or the assembly area, and as they get through the program the students will be certified to begin work with one of the aerospace partners in Utah. On April 21, 2016, the Lieutenant Governor will be here to do a kick-off for the program. We would like to have it here at the airport. Taylor stated that he is also going to talk to Congressman Chris Stewart to see if we can get any of our legislative members here for the event. They have met with the high school counselors and the students and have conducted a survey, and between the 3 high schools in the area there are 60 students that are interested in the program. The kick-off program will be open to the general public and should start about 10:00 AM, or after Skywest has departed the airport.

- Upper Limit Aviation

Jared Brit, Maintenance Manager for Upper Limit reported that ULA had a fuel savings of \$44,000 for the month of January, 2016. At the present time they are on track with flight hours and students. In answer to query from Shuler, Brit stated that with regard to the ULA accident last fall, NTSB is still in the preliminary finding mode, and it may be several years before anything is released.

AIRPORT MANAGER'S REPORT

Ryan Marshall, Public Works Director, reported to the board on the items listed under the Airport Manager's Report which all have to do with the change in ownership of Sphere One Aviation. Marshall stated that the agreements have been reviewed by Cedar City legal counsel, Paul Bittmenn. Bittmenn stated that the only item that needs to go to City Council is the Ground Lessor's Agreement between Cedar City, Sphere One Aviation and JP Morgan Chase Bank; all others can be approved by the Airport Board.

- Agreement for Sphere One Aviation to contract 135 Services through Sphere One, Inc.

Brenda Blackburn of Sphere One, Inc. reported that the sale of Sphere One Aviation went through 2 weeks ago. She still owns Sphere One, Inc. which has the 135 air carrier certificate. This agreement will contract the 135 air carrier service for Sphere One Aviation through Sphere One, Inc. Marshall stated that one of the requirements for the FBO is to have the 135 air carrier service which will be provided by Sphere One, Inc. Leavitt moved, McVay seconded and motion carried unanimously that the board approve the agreement for the 135 air carrier service for the FBO, Sphere One Aviation, being contracted through Sphere One, Inc.

- Subcontract for Sphere One Aviation to allow hangar and office space for Sphere One, Inc.

Blackburn stated that in return for the contracting of the 135 air carrier service to Sphere One Aviation, they will provide hangar space and office space for Sphere One, Inc. to allow them to conduct the 135 services. Leavitt moved, McVay seconded and motion carried unanimously that the board approve the subcontract for hangar and office space from Sphere One Aviation to Sphere One, Inc.

- Assignment of lease from Blackburn Management to Sphere One Aviation for ground leases on (a) small hangar and (b) maintenance hangar

Blackburn stated that these 2 hangars were sold to the new owners of Sphere One Aviation and the leases need to be assigned from Blackburn Management to Sphere One Aviation. Leavitt moved, McVay seconded and motion carried unanimously that the board approve the assignment of the small hangar and maintenance hangar leases from Blackburn Management to Sphere One Aviation.

- Ground Lessor's Consent, Non-disturbance, Attornment and Estoppel Agreement between Cedar City, Sphere One Aviation and JP Morgan Chase Bank, NA

Blackburn stated that Sphere One Aviation has gone through JP Morgan Chase Bank for the financing of the sale of the FBO, and these documents place JP Morgan Chase Bank as a subordinate on the leases. McVay moved, Poulsen seconded and motion carried unanimously that the board recommend approval of this agreement to the City Council.

OTHER BUSINESS

Marshall reported that the annual FAA airport inspection is scheduled for March 7-9, 2016. After they have made their inspection they will issue a report on their findings. Last year we had a new inspector who listed several items that he felt needed to be fixed. As we worked with FAA, we have been able to get some exceptions on those items and they don't have to be fixed. He will be here the first of March, but we feel that those items that needed to be fixed have been taken care of. After the inspection, we will receive an informal report of the inspector's findings and the formal report will be sent 2-3 weeks later. Any findings will be listed in a corrective action report and each will have a due date as to when they need to be completed.

Also that same week on March 9-11, 2016 is the annual UAOA airport conference in St. George. This is the conference where we meet with the FAA and go over funding, projects, etc. We would like to move the next Airport Board meeting from March 10, 2016 to a later date so we can attend this conference and meet with the FAA. In answer to query from McVay, Marshall stated that this is an open conference for all airport operators, but you have to register and pay the registration fee, and he is not sure if the registration has closed. After a short discussion, the next Airport Board meeting will be scheduled for March 17, 2016 at 8:00 AM.

Jeremy Lee from Aviation reported that they are moving along with the design and will submit the plans to the FAA and Valgardson next week for the apron rehabilitation and pavement maintenance. They will also be here for the FAA inspection to help address any of the inspector's concerns.

McVay stated that there is a pile of glass in the parking lot that needs to be cleaned up. Beadles will take care of this. Also, Marshall stated that the hangar lease is still in litigation between the 2 daughters, but the lease is being paid.

Our next meeting will be March 17, 2016 at 8:00 AM. Poulsen moved, McVay seconded and motion carried unanimously that the meeting be adjourned at 8:39 AM.