

**HELENA REGIONAL AIRPORT AUTHORITY
MEETING MINUTES
JUNE 21, 2022**

MEETING

In Attendance:

Mike Murray, Chair
Mike Muscarelli, Secretary
Dave Simkins, Immediate Past Chair
Debbie Havens, Commissioner
Bob Heberly, Commissioner
Bill Burkland, Commissioner
Jeff Wadekamper, Airport Director

Others Attending:

Nick Enblom, Morrison Maierle Engineers
Greg Gould, Jackson, Murdo & Grant, P.C.
Ross Marty, Assistant Airport Director
Connie Lundin, Financial Manager
Amber Huggett, Office Manager

Excused:

Tom McGree, Vice Chair

PUBLIC COMMENT PERIOD

None.

MINUTES

MOTION was made by Immediate Past Chair Simkins, seconded by Commissioner Havens to approve the Meeting Minutes from the May 24, 2022, Authority Meeting.
The motion carried unanimously.

AIRPORT IMPROVEMENT PROGRAM PROJECTS

AIP – 64 (ARFF Trucks Acquisition, PCI Study) – Payment Claims - Morrison-Maierle has submitted a claim for bidding, engineering, and closeout work associated with the ARFF truck acquisition in the amount of \$41,575.46. They have completed those tasks and the ARFF trucks were designed, bid, and awarded, so Jeff recommended approval.

MOTION was made by Commissioner Heberly seconded by Secretary Muscarelli to approve AIP-64 Claims in the Amount of **\$41,575.46**.
The motion carried unanimously.

AIP-65 (ARFF Truck Acquisition)

Consider Change Order #1 in the Amount of \$13,698.00 – After the ARFF trucks were awarded to Oshkosh, we had a visit from the factory representative to go over the truck orders. We learned of some options that Oshkosh provides that we felt were of interest. When specifying the trucks, the FAA uses a generic template, and the buyer may not fully realize the options that various manufacturers have as they all differ slightly. We also determined that a foam fill was not necessary on each side of the truck, so we propose removing the redundant setup on each truck for a savings of \$953.00 each.

We learned of an option to have water and foam tank levels on the outside of the trucks to be used to quickly determine how much water and foam is left in the tank. These are helpful when filling the trucks from a hydrant as you can start to shut the water fill valve off as it nears the full point, instead of getting soaked by the overflow and wasting excess water when it is full. It is also helpful during a firefighting operation as you can advise the crew when they are nearing the end of the water or foam supply and need to get back out of a fire. This option is \$3,252 per truck and is eligible for FAA funding.

There is an option on the larger 3,000-gallon truck, dedicated to the fire training center, to include rear steering to the dual rear axles. After reviewing that option, we believe that this would be beneficial as, even though it's a large area, it's still challenging to maneuver that large vehicle around the pit. The dual rear axles would normally skid around and eventually may tear up the milled asphalt and lead to premature rear tire wear. The option has a cost of \$9,100 and unfortunately is not an FAA eligible item. However, after considering this option we believe that it is a benefit to have in place and we could fund this by offsetting airport expenses with the recovery funds we still have access to.

So, we are recommending the change order as submitted in Nick Emblom's report in the amount of \$13,698.00.

Commissioner Burkland asked if Randy Strong with the maintenance department had any comments on or if that unfairly biases the people coming into do the training because their truck might not have that or is there any concerns from the training staff?

Jeff replied no, they would like to have it because if you don't have it and you are going around dragging those big axles, I think it will turn the pit or maneuvering area into a big mess and you will have to grade it more often, but you are right some airports may have it and some airports may not, it's probably a mixed bag. I am sure most airports would opt for it.

Ross explained that it cuts down the turn radius by 20 feet, and the investment now will save on tires in the future. The back axle will wear out tires quickly with as much turning they do during training.

Jeff said the last time we checked the price of an ARFF truck tire they were about \$6,000.00 per tire. So, they are more expensive now if you can even get them in a reasonable time.

MOTION was made by Commissioner Havens, seconded by Commissioner Burkland to approve Change Order #1 in the Amount of **\$13,698.00**
The motion carried unanimously.

AIRPORT AUTHORITY ISSUES

Review RFP for Restaurant, Bar, Gift Concessions – Included in the packet is a copy of the Request For Proposals associated with the Restaurant, Bar, and Gift Concession. The Restaurant Committee has reviewed this and provided input and Greg Gould has provided legal analysis. Once approved we will advertise it and begin the process to select a long-term concessionaire. Hangar 89 has expressed interest in responding to the RFP and I have had others already reach out with interest as well, once folks started to hear the Smokejumper was no longer in business. The agreement we have in place with Hangar 89 is a temporary six-month agreement with a 30-day cancellation clause to get us through the RFP/selection process.

The commissioners discussed the general operations for the new restaurant operator.

MOTION was made by Commissioner Havens, seconded by Immediate Past Chair Simkins to approve gathering more feedback from the Restaurant Committee, then send a final review to the board for approval and advertise RFP for Restaurant, Bar, Gift Concessions.
The motion carried unanimously.

Airport Resiliency Project Update Presentation – Jeff Wadekamper, Airport Director, Mic Borcharding, Intenergys (Virtually through Teams) –Jeff introduced Mic Borcharding from Intenergys and turned the presentation over to Mic. Mic introduced the team members who were involved in the Value Engineering process. Mic explained the purpose of the Value Engineering process which was to ensure that all potential ideas were explored and then assessed to determine which ones were feasible options to include in the project. The overall goal of the Resiliency Project is to structure the airport to maintain operations following a natural or manmade disaster, and to also lessen the environmental impact and save energy costs when possible. Mic provided an overview of the proposed ideas that came out of the Value Engineering process. Each proposal fits into energy development, physical security, or cyber security. The presentation outlined the different project elements, a draft timeline of the project and an estimated cost which will be funded with no costs to the airport because of this effort being part of a public/private pilot project.

One thing to keep in mind is that these ideas being proposed are only at the conceptual phase at this point and they have not yet been fully engineered and designed to include detailed analysis. Before the final design can occur, the concepts need to be submitted to Northwestern Energy so they can complete an interconnect analysis. The interconnect analysis is done to allow the utility company to determine if this can be accommodated at the energy generation levels proposed for both the solar and natural gas fired plant. Once that has been determined, then the design team can get into the details of designing the types of solar panels, angles of the panels, options

to deal with snowmelt, maintenance, physical and cyber security improvements, and the overall layout of the microgrid that will power various parts of the airport. It is not feasible to design all those details before the interconnect analysis is completed by Northwestern Energy, as that effort may be wasted if Northwestern comes back and tells us it is not possible to interconnect the proposed amount of electricity generation. Between the solar panels (at peak efficiency) and the natural gas plant, the combined maximum output is estimated at 12 Megawatts per hour. Mic stated that he recommends the airport be the one submitting the Interconnect application to Northwestern Energy since the project is located at the airport and will be the property of the Airport Authority. Mic stated that the project would provide the funding for the application fee and would reimburse the airport for the application cost. Jeff suggested that an agreement be drawn up regarding the project covering the cost of the interconnect application.

Chair Murray said they stated the cost of the interconnect would be reimbursed at some point but that is an ambiguous term, do you mean within a year or two years?

Mic Borcharding explained that would be defined by the agreement that Jeff was talking about, worst case scenario it would be a couple of months, or we could do it up front. Whatever makes sense to you.

Commissioner Burkland had a question on the Northwestern Energy application, it seems like that's our key stone to making this project work and yet you're working everything in parallel with that application, long and deep into your portion of the project. If we get a negative response from Northwestern Energy, are you bearing all the costs of the investment up to this point?

Mic Borcharding stated that Intenrgys has paid all the costs thus far and we will continue to do that absolutely.

Jeff added that Northwestern Energy sat in on the value engineering study and they have been involved deeply with us in fact, I had lots of conversations with them. So, a lot of their folks have looked at the surface of this project obviously, they are going to have to get the full Interconnect application to dive into the weeds, but they are very aware of it and interested because they need to find every ounce of power they can for future years. Overall, they are incredibly supportive so far.

Commissioner Burkland asked if they are so interested that Northwestern Energy is offering to expedite the application?

Jeff said right now they have a lot of applications, but Jeff assumes they would get right on top of this as soon as they can.

Commissioner Burkland stated for clarification purposes, we started this as a \$14.5-million project and we are now at 36 million, that is obviously not just inflation numbers, are we still talking about a project that is self-funded and is not going to take any money from the airport or

substantial amounts of airport personnel to make this functional?

Mic Borcharding said that is correct. "The additional cost comes from the additional generation and to the additional desires that we are looking to put into the airport to provide you with the needed resilience and readiness for manmade natural disasters. A lot of this is for the nation, so we are expanding capabilities to apply to a bigger airport like Denver or Salt Lake, etc. Like Jeff explained Northwestern Energy needs the additional power supply and that is why it has expanded the way that it has. Like I said much of the expense comes from the power generation side of the house but there are capabilities that we are deploying at the airport to be an example for our nation such as the drone capability. But compared to the power generation side that is small. There will be no cost to the airport to maintain the system. No lifetime maintenance concerns unless you want them. If you want changes after the project is complete, the airport would be responsible for those, but the initial installation will not be a cost to the airport."

Commissioner Burkland asked if the commissioners are going to get copies of their presentation because the finances are unreadable at this size on the video presentation so, those primarily we need but I wouldn't mind a copy of the whole presentation.

Mic Borcharding said absolutely.

Jeff asked Mic if he could just send him the updated copy and he will get it out to all the commissioners.

Mic Borcharding said he would be happy to.

Chair Murray said he had one last question and to go back to his objective slide, the first objective you mention the National Guard and Boeing but there is one more manufacturing plant on our campus. Are they included in this?

Jeff explained the slide states The National Guard, Boeing etc. so, Pioneer Aerostructures is included in the etc..., and other stakeholders are part of it as well.

Commissioner Heberly asked if Jim Crawford has been involved in the meetings and discussions from a maintenance standpoint and making sure what is being installed will not affect his operations?

Jeff said yes absolutely, we are not doing anything that will hinder anything we do or make it more complicated.

Commissioner Burkland said so let's think that practical, it snows on the solar panels, the sun heats them up enough, the snow slides off and creates a berm behind the parked cars, who's cleaning that berm up?

Jeff explained how we would remove the snow from the driving lanes since we do that now

anyway.

Ross Marty said the solar panels' design will make our snow removal easier because if it dumps the snow right in the middle of the lane, we can just take our box plow right down the center of the lane. We won't have to get so close to the cars because of the roofing.

ASSISTANT AIRPORT DIRECTOR'S REPORT – Ross Marty

- ➔ Monthly passenger operations for May of 2021 are still down compared to May of 2019 by **-20.70%**.
- ➔ **Alaska Embraer-175 Conversion** - We heard from the Horizon/Alaska station manager here that Alaska/Horizon plans to accelerate their transition from the Q-400 turboprop to the EMB-175 jet. Originally, they had posited that this transition would take place right after the new year but now they are saying that this will take place in the September timeframe. This was great news as this transition will provide a greater flight experience on Alaska out of Helena. The EMB-175 is the same as operated by Delta on the SLC route and occasionally by United as well and is a great, three fare class cabin aircraft that can fly higher, faster, and more efficiently than the Q-400. Horizon has already started to receive ground service equipment (GSE) that supports the EMB-175 operation, and the station manager here has started to receive her training on the new airframe as well.
- ➔ **Runway Safety Action Team (RSAT) Meeting** - This week the FAA Air Traffic Control Tower staff hosted and held their annual Runway Safety Action Team meeting. This is an annual requirement by the FAA to hold this meeting for all airport users. Typically, we have folks from the Tower, airlines, the FBO, our own airport staff as well as many general aviation pilots. The overarching theme and goal of this meeting is to advance safety operations on and around the airport vicinity.
- ➔ **TSA Inspection** - Last week we had Lynne Gunter, our TSA Inspector out of Missoula here for three days to conduct her annual inspection. She conducted tests on every aspect of the airport from general aviation gates and trying to get through tenant hangars to airline operations and a deep dive into our internal records. I'm happy to report that we've had a spotless inspection closeout report for the third year in a row.
- ➔ **Airport Campus Aviation Day** - Last week Jeff and I attended a meeting with the Guard, Boeing, and MDT Aeronautics Division as they all would like to get together a campus "Aviation Day" where they can show off all the different elements and operations of each entity. The inception of this idea came from Boeing and the Guard wanting to open their doors to the community and show what they do. Representatives of both believe few people in the community or surrounding area are aware, that there are two such great facilities located next door to each other that collectively employ thousands in the Helena area and provide a utility and product to the country and, entire world.
- ➔ **IT Contract Help** - Sam Taylor, our long-time IT specialist contractor (has been working with us and on our systems for 20 plus years) is finally deciding to retire. With that, we obviously need someone to do that technical line of work as literally everything has a computer chip in it nowadays and Sam suggested a gentleman named Tim Kuney with Sotech Solutions here in town. Tim specializes more in small machine IT work. We call

Sam first if anything computer/printer/ID printer and software needs. Sam will be a tough person to replace – he is a pilot and was a member of the flying club as well as a good IT specialist.

LEASES

Consider Renewal of Earhart Condo Hangar Unit #2 Lease with Chuck Flynn – Chuck Flynn’s original 20-year lease for his condo hangar expires on June 30, 2022. The lease provides for five-year renewals after the initial 20-year term expires. Chuck is current on his rent and the hangar is in great shape, like the rest of the condo hangars. Those 16 structures were built in 2000 and 2002 and are all steel and have held up very well. Chuck, like most of the other tenants, has done an excellent job at keeping them maintained and orderly. Chuck unofficially acts as the Condo Association President and keeps everyone in check and following the rules. I recommend approval of the lease extension as provided in the lease for another 5 years.

MOTION was made by Commissioner Burkland, seconded by Commissioner Heberly to Approve Renewal of Earhart Condo Hangar Unit #2 Lease with Chuck Flynn.

The motion carried unanimously.

Consider Renewal of Commercial Aviation Lease with Air Ryder – Air Ryder’s lease is set to expire on June 30, 2022. Bud Clarke is the owner of Air Ryder, which is a business that provides building assistance to the public for light sport and homebuilt aircraft. The FAA requires that a certain % of the kit planes are built by the owner (51%), but there are many times that an owner may not have the knowledge or tools to perform certain tasks. That is where Air Ryder comes in – to help provide those services that a kit plane owner may need. He has focused on this niche for over 20 years and has kept busy doing it.

The building is owned by the airport and leased to Air Ryder. The hangar is a steel building that was originally a steel cow barn that was used to facilitate transportation of cattle to Japan back in the 1980’s. They would park a 707-cargo jet on the taxiway and load cattle onto the plane. It was jokingly referred to as the “Cow Port.” Eventually that venture (or “adventure” maybe) ended and in the early 1990’s the airport maintenance staff poured a concrete floor in the building and a bi-fold hangar door was added to one end to convert it to a hangar. A few years back we installed a new garage door on the one end and new gas unit heaters replaced older units. An office and “paint booth” were added in the early 1990’s and a separate office building was also constructed. The building is in City limits and has City water but is on a septic system, as the nearest City sewer line is ½ mile or more away. The hangar is a solid structure, but the office areas are really worn and dated. Bud is not sure how many more years he will do this business and at some point, I think we will need to determine if some parts of the building get redone, or demolished and redone. It will depend on potential future tenants and interest. If the hangar area near the facility gets annexed into the city and city water and sewer are brought in, we would also connect it to city sewer at some point.

The current rent is affordable and reasonable for the type of space and condition of the building. I'm recommending that going forward we enter a one-year lease, that automatically renews annually unless cancelled by either the Lessor or Lessee on 90 days written notice.

MOTION was made by Commissioner Burkland, seconded by Secretary Muscarelli to Approve Commercial Aviation Lease with Air Ryder.
The motion carried unanimously.

Consider Renewal of a Non-Commercial Lease of a Six Unit T-Hangar Owned by Sleeping Giant Flying Club – The Sleeping Giant Flying Club has a non-commercial hangar lease for a six-unit T-Hangar where they store six aircraft owned and operated by the Sleeping Giant Flying Club. The Flying Club has been a cost-effective way for many pilots to have affordable access to aircraft and they currently have over 60 members. The hangar is not rented to other entities and that is why it is a non-commercial lease. The Flying Club fuels their own aircraft from a tank the club owns, and they pay us the fuel flowage fee of \$0.075/gallon the same as any other entity that dispenses fuel on the airport. They cannot sell the fuel commercially to other entities but can only self-fuel their club-owned aircraft. They are also approved by the FAA STC to burn auto gas in their aircraft, which is legal, and they do that to save on the costs of running avgas.

They have been current on the rent and fuel flowage fees, so I recommend approval of the lease extension of five years, as provided for in their lease.

MOTION was made by Commissioner Burkland, seconded by Commissioner Havens to Approve a Commercial Lease of a Six Unit T-Hangar Owned by Sleeping Giant Flying Club.
The motion carried unanimously.

CONSENT AGENDA

Review of Income and Expense Reports – Income is slightly under budget; expenses are also below budget to provide a balanced net income.
Review of Past Due Accounts

MOTION was made by Commissioner Havens, seconded by Commissioner Heberly to approve the Consent Agenda.
The motion carried unanimously.

OLD BUSINESS.

None.

DIRECTOR'S COMMENTS.

- **FAA Airport Inspection** – The FAA has finally confirmed the dates of our annual inspection which will occur June 29 – July 1. Everything is in decent shape as we strive to maintain everything the best that we can, so I do not anticipate any issues.
- **TSA Annual Inspection** – The TSA inspection occurred a couple weeks ago, and we just

received the official letter following the conclusion of the inspection. A copy of their letter is included in the packet. We received an error free inspection again this year. That is a huge accomplishment, especially in today's continually changing security environment. We receive guidance and changes to protocols on a weekly basis anymore so keeping up with every detail is as challenging as it has ever been. This is a team effort, but I give a large amount of credit to Ross as he oversees the entire security program to ensure compliance and he also facilitates the inspection process with TSA. Amber Huggett and Ross both act as Airport Security Coordinators and conduct the process to issue ID badges and access media. The procedural and recordkeeping process tied to the ID's is a detailed piece and I appreciate their continued diligence to ensure that system is 100%.

- **Mowing and Weed Spraying** – This time of year is always the peak of grass mowing and weed spraying. We have hired three seasonal staff this year and all are doing an excellent job. We start our seasonal grounds keeping staff at \$14/hour. They have been working on the afternoons after school and on the weekends until school ended last week. Now they are here Monday-Friday so we can get caught up on the growing grass. It is always a challenge this time of year to get that work done in between rain events.
- **American Airlines Update** – We are still waiting for American Airlines to give us the letter of support to request the U.S. Department of Transportation to consider amending our air service grant from Phoenix service to Dallas. They were very eager on the call we had with them to provide us that letter but seem to be slow getting it to us. Mike Boyd drafted a letter and gave it to them to review so we are hoping that may help the process along.
- **United Airlines** – We are still showing one flight a day in between Helena and Denver through July now. United did tell us that throughout the remainder of 2022 some months we may have one flight/day and some we may see two flights/day, so this is not unexpected, just unfortunate since summer is usually busy. United still has over 100 regional jets parked due to the pilot shortage.
- **Alaska Airlines** – We recently heard from Alaska that our transition to the jet aircraft may occur as soon as September, but that is not yet set in stone. I cautiously asked if the two daily flights currently selling in their October schedule is for certain and they said that while they are advertised, they cannot confirm for certain that they may return to one a day before October arrives. They have so many things in flux as well such as the pilot shortage, the threat of a pilots strike, and many other issues, so we'll see if the two/day schedule occurs or not.
- **Aviation Day Open Houses** – Several tenants have expressed interest in holding open house events at their individual facilities. This started with the National Guard and Boeing and has expanded to include State of Montana Aeronautics Division and the Helena College Aviation Program. Those entities realized that legally they all have challenges advertising an open house event, so they contacted me to see if the airport would be willing to promote it if the participants split the costs of the ads. I told them we could help facilitate that for them. The military and Boeing have the most restrictions on hosting, but we have worked through that before for other events.
- **MDT Director Tour** – I have invited Malcom Long, Director of MDT to come out to see the

airport and meet me. I have not yet met Mr. Long since he became MDT Director, and I have always known past MDT Directors and had great working relationships with them, so I wanted to invite him out. We work closely with the MDT Montana Aeronautics Division, and I previously served on the State Aeronautics Board for two terms, so it is important to have a working relationship with MDT. We have also had some interactions with them on the use of our driver training track.

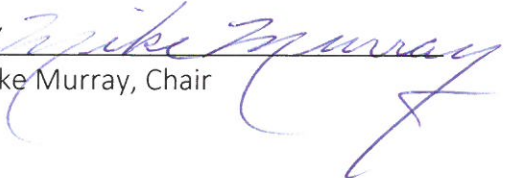
- **U.S. Customs and Border Protection** – I have the Western CBP Chief coming this week to look at the vacant space in the ICE building to see if it will work for their operation. While we have a Customs Landing Rights Office on the south side of the airport, CBP has determined they want to locate some CBP staff in Helena due to its central location. These staff would not be connected to an aviation activity, but here to serve the region for CBP related business.
- **Projects** – The past few months have seen a flurry of activities and I think things have been as busy as I can ever remember seeing on the airport. It seems like the information being transferred daily has really expanded. I receive several hundred emails a day and the office receives phone calls continually each day. It seems like so many people have not flown in years, so we receive numerous calls regarding any number of questions. We are one of the last airports to still answer the phone with a live person and the airlines, TSA, and everyone else in the industry has automated everything so people call us for questions about anything aviation you can imagine. While it adds a lot of workload, I would say that we do help a lot of people who would otherwise have no place to go for answers to those questions.

REPORTS PRESENTED FOR REVIEW:

Director's Report and Board Report – Jeff Wadekamper
Assistant Director's Report – Ross Marty
Fiscal YTD Financials – Connie Lundin
FAA Funded Airport Improvement Project Report – Nick Enblom

ATTEST:

/s/ 
Mike Muscarelli, Secretary

/s/ 
Mike Murray, Chair

(SEAL)