

**HELENA REGIONAL AIRPORT AUTHORITY
MEETING MINUTES
AUGUST 16, 2022**

MEETING

In Attendance:

Mike Murray, Chair
Tom McGree, Vice 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
Sean Slinger, Jackson, Murdo & Grant, P.C.
Ross Marty, Assistant Airport Director
Connie Lundin, Financial Manager
Amber Huggett, Office Manager
Mic Borcharding, CEO of Intenergys

PUBLIC COMMENT PERIOD

None.

MINUTES

MOTION was made by Vice Chair McGree, seconded by Secretary Muscarelli to approve the Meeting Minutes from the July 19, 2022, Authority Meeting.
The motion carried unanimously.

AIRPORT IMPROVEMENT PROGRAM PROJECTS

AIP-64 (ARFF Equipment/PCI Study) – Morrison Maierle has submitted a claim for their services towards the ARFF equipment acquisition. These fees were the negotiated fees included in their engineering scope agreement that was approved earlier in the year. Jeff recommends approval of the claims as submitted.

Morrison Maierle has started the Pavement Condition Index Study with field work on the airfield. That project will be completed in the next couple of months.

AIP-64 (ARFF Equipment/PCI Study) – Payment Claims:
Morrison Maierle (Basic Services, Bidding)

\$11,047.98

MOTION to Approve was made by Commissioner Heberly, seconded by Immediate Past Chair Simkins for Payment of AIP-64 Claims in the Amount of **\$11,047.98**.

The motion carried unanimously.

AIP-66 (Entrance Road, Driving Track Project) – The paving is completed on the roads and the driving track. The claims are for the rest of the work that was completed and was not included on the claim last month. Jeff recommends approval of the claims as submitted.

<u>AIP-66 (Entrance Road, Driving Track Project) – Payment Claims:</u>	
Morrison Maierle (Design, Basic Services, Bidding)	\$ 93,439.37
Morrison Maierle (Construction Management)	\$ 24,542.66
Helena Sand & Gravel (construction)	\$ 55,451.88
State of MT 1% Tax	\$ 560.12
TOTALS	\$173,994.03

MOTION was made by Vice Chair McGree, seconded by Commissioner Havens to Approve AIP – 66 Claims in the Amount of **\$173,994.03**.

The motion carried unanimously.

AIRPORT AUTHORITY ISSUES

Consider Declaring an Airport Vehicle as Excess to the Airport's Needs – In the Fiscal Year 2023 Budget we have funds to replace an older 2007 Chevy Silverado that has over 110,000 miles on it. To sell/trade in the vehicle since it is valued over \$2,500, our rules require that we declare it "excess" at a public meeting. Our rules also require an appraisal to establish its value. It has been appraised by Troy Gary, who is a very reputable local auto dealer/appraiser at a value of \$16,675.00. Additionally, we also received another comparable valuation through Kelly Blue Book (online) which came in with similar value of \$17,199.00.

MOTION was made by Secretary Muscarelli, seconded by Vice Chair McGree to Approve Declaring an Airport Vehicle as Excess to the Airport's Needs.

The motion carried unanimously.

Consider Amendment to the Airline Incentive Program - The additional item is to consider amending our Airline Incentive Program to provide airline fee waivers for a period of two years. Initially, our Incentive program was adopted for a period not to exceed one year. The FAA allows airports to provide airline fee waivers for new service to be provided for a maximum period of two years. Jeff's thought was to amend the waiver to increase the size of the overall incentive package that we are offering to American Airlines (and any other airlines that provide new service meeting the criteria in the plan). Now that we recently learned that Great Falls is seeing the same airline and route as us, we need to step up our game to ensure we come out on top. Jeff attached the Incentive Plan for the board's review. Only change since the previous version was to make it two years instead of one.

The commissioners discussed ways to raise more funds and incentives to add to our air service grant package to make it more appealing for airlines such as American and others to come to Helena.

MOTION was made by Commissioner Burkland, seconded by Commissioner Heberly to Approve Amending the Airline Incentive Program.
The motion carried unanimously.

Create a Nominating Committee to Establish 2022-2023 Airport Authority Officers and Provide a Recommendation at the September 2022 Authority Meeting – Chair Murray will appoint a nomination committee to recommend a slate of new officers for the 2022-2023 year. The committee will bring their recommendation back to the September meeting for consideration.

Chair Murray recommended appointing himself and Immediate Past Chair Simkins to the nominating committee. He asked if there was anyone else who may be interested in being a part of the nominating committee.

No other replies

Chair Murray declared himself and Immediate Past Chari Simkins as the nominating committee to establish 2022-2023 Airport Authority Officers.

Airport Resiliency Project Update and Consideration of an Agreement with Intenergys to Complete a Utility Interconnect Application and Review Process – Included in the packet is an agreement that was developed for the purpose of completing the Interconnect process with Northwestern Energy. Overall, it lays out the parameters for the process. Intenergys will complete the work along with their supporting stakeholders and of course with our input and assistance with respect to information they may need on our facility.

The cost of the interconnect application process will be paid up front to the airport by Intenergys. We are requiring payment up front before we submit the agreement.

It also states that following the process, the Authority will decide if we proceed with the project and if so, what elements are included. This is important as we may realize something through the process that we had not anticipated, and that we need that flexibility to adjust the plan or not proceed at all if there is something that is not feasible, or we are uncomfortable with.

Mic Borcharding flew to Helena from Texas on Monday, so he is here in person for discussion and answer any questions.

The interconnect process should help us finalize the design aspects as many of our questions and uncertainties cannot be fully resolved until the Interconnect Study is completed to see what may or may not be feasible. Mic and Jeff will also meet with some of the other entities that have

expressed interest while he is in town to make use of this opportunity and time.

The draft agreement was sent to the committee for input, and Greg has also reviewed it for legal sufficiency. A copy of the agreement is included in the packet.

Chair Murray stated he would like to hear from the committee members and then Mic could address any additional questions. He asked if there were any comments from the committee members.

Commissioner Havens said she attended the dinner meeting to listen and learn more.

Commissioner Heberly stated he was incredibly grateful for the opportunity to attend, and he was sorry for missing the last meeting with Northwestern Energy. He is happy to see what was drafted in terms of an agreement, for the next step in the process, with the interconnect. He thought the meeting was great and was thankful for Mic's feedback and clarification on the process and where things are headed.

Commissioner Burkland explained how there were a lot of questions answered. "In terms of what the project is going to do, how much of it is nailed down and how much is still open. It is definitely a project that is going to run a gas fired power plant for the majority of time, so it is not a back up power plant, it is a full-time operational power plant, solar operation battery backup, and a lot of the finances are still up in the air as well as what projects spin off out of it. I am going to leave that to you Mic to give everybody a straight from the horse's mouth view of what you have as must have in the project versus what is optional stuff and if you want to go into financing or other stuff as well."

Mic said we are at a critical phase now with interconnect a lot of information will come out of this as to what is feasible for the project. A critical point in negotiations with Northwestern Energy. "Their involvement is critical, aside from the environmental, this is the only thing that could disrupt this project moving forward is how are we going to deal with Northwestern Energy. Quite frankly it is between the airport and them as to how you want to set this up. We have talked about behind the meter, in front of the meter and those types of things. Again, that is entirely up to the airport and how Northwestern Energy wants to do business. Generally, they like to not disrupt the relationship between their customers and themselves so more than likely we will be selling the energy directly to them and you would have the exact same relationship that you have today with Northwestern Energy. The gas side of the house will be very straight forward and easy because we are just buying natural gas energy from Northwestern Energy so that will be exciting for them. It is very straightforward. The power and how its wielded and arranged from a contractual standpoint between them and us, that will be a little tricky and whether or not their current infrastructure has the ability to handle the power we hope to put on it. That will drive all the economics of the project and why the financing is still up in the air is because we don't know how much money we are going to be generating from the project just yet. We do not know how much energy we are going to be producing. We have the solar nailed down, we have the battery outlined the way that it should be going forward. It could all change if

Northwestern Energy doesn't have the ability to put it all on the grid. So that is really the big question mark that needs to be determined. We have an exceptionally superior design with solar, I think everyone is familiar with the canopy we are proposing to put together and now the new spare lot will be undercover as well. Hopefully, all that will be accommodated by Northwestern Energy. We are definitely going to do natural gas generation as it was mentioned, and it will be operating about 80 percent of the time. So, it will be in full production the entire time. The turbines are designed to be that way and talking with Northwestern Energy they need that energy anyway. So even though that plant will be a full production system, it will be there for your resilient needs in event of a man made or a natural disaster as well as the batteries being fed by the solar. As far as what we need from the project, we need redundant resilient energy and that is why we have the natural gas, the solar and the battery because aside from building a nuclear power plant next door, this is really the most resilient form of energy that we can provide today. We have the renewable energy in the form of the solar, we have the battery backup system and the natural gas generation. You really can't get much more resilient with the technology that we have today. So that is the first and most primary thing, as we discussed last night the only other two things are the virtual power station and digital twin. The virtual power station is a software capability that MIT is developing that allows us to monitor and manage both on the cyber security as well as operational side of the house the full power plant. To make sure any intrusion from say a nation state player is identified and voided. That is what a sizable portion of the research and development of this project is going to is the virtual power station and its capabilities. The digital twin is a full mockup in the virtual world, yes there is real controllers in at MIT Lincoln Laboratory in Massachusetts, but it is all run over the internet virtually monitored and managed so you can do modeling and simulation. It's the first line of defense from a cyber attack perspective. So those are the two things that really are critical for the project. Aside from that it is entirely up to the airport and you to determine what you want and what you need from a resilience standpoint and a security standpoint. Are there any questions? Does that cover it?"

The commissioners and Mic continued to discuss all the possible incentives that could come out of the project for the airport and surrounding area.

MOTION was made by Commissioner Burkland, seconded by Commissioner Heberly to Approve an Agreement with Intenergys to Complete a Utility Interconnect Application and Review Process.
The motion carried unanimously.

ASSISTANT AIRPORT DIRECTOR'S REPORT – Ross Marty

- ➔ Monthly passenger operations for July of 2021 are still down compared to July of 2019 by **-38.06%**. Due to United removing the second flight.
- ➔ **ARFF Training with Helena Fire Department** - A number of weeks ago we held our monthly ARFF training in conjunction with Helena Fire Department to "kill two birds with one stone" and fulfill multiple training requirements for both entities. For us, our training topic was Firefighting Operations, so we set up our mobile Blackhawk helicopter trainer

over on the south ramp and each took a turn extinguishing that fire. Helena Fire's portion of training was the "rapid resupply of ARFF apparatus." With FAA requirements that, in the event of an emergency, our ARFF responder be on the scene of an accident and discharging water or foam within three minutes, and the ARFF trucks ability to empty 1,500 gallons in a matter of two to three minutes, it is tremendously crucial for us to get back-up and refilled in a very quick manner. This training evolution stressed the importance of both, a quick response from us and a quick re-fill from Helena Fire.

- ➔ **Landscaping Projects** - Since the majority of the moisture we will receive seems to have slowed down for the summer and grass slowing down, our summer and maintenance crews have been busy sprucing up some landscaped areas around the campus. Primarily they have been focused on the areas in front of the Forest Service and Homeland Security.
- ➔ **Staff Training Opportunities** - Over the course of the past few months, a number of our maintenance staff have taken part and received training through AAAE's virtual training platform, an in-depth Airfield Lighting course to learn about all aspects of an airport lighting system. Coming up soon is a slew of courses more geared towards our operations department that many of them are interested in. We have a new operations employee, Shannon Sullivan, who started on the first of the month, so the timing could not be better. The courses offered and of interest to our staff include basic and advanced Airfield Safety Operations Specialist courses (many of our staff have already completed both of these offerings,) Airport Certified Employee Communications courses, Airfield and Terminal Security, Crisis Management and "Insider Threat" training, as well as more Airfield Lighting and Incident Command courses.
- ➔ **MDT ACE Tour** - Lastly, several weeks ago I provided an airport campus tour to the Aeronautical Career Exploration group that is put on by MDT Aeronautics Division. I have to say, of all the tours that we do for different aeronautics groups, this one is my favorite as all the students have an inherent interest in aviation and are soon heading towards college. The point of the seminar/camp is to provide first-hand experience and knowledge with as many aviation disciplines as possible – over the course of a few days Aeronautics takes them to a multitude of different facilities like the Air Traffic Control, National Guard and Tanker Base Facilities, Helena College's Aviation Program as well as Exec Air and Montana Medical Transport. Of any airport to visit and hold this camp at, the wide variety of different aviation careers one could go in to are taking place here and they got to experience it all.

CONSENT AGENDA

Review of Income and Expense Reports
Review of Past Due Accounts

MOTION was made by Vice Chair McGree, seconded by Immediate Past Chair Simkins to Approve the Consent Agenda.
The motion carried unanimously.

OLD BUSINESS.

None.

DIRECTOR'S COMMENTS.

- **Small Community Air Service Grant Update** – American Airlines provided us with the letter supporting the request to amend our Small Community Air Service Grant from Phoenix to Dallas service. We submitted the official request to amend the grant to the U.S. Department of Transportation (DOT). About a week ago we had a few discussions with the DOT about the request and they asked a number of different questions. They indicated that the next step was for them to review the request and the supporting information and decide. We have not yet received word on their decision.
- **Fire Fighting Aircraft** – The Matt Staff Road fire that occurred east of Helena drew quite a few aviation assets through the airport and the nearby airspace. There were six different large and exceptionally large air tankers hauling fire retardant from the on-airport base. A mix of air tankers included two DC-10's, BAE 146's, a private operated C130, an MD-87, and RJ85. Additionally state DNRC had a couple state owned helicopters in addition to six private contract helicopters with water buckets. On the second day two of the large CL-415 water scoopers arrived from being stationed at Kalispell as they were working on the fire near Polson. Then four additional, smaller "Fire Boss" water scoopers also arrived. Beyond that there were three lead planes which take turns leading the air tankers to the drop zones and two fire management/mapping aircraft. Of course, all of these private contract aircraft are accompanied by various support vehicles, trailers, and even mobile fuel trucks for the helicopters. It was quite an interesting mix of aircraft, equipment, and personnel. The airspace was extremely busy between all of the fire aircraft and the usual mix of airlines, general aviation, air cargo, medivac, and military aircraft. The tower was so busy with traffic that at one point they discontinued allowing practice instrument approaches and touch-and-go traffic in the pattern as they simply had too many aircraft trying to operate in our airspace. Exec Air kept up with the fuel requirements, which was quite an effort in itself along with all of the other activities at the Forest Service Tanker Base.
- **Aviation Fuel Supply Chain Collaboration Group** – The State of Montana held a stakeholder meeting the other day at the direction of the governor, to ensure that everyone involved in aviation-based firefighting is in communication to address any fuel supply chain challenges. It was an interesting meeting and there were presentations related to various aspects such as the refineries, trucking distribution network and the aviation assets that are operating in Montana. They asked me to present an overview on what the airport was seeing in terms of aircraft fleet mix and operations. I reminded everyone that Helena is the only base in Montana for the exceptionally large tankers like the DC-10's and even if there are not fires in the area or in Montana that this base serves fires in nearby states such as was recently witnessed when they hauled to South Dakota, Eastern Washington, and Idaho.
- **Fiscal Year 2022 Audit Process** – Connie Lundin has been hard at work getting everything prepared for the annual financial audit. This year has been especially busy as a new accounting requirement (GASB87) went into effect. This is related to valuation of every

single lease agreement over the life of the lease, so it has added a huge amount of additional effort going forward.

- **Montana Airline Rendezvous Update** – The Montana Airline Rendezvous that we have the honor of hosting this year is fast approaching on September 7-8. We have been working on this event for months. Every single airline was invited and through the summer a few have dropped out and we are still trying to convince a few others to attend. It should be a magnificent event and an opportunity to highlight Helena and other Montana airports to have some in-person discussions about air service. Our air service consultant, Mike Boyd of Boyd Group International is coming to support our meetings, and other airports are also bringing their consultants.
- **Helena Aviation Day Update** – Helena Aviation Day is coming on Saturday September 10 from 10:00 a.m. – 4:00 p.m. To date, the locations on the airport hosting open houses include The National Guard, Boeing, and Pioneer Aerostructures. We are planning to have some airport equipment and other information at the static display area which will be located on the National Guard Ramp. Montana Aeronautics Division is also organizing some civilian aircraft to be on display on the Guard Ramp along with the military aircraft. Helena College is also going to have a booth to highlight their trade programs which include machining, welding, and aviation maintenance. This is a good opportunity for the public to see the various aviation – related facilities and to learn about job opportunities in the aviation industry.
- **Annual Fall FAA Airports / Montana – Idaho Airport Association Meeting** – On October 18-19, the annual FAA Airports Meeting along with the Montana and Idaho Airport Manager's Association Meeting will take place here in Helena. There have been a few planning meetings the past couple months and we are always deeply involved in this annual meeting since it is always held in Helena. Not only is Helena a good central location, but the fact the FAA Office is here is why the event has traditionally been held in Helena for decades.

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

/s/ 
Mike Murray, Chair

ATTEST:
/s/ 
Mike Muscarelli, Secretary

(SEAL)