

**COOS COUNTY AIRPORT DISTRICT**  
REGULAR BOARD MEETING  
Thursday, September 20, 2018.

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, September 20, 2018 at 7:30 a.m., in the District Boardroom.

**CALL TO ORDER:** Chair Barton called the meeting to order.

**COMMISSIONERS PRESENT:**

Jon Barton, Chair;  
Joe Benetti, Vice-Chair;  
Helen Mineau, Commissioner;  
John Briggs, Commissioner;  
Mike Lehman, Commissioner;  
James Martin, District Legal Counsel.

**ABSENT:** None.

**STAFF PRESENT:** Theresa Cook, Executive Director; Robert Brittsan, Executive Assistant; Bob Hood, Operations Manager; Rick Skinner, Project Manager; Tara Pierce, Account Manager.

**MEDIA AND GUESTS PRESENT:** Jim Innes, CH 14; John Miller, Kyle Electric; Shane Johnson, Johnson Rock Products; Kory Johnson, Johnson Rock Products; Carl Hulsemann, Jordan Cove Energy Project (JCEP); Rajmish Kilkar, JCEP; Drew Jackson, JCEP.

**PLEDGE OF ALLEGIANCE:** Led by Commissioner Lehman.

**Section I. Review of Minutes: August 16, 2018 Board Meeting:**

Upon a motion by Commissioner Mineau (Second Vice-Chair Benetti), the minutes of the August 16, 2018, regular Board meeting were approved.

**Section II. Review of Invoices:**

The Board reviewed new invoices through September 19, 2018, in the amount of \$160,800.01. Chair Barton inquired if there was a more cost-efficient way to

dispose of the Coos County Airport District (CCAD), and tenant's, waste. The Executive Director stated that this cost had been evaluated previously and that all of the dumpsters are being fully utilized and are necessary. Decreasing the size or amount would result in excess waste being left on the CCAD's properties. Upon a motion by Commissioner Lehman (Second Vice-Chair Benetti), the invoices through September 20, 2018, in the amount of \$160,800.01 were approved.

### **Section III. Finance Report:**

The Account Manager approached the board to discuss the finance report. The Finance Assistant summarized the Coos County Airport District's (CCAD) fund resources and requirements throughout the month of August. The Account Manager quickly mentioned that the Local Government Investment Pool (LGIP) checking accounts had been opened earlier in the month and explained to Vice-Chair Benetti that the annual interest rate on those checking accounts was between 2 and 3 percent. Vice-Chair Benetti inquired and was told by the Account Manager that staff had researched the interest rates offered at other local financial institutions prior to setting up the LGIP checking accounts. The Account Manager discussed the structure of the LGIP checking accounts, wire transfer fees, transfer amounts, and the Federal Deposit Insurance Corporation coverage of public funds with the board. The Executive Director briefly mentioned that the Airport Use Fee revenue generated by larger aircraft visits has increased and general aviation air traffic overall has consistently increased as well.

### **Section IV. Discussion Items:**

Mr. Jackson of the Jordan Cove Energy Project (JCEP) addressed the board to explain the overview that would be provided of the Liquefied Natural Gas (LNG) Carrier's Transit Management Plan (TMP). Mr. Kilkar, also of JCEP, conversed with the board about the responsibilities of the individual stakeholders in town, the step-by-step process that will be used starting from when the LNG Carriers are 50 miles out all the way through traversing the channel, and which parties will be held accountable for reporting ship passage through the flight path to the Federal Aviation Administration (FAA). The Executive Director mentioned that previous discussions with Jordan Cove eluded that their employees would be taking responsibility for reporting to the FAA with regards to ship traffic passing through the flight path and inquired if there would be some kind of stipulation addressing that in their plan. Mr. Kilkar replied that the ship master is obligated to provide this notification 30 minutes prior to entering the safety area. The board spoke about ongoing issues related to this requirement and discussed height restrictions, repercussions of possible flight path obstructions, and the amount of time it takes to pass through the safety area. Mr. Kilkar explained that the ship schedule will be

posted roughly one year in advance, and any changes to the schedule will be known well before arrival using the Vessel Tracking Information System (VTIS). The board conferred about the uses and access of the VTIS, where the communication center would be located, the frequency of LNG Carrier arrivals, and the United States Coast Guard's duties during transit and in approving the TMP. The Executive Director mentioned that lack of communication with the FAA has been an ongoing issue with the current maritime pilots, and that the District would feel more confident in relying on LNG to perform this task. Mr. Kilkar mentioned that he would bring up this issue during the upcoming Harbor Safety Committee Meeting, which has representatives from all of the local stakeholders.

Mr. Hulsemann, the Manager of House Safety and Security for the JCEP, approached the board to discuss the JCEP's business model, estimated construction timeline, other facilities that will be built in conjunction with the terminal, security measures that will be implemented, and the construction of a new emergency dispatch center. Vice-Chair Benetti inquired and was told by Mr. Hulsemann that the plan was to create a single dispatch center for the community that would be located on the Jordan Cove site. Vice-Chair Benetti mentioned that creating a single dispatch center had been attempted in the past and was something that was not able to be accomplished. Mr. Hulsemann explained to the board how the transition to one dispatch center would occur and discussed the staffing for the security and communication centers, which will be a contingency of Coos County officers and JCEP employees.

The Operations Manager addressed the board to give the Operations Report. The Operations Manager spoke with the board about some current projects and events including the arrival of four Boeing C-17's earlier in the month. These large aircraft landed as part of a training exercise for the United States Air Force, but one of the C-17's was forced to stay overnight for a maintenance inspection when the pilot dragged its wing tip through a wooded area near the runway. Though the area in question is not an issue for the commercial aircraft that the CCAD's runways currently accommodate, maintenance staff has since topped the offending vegetation. The aircraft was found to be in good repair and departed the following day.

The Operations Manager spoke with the board about other affairs, such as the Veteran's Stand Down, the Mass Casualty Exercise, and a fire that had been started on District property by a transient camp fire. Both the Veteran's Stand Down and the Mass Casualty Exercise were successful, and the Operations Manager thanked staff for their efforts. The Operations Manager mentioned that homeless camps had increased over the years and issues like this sometimes

occur. District staff and the North Bend Fire Department responded quickly and got the fire under control. Vice-Chair Benetti asked and was told by the Operations Manager that the underbrush is maintained regularly, but it is very difficult to remove the overgrowth and burning permits must be acquired to dispose of it after.

The Operations Manager spoke with the board about the facility maintenance, and estimated costs, that needed to take place on a number of the CCAD's older properties. This included the Douglas Fast Net (DFN) building, FedEx and Seatkase building, Aslin Industries and the T-Hangar. The Operations Manager stated that the DFN facility needs a new roof, several doors replaced, and some windows replaced. The Executive Director clarified that this estimate to perform this work does not include labor and that the costs will be recouped through a rent increase to the current tenant. Vice-Chair Benetti inquired and was answered by the Executive Director that the CCAD has a month to month lease with DFN for this building, but that they would be interested in a long-term lease if the board so chooses. The Executive Director conferred with the board about the square footage rental rates that are used on the District's facilities, the plan for these buildings per the Master Plan, the possibility of hiring a professional Property Manager, and the boards desire to obtain a long-term lease in order to ensure that these Capital Improvements will be paid for over time by the tenant.

The Executive Director approached the board to give the Executive Directors report. The Executive Director spoke with the board the Mead & Hunt Professional Services Agreement for the Runway 4/22 Runways Safety Area Improvement Project Environmental Assessment, an estimate to change the terminal's current landscaping and how to budget incorporate that into the budget, and an upcoming informational hearing she will be speaking at during Legislative Days on September 25<sup>th</sup>.

#### **Section V. Action Item:**

Commissioner Briggs (Second Vice-Chair Benetti) Moved to approve the direct transfer of funds from the Coos County Treasury to the Local Government Investment Pool. Vice-Chair Benetti mentioned that he would like to know the interest percentage that would be generated off of those checking accounts, as soon as that information is available. Motion passed.

Commissioner Lehman (Second Commissioner Briggs) Moved to approve Task Order #2 to the Mead & Hunt Professional Services Agreement, in the amount of \$798,138. Vice-Chair Benetti asked and was told by Commissioner Mineau that

this cost only included fees associated with the Environmental Assessment for the Runway 4/22 Runway Safety Area improvement project. Commissioner Briggs asked and was answered that the CCAD must contribute 6% of the funds required for the project. Motion passed.

Vice-Chair Benetti (Second Commissioner Mineau) Moved to approve repairs to the Airport District's building #53. Commissioner Briggs stated that he would not feel comfortable approving of this expenditure unless there was a long-term lease in place and an agreement that the costs would be recouped within the duration of the lease. The Executive Director stated that it would be beneficial to approve the repairs, not to exceed a pre-determined amount, and a lease agreement and rental rate separately. The board spoke about alternative repair, rental rate, and leasing options for the facility, ultimately deciding to table this issue until a more in-depth analysis could be performed.

#### **Section VI. Commissioner Comments:**

The next regular board meeting is scheduled for October 18, 2018.

The Executive Director reminded the board that there was a Special District's Board Best Practices Assessment scheduled to occur after the regular monthly board meeting on October 18, 2018, at 10 am.

The Executive Director mentioned that a gentleman who operates a small charter company requested a letter of support from the CCAD to provide scheduled air service from North Bend to Eugene three times a week. The Executive Director stated that the CCAD would have no financial responsibility for the route and would not be actively advertising the service, but would allow the individual to offer it to his customers. Commissioner Briggs inquired and was answered by the Executive Director that in order to obtain a scheduled air service, Part 135 certificate, it is helpful to have a letter of support. Vice-Chair Benetti suggested that the board approve having the Coos County Airport District submit a letter of support for the airline, to be drafted by the Executive Director accordingly, so long as this letter does not obligate the District in anyway. Commissioner Lehman mentioned that it should be made clear that the CCAD does not consider this as a permanent solution for maintaining air service.

#### **Public Comments:**

Kory Johnson of Johnson Rock Products (JRP) approached the board to inquire about the possibility of releasing their portion of the retainage that is being withheld from Swinerton Builders for work performed on the Department of Human Services (DHS) Child Welfare and Self-Sufficiency building. Mr. Johnson explained that JRP has documentation showing that their scope of work was completed and approved in January of 2018 and mentioned that the retainage being withheld from JRP is roughly \$45,000. Chair Barton expressed the board's understanding of the local contractor's situations, but stated that this would need to be discussed with the CCAD's Legal Counsel. Legal Counsel explained that this would be a topic during Executive Session, and echoed the board's sympathies. The Executive Director stated that she would keep Mr. Johnson abreast of any developments so that JRP could adjust their business plans accordingly.

**Adjourned to Executive Session at 9:33 a.m.**