

MINUTES of  
AIRPORT BOARD MEETING  
January 9, 2025  
6:00 p.m. Alaska Room/ZOOM

A. **CALL TO ORDER:** Vice Chair Dennis Bedford called the meeting to order at 6:00 p.m.

B. **ROLL CALL:**

Members Present:

Dennis Bedford  
Jason Custer

Jerry Godkin  
Chris Peloso

Eve Soutiere  
Charlie Williams

Member Absent:

Jodi Garza

Staff/CBJ Present:

Patty Wahto, Airport Manager  
Angelica Lopez-Campos, Bus. Mgr.  
Ke Mell, Airport Architect  
Mike Greene, Airport Project Mgr.  
Shannon VanValin, Admin. Assist.  
Miranda McHenry, Admin. Assist.

Nathan Reddekopp, Airfield Maint.  
Alicia Hughes-Skandijs, CBJ Assembly  
Emily Wright, CBJ Law  
Sherri Layne, CBJ Law  
Brandon Bagwell, CBJ Fire Dept.  
Mark Fuelle, CBJ Fire Department

Public:

Sarah Lowell, Coastal Helicopters

C. **APPROVAL OF MINUTES:**

1. *Jerry Godkin moved to approve the minutes from the December 12, 2024, meeting. The motion passed by unanimous consent.*

D. **APPROVAL OF AGENDA:** *Chris Peloso moved to approve the agenda. The motion passed by unanimous consent.*

E. **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS:** None.

F. **UNFINISHED BUSINESS:**

2. **Aviation Worker Screening (AWS) Litigation Costs.** Airport Manager Patty Wahto said the attorney who has been working on this with our attorney has been paid for litigation to date. The City is still waiting to hear from the courts on some judgment, which could be in the next month or two. There is a little more than \$1,100 on the purchase order. Once the judgment comes in, there may be things that they would have to move on if the parties decide to seek reconsideration, either the airport or the Transportation Security Administration (TSA). The attorney has said an additional \$5K for 2025 would be a safe bet if the airport wanted to continue to participate. *Jerry Godkin moved to transfer funds in the amount of \$3,894 to the AWS litigation funds, for a*

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*total of \$5,000 in the purse. Ms. Wahto said that the funds approved to date equal \$20,000. The funds will come from the fund balance. The motion passed by unanimous consent.*

**3. Airport-Coastal/Loken Contaminated Site Report (Attachment #1, and website link).** The letter showing approval from Alaska Department of Environmental Conservation (ADEC) has been attached. This is the Airport's half of the bill as it straddles two pieces of property – the Airport property and what was formerly the Loken property and now Coastal Helicopters. The Airport is looking at acquiring the land at some point in time. The Site Characterization Report is quite large and is available on the website. It does not include the photos as it was too large. The one thing that the report requires is additional drilling and sampling by both parties. For \$43,338, Cox Environmental will continue doing this work. This is required by ADEC. The Airport is working with Risk Management as it is a contaminated site, and Risk is working with the insurance companies both ours and whoever has assumed it (which would either be Coastal Helicopters or going back to the Loken's insurance) to get some sort of reimbursement back or have the insurance companies pay for this. The Airport has to pay for it up front until the insurance piece is worked out. According to Risk Management has stated the insurance company was going to cover it. *Chris Peloso moved the appropriation of \$43,338 for Cox Environmental for an updated site work plan and additional drilling/testing groundwater wells, as required by the Alaska Department of Environmental Conservation, for the contaminated site that is currently abutting Airport-Coastal/Loken property; up-front funding provided by Airport Fund Balance, which would be repaid through an insurance claim through CBJ Risk Management. The motion passed by unanimous consent.*

### G. NEW BUSINESS:

**4. Staffing Changes.** At the December 13<sup>th</sup> Committee of the Whole (COW) meeting, staff went over the current positions, as well as some proposed changes. Some were straight-forward, such as with the Terminal Building Maintenance Technician I position that was vacated from a promotion from within. There is more of a need for janitorial and custodial staff. This position will be downgraded to a custodial position. This will result in a savings.

With the recent vacancy of the Deputy Airport Manager, staff is looking at a different makeup in an Airport Security Manager. This position would oversee a lot of the regulatory, badging, AWS, etc. This is a reorganization within the staffing program. This will not be an additional cost as there is a vacancy with the Deputy position.

The one thing that the COW did discuss and forward on to the Board was a discussion on an additional Heavy Equipment Mechanic II position. There is one Heavy Equipment Mechanic III that is handling 40 large very specific pieces of runway equipment, as well as 28 large attachments. This position would help fighting fires when equipment goes

down, but actually doing the preventative maintenance that should be done. This will be funded through the Airport cost center. With the vacancy, it will not affect this year's budget, but it will be in the next budget cycle. *Jerry Godkin moved to approve the addition of a Heavy Equipment Mechanic II position. The motion passed by unanimous consent.*

**5. Airport Manager Recruitment Update:** CBJ Assembly Liaison Alicia Hughes-Skandijis said the Assembly wants to keep on the timeline with what the Airport Board desired to make sure they stay on target and also address maybe bringing in an executive hiring experience blending that with the Airport Board's expertise and the Assembly as the liaison. The meeting is scheduled for January 16 at Noon via Zoom and City Hall Conference Room 237, second floor (next to the elevator) and will include Mr. Peloso, Mr. Godkin, representatives from the Manager's office and herself. She will report more at subsequent meetings. Vice Chair Dennis Bedford said this needs to be moved on as it takes a lot of time due to delays that are encountered. Chair Eve Soutiere echoed Mr. Bedford's urgency. It needs to be someone who is qualified and will do well for the airport as soon as possible as she has heard from some of the employees who are very concerned.

**6. Airport Manager's Report:**

a. *CHUBB Insurance Report.* The annual risk assessment, which is done throughout the City, with the Airport as a top member, was done in September. The report can be found online. There will be follow-up with some of the tenants, as well as correcting some of our own deficiencies. Staff takes these reports very seriously.

b. *Airport Fund Balance (AFB) and Capital Revolving Account Balance (CRAB) (Attachment #2).* There have been no changes.

**7. Airport Projects Report – Mike Greene.** Project Manager Mike Greene reported the *Terminal Reconstruction Project* is moving forward on the last two items that are required under the original contract. It has been determined that the terminal air balancing (TAB) will move forward, even though everything is not fixed, it is fixed to a point that this can proceed. This has been three years in the making. There are still contaminants and sludge in the system and the engineers are convinced that it is because so much more flow has been added to the system that things are being knocked loose that were embedded in the system. The material will be tested to ascertain what it is. The Airport is also moving forward on some of the items that Building Maintenance has been dealing with. They have the Dedicated Outside Air System (DOAS) running to a point where the TAB work can proceed. There are still problems associated with the variable frequency drives that were victimized by a power spike, which has led the Airport down a rabbit hole that will add a power conditioning system to the terminal to prevent this from happening in the future. The sophisticated systems that are supposed to make life easier

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are very susceptible to power spikes and surges. There will be a meeting on the 21<sup>st</sup> to discuss what this might cost. In the long run, if the Airport can get ahead of the power conditioning, it will not have to replace a lot of systems that are being knocked offline or damaged.

A schedule has been received from Dawson Construction for the lighting control replacement work. The materials are in Juneau. They would like to start the first of February through the end of March. This will replace the lighting control system that has failed on the older part of the terminal. Lights are currently running on hard wire or no switches, which results in lights running all the time.

*Rehabilitate Part 121/135 Apron & Remain Overnight (RON) Parking Apron.* Secon is in winter shut down. This project may begin in early April depending on what the weather looks like. Secon has also been approached by Alaska Airlines to make modifications to existing cargo hardstand, which is being factored into the remaining work that is left to do over by Alaska Airlines cargo hardstand. The work that was envisioned was expected to take two weeks, but it may now take one month. Gate 2 will be used for cargo. Both Alaska Airlines and Secon are on board to protect the new apron from the Cochran loader and freight operations to make sure that the brand-new area is not damaged.

*Culvert Condition Survey – Jordan Creek @ Runway 8-26:* The Airport has the evaluation that came in from proHNS Engineering. Mr. Greene is working with them to get a fee proposal on what it would take to design an in-place repair of that large diameter culvert. The in-place repair would basically introduce a structural lining within the culvert that would eliminate the need to dig up the culvert and close the runway at any time. The proof will be in the pudding as to whether or not that material will do everything that it is supposed to do. Ms. Wahto asked how many other culverts on the airport is that happening to? She also wondered if this is happening around town, as well. Mr. Greene said it is a unique situation at Jordan Creek and where it passes underneath the runway is a tidal zone and the water that flows through that culvert is tidal and influenced heavily by the tide. There is heavily acidic water coming from Jordan Creek and then mixes with salt water and then influenced somewhat by what is coming off of the field from the control system for the runway. This is the perfect storm for eating up culverts. As some of the archiving work was done, he found the same thing happening on the culverts. The solution was to just replace the culvert with the same thing instead of introducing something that was less susceptible to the chemical reactions and electrolysis. He introduced a policy of not introducing anything metal into the ground. Every culvert will be a Cast Polypropylene (CPP) plastic culvert. Fish & Game is on board with that. He thought that every culvert was susceptible. The closer to the runway and any of the ALRV (airport lighting/regulator vault) makes it susceptible. One was replaced under Echo-1 four years ago and found it was eaten up, but no where near the

runway. There is a problem. Zinc anodes have been added in culverts on the airfield. The carbon fiber lining is believed to be the way to go. Board Member Charlie Williams asked about electrically charging the metal pipes so that they don't continue to corrode. Mr. Greene said they have but the Airfield lighting system is unique. It is not like any other circuit-protected or human-protected system that an electrical engineer will deal with. It is a system that if it feels it needs more power through the loss of lights, it reacts by throwing more power to the system. The regulators are throwing out more power than staff feels that the system needs. There is a loss of power out there and because the regulators will adjust up instead of off, it is a very worry some situation and one that most electrical engineers have no experience with. Mr. Williams said if there is power in the pipe, there is a way to counteract that. Mr. Greene replied this has been discussed.

*Safety Area Grading at Runway Shoulder and Navigational Aids (NAVAIDS):* HDR Engineering continues to develop the 30% design submittal for this project. They have data from their field survey work, and he is waiting to see what that looks like in terms of grading modifications to meet the Federal Aviation Administration's requirements.

**8. Airport Projects Report – Ke Mell.** Ke Mell, Airport Architect, reported that it was discovered in November that the roof-mounted heating system on the *Gate 5 Passenger Boarding Bridge Replacement* (completed last summer) was not working. The contractor and the manufacturer were notified. A mechanical subcontractor will look at it under warranty.

The Airport requested an eight-month time extension for the *Mendenhall Riverbank Stabilization Project*. The request is under review by the Alaska Department of Military and Veteran's Affairs.

On January 7, 2025, the Alaska Division of Lands Conveyance reported the amendment for *ADL 107380: Conveyance* is on track to be finalized in early February. This has been in process for many years. Staff hoped that this could be incorporated in the current Master Plan Update, which now looks likely.

**H. CORRESPONDENCE:**

**9. Tereza Simonyan Email regarding Flying Squirrel (Attachment #3)** Ms. Wahto said at the last Airport Board meeting there were discussions about Alaska Seaplanes and Flying Squirrel. There was reference to an email that Alaska Seaplanes Attorney had sent out. Unfortunately, it was sent out shortly before the meeting and staff was requested to put it under correspondence this month. This is a follow-up to last month's meeting. Mr. Williams asked if any significant progress is being made on any of those fronts. CBJ Attorney Emily Wright said she has been working with Ms. Simonyan and Alaska Seaplanes. She noted that Flying Squirrel has been involved because their coffee shop is there, but they don't have an attorney nor are they part of the contract. The

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contract is with Alaska Seaplanes. She said she has reached out to Ms. Peters and continues to keep her updated. Ms. Simonyan sent an offer of rent adjustment. A counteroffer has been sent back, which is good progress. The ALP (Airport Layout Plan) update is in progress. The Airport will pay for this, and it will be done on time. She is very hopeful that if there are any hiccups, an offer was made to Ms. Simonyan and Alaska Seaplanes that a mediator be engaged to bring everyone together and make sure it gets done. The goal is to get it done.

**I. COMMITTEE REPORTS:**

**10. Finance Committee:** The Finance Committee has not held any meetings since the last meeting. A meeting is scheduled for Tuesday, January 21, January 28 and February 4 at 9:00 a.m. to work on the budget. Everyone is certainly welcome to attend the meetings. The next meeting after that is in April. Ms. Wahto said if things get done, the last meeting may be cancelled.

**11. Operations Committee:** Chair Dennis Bedford had no report.

**J. ASSEMBLY LIAISON COMMENTS:** Alicia Hughes-Skandijs said she did not have anything to report. She felt the biggest thing relevant to the Board will be the hiring meetings.

**K. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS:** None.

**L. BOARD MEMBER COMMENTS:** Jerry Godkin said there are five Technical Advisory Committee (TAC) meetings for the Airport Master Plan/Layout Plan Update scheduled all the way into June for those on the committee for the Master Plan. The next meeting will be held at 1:00 p.m. on January 16.

**M. ANNOUNCEMENTS:** None.

**N. NEXT MEETING DATE:**

The Airport Board Finance Committee meeting will be held on January 21, 2025, at 9:00 a.m. in the Alaska Room/Zoom.

The next regular Airport Board meeting will be held on February 13, 2025, at 6:00 p.m. in the Alaska Room and via Zoom.

**O. EXECUTIVE SESSION:** None.

**P. ADJOURN:** *Chris Peloso moved to adjourn. The motion passed by unanimous consent and the meeting adjourned at 6:56 p.m.*



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Environmental  
Conservation**

DIVISION OF SPILL PREVENTION AND RESPONSE  
Contaminated Sites Program

555 Cordova Street  
Anchorage, AK 99501  
Main: 907.269.7558  
Fax: 907.269.7687  
[www.dec.alaska.gov](http://www.dec.alaska.gov)

File No.: 1513.38.095

December 9, 2024

Electronic Delivery Only

Mr. Ethan Berto  
Coastal Helicopters, Inc.  
8995 Yandukin Drive  
Juneau, AK 99801  
[Eberto@surveypt.com](mailto:Eberto@surveypt.com)

Ms. Patty Wahto  
Juneau International Airport  
1873 Shell Simmons Drive, Ste. 200  
Juneau, AK 99801  
[Patty.Wahto@jnuairport.com](mailto:Patty.Wahto@jnuairport.com)

Re: **DEC Letter for “*Site Characterization Report*”, dated June 2024**

Dear Mr. Berto & Ms. Wahto,

The Alaska Department of Environmental Conservation (DEC) Contaminated Sites Program (CSP) received “*Site Characterization Report*”, dated June 2024, and submitted to the department on July 15, 2024, via electronic mail by Cox Environmental Services (CES). The submitted report and this letter are for both parcels associated with the active contaminated site owned by Juneau International Airport (JIA) and Coastal Helicopters, Inc. (Coastal). The field work was conducted in accordance with two work plans, one for JIA, dated April 30, 2024, and approved by the DEC on May 3, 2024, and one for Coastal, dated April 2, 2024, and approved by the DEC on April 9, 2024. The report is **approved**.

The report details field work activities that occurred in May 2024 and consisted of advancing 24 soil borings and completing 6 of those 24 boring into groundwater monitoring wells. The soil and groundwater samples were analyzed by gasoline range organics (GRO), diesel range organics (DRO), residual range organics (RRO), polycyclic aromatic hydrocarbons (PAHs), volatile organic compounds (VOCs) and metals.

Concentrations of GRO were detected in at least one soil sample above DEC Method 2 Ingestion and Inhalation cleanup level. DRO, RRO, arsenic, 1,3,5-trimethylbenzene were detected in at least one soil sample above the DEC Method 2 cleanup levels. In addition, concentrations of arsenic and lead were detected in at least one groundwater sample above Table C DEC cleanup levels.

Additional site characterization is required south of JIA-12 and west of CF-12 to determine the extent of the groundwater contaminant plume. Provide the CSP a work plan for review and approval.

**ATTACHMENT #1**

As a reminder, the work plan may be submitted electronically. Files containing up to 20MB may be emailed to me at [CS.Submittals@alaska.gov](mailto:CS.Submittals@alaska.gov) and files larger than 20 MB up to a limit of 8 GB may be submitted to me through the Alaska ZendTo "drop-off" option at <https://drop.state.ak.us/drop/>. The CSP prefers electronic only submittals and no longer requires that hard copies be submitted.

Please feel free to contact me at (907) 269-7556 or [alena.voigt@alaska.gov](mailto:alena.voigt@alaska.gov) if you have any questions.

Sincerely,

*Alena D. Voigt*

Alena Voigt  
Project Manager  
Contaminated Sites Program

Electronic cc: Jolene Cox, Cox Environmental Services, [jcox@coxenv.com](mailto:jcox@coxenv.com)  
Sarah Lowell, Coastal Helicopters, [slowell@coastalhelicopters.com](mailto:slowell@coastalhelicopters.com)  
Aral Loken, Channel Flying, [reacharal@gmail.com](mailto:reacharal@gmail.com)  
Carlton Smith, Calton Smith Commercial, [carltonsmith@gci.net](mailto:carltonsmith@gci.net)  
Toma Alario, Calton Smith Commercial, [tomaa@ak.net](mailto:tomaa@ak.net)  
Ke Mell, Juneau International Airport, [ke.mell@jnuairport.com](mailto:ke.mell@jnuairport.com)  
Andrea Carlson, DEC, [andrea.carlson@alaska.gov](mailto:andrea.carlson@alaska.gov)  
Laura Jacobs, DEC, [laura.jacobs@alaska.gov](mailto:laura.jacobs@alaska.gov)



## ATTACHMENT #2

### Available Fund Balance Summary

### Airport Fund

Last Update: 4/5/2024

	<u>FY23 Actuals</u>	<u>FY24 Amended</u>	<u>FY24 Proj</u>	<u>FY25 Budget</u>	<u>FY26 Budget</u>
<b>Beginning Available FB</b>	<b>2,770,968</b>	<b>3,785,000</b>	<b>3,785,000</b>	<b>3,785,000</b>	<b>3,785,000</b>
Operational Expenses:	(9,888,277)	(9,711,100)	(10,003,300)	(10,606,700)	(10,755,800)
Debt Service (OUT):	(2,994,200)	(3,091,200)	(3,091,200)	(2,505,100)	(2,583,400)
Transfers to Capital Projects:		(600,000)	(600,000)		
Other Non-Oper Expenses:	(271,923)	(541,400)	(1,266,300)	51,400	51,400
<b>JNU Total Expenses:</b>	<b>(13,154,400)</b>	<b>(13,943,700)</b>	<b>(14,960,800)</b>	<b>(13,060,400)</b>	<b>(13,287,800)</b>
Minus Non-operational Exp & Debt Serv:	3,266,123	4,232,600	4,957,500	2,453,700	2,532,000
<b>Operational Expenses:</b>	<b>(9,888,277)</b>	<b>(9,711,100)</b>	<b>(10,003,300)</b>	<b>(10,606,700)</b>	<b>(10,755,800)</b>
Operational Revenues:	6,629,028	7,510,200	7,872,900	10,606,700	10,610,000
CARES Reimb (operations):	4,369,641	2,200,900	2,130,400	-	-
***Other Financing Sources (Uses):	(96,360)				
<b>JNU Total Revenues:</b>	<b>10,902,309</b>	<b>9,711,100</b>	<b>10,003,300</b>	<b>10,606,700</b>	<b>10,610,000</b>
<b>Increase (decrease) in Fund Bal (FB):</b>	<b>1,014,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(145,800)</b>
<b>Ending Avail FB, including Reserve:</b>	<b>3,785,000</b>	<b>3,785,000</b>	<b>3,785,000</b>	<b>3,785,000</b>	<b>3,639,200</b>
Less 3 Mo. Operating Reserve	(2,472,100)	(2,427,800)	(2,500,800)	(2,651,700)	(2,689,000)
<b>Ending Available Fund Balance</b>	<b>1,312,900</b>	<b>1,357,200</b>	<b>1,284,200</b>	<b>1,133,300</b>	<b>950,200</b>

\*\*\* Other Financing sources (uses) include: capital outlay, adjustments pertinent to modified accrual accounting, such as A/P, A/R, and leave accruals/deferrals; as well as changes in restrictions of fund balance.

**ATTACHMENT #2**  
**AIRPORT CAPITAL REVOLVING ACCOUNTS (combined)**

Date	CIP Revolving Balance*	Reimbursed Amount (+)	Forward Fund Amount (-) anticipate reimbursement	Encumbered Amount (-) permanent/ <u>no</u> reimbursement	Description
	<b>\$819,788</b>	-	-	-	<b>BUDGET</b>
Apr-19			(\$477,000)	**	NO LONGER REQ. Termnl Recon
Jan-21			(\$50,000)		Property Acquisition Frwd Fund Specialist
Jun-24		\$25,000	(\$25,000)		RSA Shoulder Grading Design
			(\$5,000)		ARFF Truck
			(\$26,427)		Master Plan Update
			(\$50,000)		SIDA ADA Elevator
	<b>\$211,361</b>				<b>AVAILABLE BUDGET</b> on 560010101-3990 to forward fund Projects

\* Represents all 3 Capital Accounts: Airport Revolving Captial Reserve Acct (ARCRA), Airport Construction Contingency Reserve, Project Design

\*\* Temp forward funded \$477K to be credited once Controller's complete transfer back to acct

## ATTACHMENT #3

**From:** Simonyan, Tereza <[tsimonyan@buchalter.com](mailto:tsimonyan@buchalter.com)>

**Sent:** Thursday, December 12, 2024 10:43 AM

**To:** Airport Board

**Cc:** Sherri Layne <[Sherri.Layne@juneau.gov](mailto:Sherri.Layne@juneau.gov)>; Emily Wright <[emily.wright@juneau.gov](mailto:emily.wright@juneau.gov)>; Beth Weldon <[Beth.Weldon@juneau.gov](mailto:Beth.Weldon@juneau.gov)>; Patty Wahto <[Patty.Wahto@jnuairport.com](mailto:Patty.Wahto@jnuairport.com)>; Angelica Lopez-Campos <[Angelica.Lopez-Campos@jnuairport.com](mailto:Angelica.Lopez-Campos@jnuairport.com)>

**Subject:** FAA Non Objection Letter - Flying Squirrel

EXTERNAL E-MAIL: BE CAUTIOUS WHEN OPENING FILES OR FOLLOWING LINKS

Dear Airport Board,

In advance of the Board meeting today, I'd like to share a few questions we have posed to the Airport Manager in connection with the Flying Squirrel coffee shop. As you know, on 12/3 the FAA issued a Letter of Non-Objection to the Flying Squirrel coffee shop, outlining in 3 simple bullet points a streamlined path to conclusion. Our goal is to address these questions with the Board, the Airport Manager and City Attorneys, and to conclude the Flying Squirrel issue consistent with the FAA letter, avoiding unnecessary delays and expenses that are not requested by the FAA.

It may be helpful to read the full thread below, which starts with the Letter of Non-Objection from the FAA, plus attached original submission from the Airport to the FAA.

We look forward to a collaborative and productive meeting today.

Warm regards,

Buchalter

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**Tereza Simonyan**

Shareholder

T (206) 319-7005

C (206) 239-8227

[tsimonyan@buchalter.com](mailto:tsimonyan@buchalter.com)

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1420 Fifth Avenue, Suite 3100

Seattle, WA 98101

[www.buchalter.com](http://www.buchalter.com)

## ATTACHMENT #3

**From:** Simonyan, Tereza

**Sent:** Wednesday, December 11, 2024 3:39 PM

**To:** 'Patty Wahto' <[Patty.Wahto@jnuairport.com](mailto:Patty.Wahto@jnuairport.com)>; Angelica Lopez-Campos <[Angelica.Lopez-Campos@jnuairport.com](mailto:Angelica.Lopez-Campos@jnuairport.com)>

**Cc:** Sherri Layne <[Sherri.Layne@juneau.gov](mailto:Sherri.Layne@juneau.gov)>

**Subject:** RE: FAA Non Objection Letter - Flying Squirrel

Dear Patty,

I'm having trouble understanding your note below and the basis for it. We received a very clear and positive 'non-objection letter for the Flying Squirrel coffee shop' from the FAA. It clearly outlines the discrete tasks that need to be completed, in 3 simple bullet points, to facilitate the conclusion of this matter. Please help me understand your comments:

1. The FAA says: "The tenant using and/or subleasing the property for non-aero purposes will be required to pay no less than fair market value rent to the Airport." The FAA requires the 'rent' to be adjusted to be FMV. The Airport Board has already established the FMV rent for non-aero uses, it is codified in 07 CBJAC 10.020(e)(2). This satisfies the FAA condition. Why does the Board need to look any further?
2. What is an 'agreement of concession fees' that you are referring to, who is it by and between? More importantly, this is not a requirement under the FAA letter, so how is it even relevant here? The FAA requires adjustment of the 'rent' for the non-aero use space— see #1 above.
3. The FAA letter says: "The Airport Sponsor agrees to update its Airport Layout Plan..." The FAA places this requirement on the Airport, not on the tenant. The ALP is to cover the entire airport plan (not only the Seaplanes' leased land), and that current ALP provided to the FAA by the Airport is stale in many respects. The Airport put out the request for proposal to update the ALP in June, independent of the Flying Squirrel issue. What are the basis for passing the cost to Alaska Seaplanes? To be clear, Alaska Seaplanes does not intend to cover any consultant fees for ALP updates, especially given that your approach may lead to the demise to Flying Squirrel, notwithstanding the FAA's non-objection letter.
4. Regarding the DBE qualification:
  - a. Flying Squirrel has submitted the pertinent information to the FAA establishing that it clearly meets the eligibility standards under 49 CFR Part 23. Have you seen that submission? I am attaching again for your ease of reference.
  - b. It is unclear from your note and the agenda submissions whether the JNU ACDBE program has been formally implemented or not, it is my understanding that the Board has not had a chance to review, comment on and approve the program, is that correct? Has anyone other than yourself participated in the drafting and implementation of the program? If yes, please provide the details of same, including how it was disseminated to the board and the concessionaire community in the Juneau area (per your 12/3 policy statement), as well as the review and comment process.
  - c. The JNU DBE plan has an incredibly far-reaching impact on the community and small businesses in JNU – what is the purpose of the hasty and stealth attempts to implement

## ATTACHMENT #3

and update it, especially in light of the pending Flying Squirrel issue, with a vacancy for the Deputy Airport Manager position, and immediately prior to your scheduled retirement?

- d. There will likely be more follow up questions about this, I presume not just from me but the Board as well, but this will give us a good start.
5. "This is all based on the fees paid as well." What is this in reference to and what does this mean?

I look forward to your response, ideally prior to the Board meeting tomorrow so that there is an opportunity for a meaningful discussion and follow-up questions, both for the Board as well as the participating public.

Thank you,

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**From:** Patty Wahto <[Patty.Wahto@jnuairport.com](mailto:Patty.Wahto@jnuairport.com)>  
**Sent:** Tuesday, December 10, 2024 5:30 PM  
**To:** Simonyan, Tereza <[tsimonyan@buchalter.com](mailto:tsimonyan@buchalter.com)>; Angelica Lopez-Campos <[Angelica.Lopez-Campos@jnuairport.com](mailto:Angelica.Lopez-Campos@jnuairport.com)>  
**Cc:** Sherri Layne <[Sherri.Layne@juneau.gov](mailto:Sherri.Layne@juneau.gov)>  
**Subject:** RE: FAA Non Objection Letter - Flying Squirrel

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Hi Tereza.

Unfortunately, the information required are a bit more complex and take time especially the ALP and Exhibit A. And the fees/fair market value are established by agreement of concession fees. Our concession fees are what establish rates (no less than fair market). I cannot do the lease amendment until the ALP and Ex A are completed. We have to hire a consultant to do this (these are legal federal documents), which will have to be passed on to Seaplanes. The other big item on the letter is the ACDBE program. Submittals and reports are required from the vendor. I don't know if they have filed for DBE or know of this program including subs (where they buy products/what vendor and percentage of business that is DBE), but it will have report requirements. Our ACDBE plan is on line, but getting ready to update goals. This is all based on the fees paid as well.

You have provided the date, but we will also need square footage of the concession.

Thank you,

Patty  
*Patty Wahto*  
*Airport Manager*  
*Juneau International Airport*  
*Office (907) 789-7821*  
*EMAIL: [Patty.Wahto@jnuairport.com](mailto:Patty.Wahto@jnuairport.com)*

## ATTACHMENT #3

**From:** Simonyan, Tereza <[tsimonyan@buchalter.com](mailto:tsimonyan@buchalter.com)>

**Sent:** Tuesday, December 10, 2024 3:23 PM

**To:** Patty Wahto <[Patty.Wahto@jnuairport.com](mailto:Patty.Wahto@jnuairport.com)>; Angelica Lopez-Campos <[Angelica.Lopez-Campos@jnuairport.com](mailto:Angelica.Lopez-Campos@jnuairport.com)>

**Cc:** Sherri Layne <[Sherri.Layne@juneau.gov](mailto:Sherri.Layne@juneau.gov)>

**Subject:** FW: FAA Non Objection Letter - Flying Squirrel

EXTERNAL E-MAIL: BE CAUTIOUS WHEN OPENING FILES OR FOLLOWING LINKS

Dear Patty and Angelica,

We are thrilled to have received the FAA's 'signed non-objection letter for the Flying Squirrel coffee shop.' Sherri suggested that I reach out to you directly about the outstanding tasks.

As Letter of Non-Objection states, the FAA does not issue consents or approvals in these situations, but fortunately Molly has done a great job providing us with a clear roadmap to the finish line:

1. The first condition is to amend the Airport Lease and add Flying Squirrel's non-aero use in the tenant's authorized uses section. Happy to take the first crack at drafting the amendment for City counsels' review, this would take 5 minutes to complete.
2. Next, the rent must be updated to be the 'fair market value rent' paid to the Airport for non-aero use. This should also be a simple mathematical calculation based on the Airport Board's established rates in the CBJAC, which rates are updated from time to time to stay consistent with FMV, and which are codified here: 07 CBJAC 10.020(e)(2).
3. The FAA also states that the rent adjustment should be retroactive to the 'date of the installation of the coffee shop.' The coffee shop was installed in April 2024. I can prepare a spreadsheet of the final calculations for the Airport Board's review, again this is going to be simple arithmetic.
4. The Airport must update the Airport Layout Plan. Unfortunately I'm not sure how I can be of help here, but please let me know if there is any information I can provide that would assist in the process. This must be completed within 90 days of December 3, per the letter.

These are all the outstanding action items that I can glean from the FAA's Letter of Non-Objection. We'd like to help you and the Airport Board with these tasks to the best of our ability, realizing that you must have a long to-do list of more important airport matters than a little coffee stand, especially in light of the recent resignation of your Deputy Airport Manager and your upcoming retirement (BTW – Congratulations!)

Please feel free to reach out any time by email or phone (cell number is best: 206-239-8227). Or if this is something that is better handled in person or at the next Airport Board meeting, please let me know and I'll make arrangements.

Thank you, and we look forward to putting this issue behind us in an efficient and expeditious manner.

Tereza

## ATTACHMENT #3

### ATTACHMENT TO EMAIL SENT BY TEREZA SIMONYAN

Dear Ms. Fierro,

Please accept this letter requesting approval for a coffee stand currently operating at our Airport.

The Airport supports a coffee stand as a benefit to our travelers and community. We appreciate the guidance in your previous correspondence regarding the approval process. The Airport has been working with Kalinin Facilities, LLC dba Alaska Seaplanes (“Alaska Seaplanes”), and the operator of the coffee stand – Barista LLC dba Flying Squirrel (“Flying Squirrel”). They have agreed to make certain adjustments to the relevant documents, in accordance with the Airport and FAA requirements, as detailed in this proposal for FAA approval. The following enclosures have been provided to the Airport by Seaplanes; the Airport supports the process of review and will comply with all FAA requirements.

Consistent with your instructions, we are directing this proposal to the civil rights division of the FAA (Airport Concessions DBE), for preliminary review and approval prior to the FAA’s final approval.

Flying Squirrel is currently the only option for early morning/weekend travelers to purchase a pre-flight coffee pre-security. JNU and Seaplanes look forward to the FAA’s prompt review.

Please do not hesitate to reach out with any follow up questions or additional supporting records for the information submitted in this proposal.

  
Patricia K Wahto 10/2/2024  
Patty Wahto, Airport Manager

#### **Enclosures Provided By Seaplanes:**

- A. Information Pertinent to FAA Civil Rights Division Review
- B. Airport Manager’s Authorization of Non-Aviation Equipment
- C. Amendment of Flying Squirrel License Agreement

## ATTACHMENT #3

### APPENDIX A – Information Pertinent to FAA Civil Rights Division Review

1. Flying Squirrel/Terra Peters meet the eligibility requirements for ACDBE under 49 C.F.R. Part 23:

Flying Squirrel is a prime example of a business that the ACDBE program is intended to promote.

Flying Squirrel is a 100% woman-owned business. Terra Peters, the sole owner, is a single mother, a born and raised Juneanite, and committed to creating an inclusive and supportive workplace. The majority of her staff consists of women, many Alaska Natives, including those who have not pursued post-secondary education. Her employees include unmarried women and women attending school, who often have limited availability due to academic commitments or childcare responsibilities. Flying Squirrel serves as a temporary stepping stone for these women, while also fostering an environment that offers opportunities for long-term employment and personal growth.

Flying Squirrel also meets the balance of the eligibility requirements of the DOT eligibility guidelines under 49 C.F.R. Part 23:

- Terra Peters possesses exclusive control over the direction of the management and policies of Flying Squirrel. She has been operating a coffee stand since 2009, has managed to turn a startup into a beloved institution in the Juneau area, demonstrating her overall understanding, and her managerial and technical competence and experience;
- Flying Squirrel qualifies as a small business by applicable SBA standards;
- Flying Squirrel does not have annual gross receipts in excess of the DBE/ACDBE size limits;
- Terra Peters' personal net worth is less than \$1.32 million;
- Flying Squirrel is not affiliated with any other business, its independence and control are entirely with Terra Peters.

2. Selection Process:

Alaska Seaplanes engaged in a thorough process in seeking out and selecting a qualified operator. Alaska Seaplanes initially solicited three coffee businesses in Juneau (Grind, Heritage Coffee, and Flying Squirrel) with a proposal to operate a coffee stand in Alaska Seaplanes' private cargo facility. Flying Squirrel was the only business that expressed interest in this opportunity after touring the coffee stand area, which Alaska Seaplanes had constructed consistent with the specifications and design plans approved by JNU.

Flying Squirrel is currently the only option for early morning/weekend travelers to purchase a pre-flight coffee at JNU. The only other coffee vendor at JNU, Tailwind Airport Concessions.



## ATTACHMENT #3

Notably, Tailwind Airport Concessions has expressed support for Flying Squirrel's operations in public social media posts.

### 3. Applicability of ACDBE Requirements to Flying Squirrel:

While Flying Squirrel clearly meets the ACDBE eligibility requirements, JNU acknowledges Alaska Seaplanes' contention that ACDBE requirements are not applicable to the circumstances of Flying Squirrel because it is not a concessionaire under the U.S. Department of Transportation's ACDBE regulations (49 CFR Part 23).

Flying Squirrel is a non-concessionaire under Part 23 because:

- a. The term "concessionaire" has a 3-prong definition under the ACDBE regulations: (i) a business located at a primary airport that receives FAA financial assistance (ii) engaged in the sale of consumer goods or services to the public (iii) under an agreement with the airport sponsor (CBJ), another concessionaire, or a terminal owner or lessee other than the airport sponsor. 49 CFR § 23.3.
- b. Flying Squirrel does not meet the third prong because the agreement governing Flying Squirrel's activities in Alaska Seaplane's facility (i.e. License Agreement) is neither with CBJ, another concessionaire, or a terminal owner or lessee. The governing agreement (i.e. License Agreement) is between Flying Squirrel and Alaska Seaplanes. Alaska Seaplanes, by definition, is not a concessionaire (as the ACDBE regulations expressly exclude scheduled air carriers in their normal passenger or freight carrying capacities. 49 CFR § 23.3); and Alaska Seaplanes' facility is not a "terminal" for purposes of the ACDBE regulations.
- c. "[A]n airport passenger terminal is a building or complex of buildings that serve as the interface between aircraft, travelers, and landside transportation elements." FAA Advisory Circular 150/5360-13A, "Airport Terminal Planning" (July 13, 2018), at § 6.3.1. Alaska Seaplanes facility is not a terminal because:
  - i. Passengers at JNU are not boarded from or deplaned into Alaska Seaplanes' facility. In fact, the opposite is true: Alaska Seaplanes departing passengers check in at the JNU passenger terminal; and after landing they pass through the JNU passenger terminal to exit the airport.
  - ii. The fact that a walkway connects the JNU passenger terminal to Alaska Seaplanes' facility does not convert the latter into a portion or continuation of the passenger terminal.
  - iii. CBJ has never considered the facility to be a passenger terminal, whether for federal airport improvement program purposes or otherwise. Indeed, the lease between CBJ and Alaska Seaplanes repeatedly refers to Alaska Seaplanes' facility and the JNU passenger terminal as two separate and distinct locations.

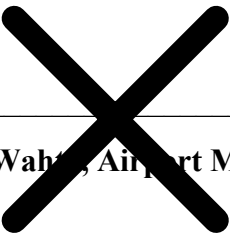
### **ATTACHMENT #3**

#### **APPENDIX B – Airport Manager’s Written Approval of Non-Aviation Equipment**

Flying Squirrel utilizes the following equipment in connection with its operations:

- 1 Espresso Machine (220 volt)
- 2 coffee grinders
- 2 blenders
- 3 refrigerators
- 1 refrigerated goods display

The Airport Manager has inspected the equipment, believes that it is safe and suitable for use at the premises, and hereby provides a written approval of the utilization of such non-aeronautical equipment at the premises.

  
\_\_\_\_\_  
**Patty Wahle, Airport Manager**

I have not inspected and cannot sign.  
PW

## **ATTACHMENT #3**

### **Appendix C - Amendment of Flying Squirrel License Agreement**

Alaska Seaplanes and Flying Squirrel have amended the License Agreement to include all contract provisions required for Obligated Sponsors. The amended License Agreement is enclosed with this Appendix D.

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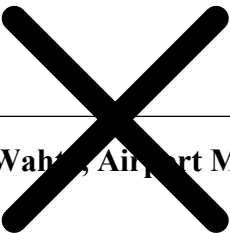
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