

MINUTES of
AIRPORT BOARD MEETING
October 12, 2023
6:00 p.m. Alaska Room/ZOOM

A. **CALL TO ORDER:** Chair Al Clough called the meeting to order at 6:01 p.m.

B. **ROLL CALL:**

Members Present:

Dennis Bedford
Al Clough

Jason Custer
Chris Peloso

Eve Soutiere
Dan Spencer

Member Absent:

Jodi Garza

Staff/CBJ Present:

Patty Wahto, Airport Manager
Phil Adams, Deputy Airport Mgr.
Andres Delgado, Airport Sup't

Ke Mell, Airport Architect
Robert Dilg, Airport Bldg. Maint.
Christopher O'Brien, Sr. Equip. Op.

C. **APPROVAL OF MINUTES:** *Dan Spencer moved the approval of the minutes of the September 14, 2023, Board meeting. The motion passed by unanimous consent.*

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

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

F. **UNFINISHED BUSINESS:**

1. **Finance Committee Update: CARES/CRRSAA/ARP Grant Funding Balances and Use (Attachment #1).** Airport Manager Patty Wahto reported the Finance Committee met on October 3. The first part of the meeting was a quick overview of Airport Finances 101. This gave the overview of allocations, cost centers, etc. Then the list (Attachment #1) was discussed. There are still a lot of unknowns for final dollar amounts. A good example of that is the \$600K that the Board had approved for the additional spending for the per- and polyfluoroalkyl substances (PFAS) portion of the Gate K Culvert. It is believed this will come in much lower, but the final number is not known. There are still some projects in flux. Staff have plugged in everything that has been finalized or estimated, but still not knowing where the money will go, the Finance Committee elected to have staff bring a prioritized list to the Committee and meet again during the first part of December.

2. **Transportation Security Administration (TSA) Mandate for Employee Screening in Secured and Sterile Areas.** Mrs. Wahto said that Phil Adams and Sherri Layne have been working together to see if the Airport wants to go along with litigation.

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Deputy Airport Manager Phil Adams said the petition for reconsideration was sent to David Pekoske on August 29. A letter was received back denying the petition, which opens up the ability for the Airport to move forward with a lawsuit that other airports have joined in on for reconsideration of the denial from the TSA Administrator. The idea behind the lawsuit is that the airports are trying to petition the D.C. Court of Appeals to get a stay on the national amendment and to force the TSA to come back to airports to deal more closely moving forward on the worker's screening. There is a very tight deadline for the Airport to join this lawsuit. This is being brought before the Board so that they are aware of the option. Ms. Wahto said that this will move forward whether it is joined by the Airport or not. This is more of a showing of solidarity with airports similar to us who were trying to work with the TSA and basically get their denial, which was expected. This can go one way or the other. It will still involve the Board approval, as well as Assembly approval due to litigation.

City Attorney Sherri Layne said the Board would need to vote tonight to join the litigation because the money has to come from the Airport fund balance. The estimated cost is between \$7K and \$10K to join the litigation. The Assembly does not have to approve it, but they have veto power over it. She doubted the Assembly would veto this, but it is always an option. Board Member Eve Soutiere asked if the City could bring an amicus brief and if so, what would it look like and what is the approximate cost for that. Ms. Layne said this is possible to be done, as well. If outside counsel was hired to do it, it would cost several thousand dollars to do that. She said the firm is planning to file next week, which is why they wanted to know by tomorrow.

When asked about the reason behind the litigation, Mr. Adams replied the timeline was burdensome. Basically, the airports did not have enough time to onboard staff in order to meet the national amendment. They did a cost analysis that was actually censured by the Government Accountability Office (GAO) because it wasn't done correctly, but they went ahead with it anyway. The other thing was that smaller airports, specifically Category II airports (which is what we are), were hit more than any other airports as far as the cost goes. They were actually mandated by Congress several times to do it themselves, but the TSA disregarded that, and they are pushing it on airports. Those were the main points of the petition.

Ms. Wahto said there are a few other things. The way it was written was so vague that every time you threw something out, even simple definitions of what screening meant, there was no definition of it. They will not tell you what it is they will just tell you when you put it through or suggest something, that that is not going to work. There was no guidance. *Jason Custer moved to join the appeal for the TSA mandate for employee screening in security and sterile areas with a not-to-exceed budget of \$10,000. The motion passed by a four to two vote (Al Clough and Dan Spencer).*

3. HVAC (Heating, Ventilation and Air Conditioning) Technician (Maintenance Mechanic II). Ms. Wahto said that last year the Board passed approval of a contract with Daikin to do quarterly preventative maintenance on the heat pump system. The discussions at the time were about keeping up on warranty work. The other part of that was to look at bringing this and other systems into a position for the Terminal. In other words, a Maintenance Mechanic II that can do HVAC and other systems that the Airport has. Some preliminary position descriptions have been drafted and Bobby Dilg has been working with Human Resources downtown to see if the Airport can actually get a full-time person to work on all of the systems here, then once everyone is on board (and it may take some time) and then the contract with Daikin can be cancelled once the person on board. The costs of the Daikin contract were included in the packet. The approximate cost with benefits is \$120K per year. In knowing what was spent in addition to the regular contract, the Airport is beyond that amount already. *Dan Spencer moved to approve the addition of a Maintenance Mechanic II to the Terminal staffing, for the purposes of HVAC and other facility systems maintenance; and upon hiring, discontinue the Daikin quarterly maintenance contract.*

Mr. Dilg said the Airport has several million dollars' worth of ground source heat pumps that have been very trying. Many motions have come up for repairs and reengineering of the Snow Removal Equipment Building system. Keeping up with the maintenance and repair work due to the small maintenance staff is difficult. There is more work than there was five to seven years ago. There are still waste oil and diesel boilers in the Airfield Maintenance building. There is quite a bit of money spent each year on preventative maintenance. The Daikin contract does not include any of the circulation systems. This position should eliminate breakdowns as there will be someone that can dedicate their time to taking care of this. Chair Clough said the Airport will still have to go out for maintenance of the facilities on a periodic basis. Ms. Wahto agreed. This person would do day-to-day maintenance and work with someone to get fixes done. If a system completely blows out, there will be the need for the manufacturer or someone to come in and work on a specialized system. *The motion passed by unanimous consent.*

G. **NEW BUSINESS:**

4. Airport Manager's Report. Ms. Wahto reported JNU enplanement numbers for calendar year 2022 were a little more than 403K, which is certainly up from 2021. It is still short of the all-time high of 460K. This year's report should have been slightly higher because one operator did not want to report their enplanements. The Airport could not make them report but will continue to work on this.

Delta Air Lines is suspending winter flight operations to JNU. The quote was that they will suspend from November 4 until June 6, 2024. Staff will continue working with them regarding the ramp project early next spring and the new jet bridge. There will be a lot of work that will hopefully be done before they come back and maybe during the time they are here. This will affect the Airport's budget due to the landing fees and gate use fees.

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The budget numbers had been scaled down to what they did the previous year, which was two days a week.

The Airfield crew is cleaning up campsites daily and working with JPD (Juneau Police Department) on the Jordan Creek greenbelt. There are a lot of people living over there, with tents popping up on a regular basis. She reminded the Board that staff had tried to work with the Planning Commission on the limbing in this area, but it was denied. She knew that the FAA (Federal Aviation Administration) has commented about this during inspections. The insurance company, CHUBB, made note of it in their report that this is a liability for the Airport.

At the August meeting, the Board had correspondence from Ms. Craig. Staff, including Andres Delgado, Phil Adams, USDA Wildlife Service and Ms. Wahto, met with Ms. Craig in September to go over what staff was being done on the Emergency Vehicle Access Road: the clearing that needed to be done to get the area open for ARFF (Airport Rescue Fire Fighting) trucks, and fencing. Ms. Craig did understand.

Staff met with CHUBB Risk Engineering Services on September 28-29 for an insurance liability risk audit. They did a comprehensive review of everything. They pick on a little more each year in certain areas. They look at fueling operations, tenant lease forms, general security and safety. The report has not been received.

There has been no change in the Airfield Fund Balance (AFB) and Capital Revolving Account Balance (CRAB).

The Alaska Department of Environmental Conservation (ADEC) Compliance Order was closed out on September 27, 2023.

5. Airport Projects Report – Mike Greene: Ms. Wahto reported there have been a lot of discussions with the contractor and the design team about the Terminal Reconstruction Project glass guard rail. There are a couple of things to go over with them before it can be accepted. The whole problem with this system is you can have somebody who approves the system, somebody who approves the glass and somebody that approves the base that holds it, but you don't have an engineer's stamp for the whole system as it is put together and that has been a problem. Staff wanted to make sure that both the people who do the construction and whoever is building the glass, etc., will be working on an approved system.

Staff has told the Board over the last several months that debris has been found in the ground source loop field in the terminal. The idea is that the Airport could go to another system like at the SREB (snow removal equipment building). The terminal is on methanol unlike the SREB, which is on propylene/glycol. This has been the problem

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with the hose issues. Instead of what was expected to cost hundreds of thousands of dollars, the Airport went back to a design person at RESPEC. They looked through it again and said by changing out the hosing, by filtering by three phases and getting it done to make sure the right hoses are used this time. The Airport should be able to use the same methanol to clean the system. Mr. Dilg said switching from the methanol system proved to be problematic. The main solution is to add an anticorrosive to the system. The leading theory is that when the system went online, staff was not aware that you needed purified water to go with the methanol. The methanol creates debris with the City water. It is planned to filter, add an anticorrosive, replace the flex hoses that are attaching the solid system to the heat pumps, and then a system of going to most of the heat pumps to disconnect them from the system and reversing the flow to flush out the coils. The cost of this project will drop significantly. Ms. Wahto said the estimate now is approximately \$70K rather than several hundred thousand dollars.

The notice to proceed has been given to Secon for the Rehabilitate Part 121/135 Apron & Remain Overnight (RON) Parking Apron. The contract for DOWL for contract administration and inspection services is being written. The project will not happen this fall due to Secon planning everything in phases so it can begin early in the spring. This will allow Secon to order everything they need and think through the phases that they need to do. There have already been a few credits, with another anticipated credit of a little more than \$100K because there was some striping and marking in both the base bid and the additive alternate.

The Taxiway (TWY) A Rehabilitation, Taxiway D-1 Relocation and Taxiway E Realignment is heading toward closeout. The last item the Airport is waiting for is a little under \$10K to compensate for some of the COVID relief that had not been paid to the contractor during the work. The FAA has the last piece of the puzzle, which is an update to the Airport Layout Plan.

The Gate K project is closing out. The Airport is awaiting the final engineer's report. The \$600K that the Board appropriated for the additional PFAS work has been reduced quite a bit, but staff is waiting to get the samples back that were filtered into the drum. It is not known if these will have to be disposed of in a different manner, which will cost some money. It is currently down to about \$88K.

6. Airport Projects Report – Ke Mell: Airport Architect Ke Mell reported Secon (Parking Lot Project contractor) released the taxi and ground transportation pick-up and staging area to the Airport. Republic has moved one of their long-term parking pre-pay kiosks to the front of the terminal in anticipation of Secon releasing the long-term parking area to the Airport. Contractual Substantial Completion will be extended from November 1 to December 1. The choice was between many loose ends at Substantial Completion or having many fewer loose ends; staff elected for fewer loose ends. At Substantial

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Completion, the contractor has 30 days to complete punch list items. Postponement of Substantial Completion will not adversely affect project closeout or use of CARES funds. Poles and fixtures are currently expected in late October and will be installed immediately.

Dan Spencer said that he had parked in the long-term lot for a four-day trip, but this turned into a one-day trip. He asked what happens to get refunds? Ms. Wahto reported that Republic Parking will issue credit if they are approached for a refund (either directly or through the Airport Manager's office). The Airport is in the final phases of the RFP (Request for Proposals) for the parking lot concessionaire. Regardless of what happens, any concessionaire that comes in would be expected to install equipment. There is a transition time and a lead time for any equipment that will be proposed. There will be a time when some sort of pay-on-foot or remote payment system is needed.

Dawson Construction is the contractor for the Gate 5 Passenger Boarding Bridge (PBB) Replacement. Dawson has been told by the PBB manufacturer that the PBB should make it to Juneau in mid- to late-May next year. This work will be closely coordinated with the Ramp Project.

The terminal furnishings chair-type seating has been completed and installed in the Departure Lounge. Staff anticipate completing the assembly of the benches for the first floor by late October.

Sand/Chemical backup boiler: Conduit has been laid and backfilled between the buildings; Secon will patch the asphalt shortly, and Chatham Electric will terminate the ends of the conduit. Staff was concerned that this contract (yet to be awarded) would be caught by frozen ground and it would not be possible to install the conduits. This got a time-critical component of the project out of the way. The temporary boiler will be needed again this winter.

The 100% documents for the Buried Tank Removal and Replacement project were received from the design team on October 9 and the bid package was sent to City & Borough of Juneau Contracts the following day for advertisement. The consultant's revised cost estimate is slightly reduced from \$148,439 to \$145,358, which does not include a winter work premium if the ground should be frozen when the slab is being poured for the new tank or the old, buried tank is being removed. The areas are fairly small. It is possible to do this project in the winter.

H. **CORRESPONDENCE:** None.

I. **COMMITTEE REPORTS:**

7. Finance Committee: This was covered earlier in the meeting.

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8. Operations Committee: None.

J. **ASSEMBLY LIAISON COMMENTS:** None.

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

L. **BOARD MEMBER COMMENTS:**

9. Dennis Bedford said he had received questions about the wash ramp area on the northwest development area. He would like to get this somewhere on the list of projects, maybe with the sewer disposal system. Ms. Wahto said the aircraft wash station is in the west area near the fuel farm. When this was opened for a short period of time, there was no way to collect money. Another item is not having an oil/water separator as people were washing. More importantly, everything but aircraft (boats, cars, trucks, etc.) were being washed. There will need to be some way to make sure it is only used for aircraft.

10. Dan Spencer said he wandered around in the dark in the newly paved parking lot. He said it looked good.

11. Chair Clough suggested that the Airport and JPD should try to get a united front on the Jordan Creek ongoing issues. Once a new Assembly liaison is chosen, he suggested getting some energy on the Assembly's side on this because this is untenable. He said he was frustrated about where the Airport is at on this project.

M. **ANNOUNCEMENTS:** None.

N. **NEXT MEETING DATE:** The next regular Airport Board meeting will be held on November 9, 2023, at 6:00 p.m. in the Alaska Room and via Zoom.

O. **EXECUTIVE SESSION:** None.

P. **ADJOURN:** *Jason Custer moved to adjourn. The motion passed by unanimous consent and the meeting adjourned by unanimous consent at 7:19 p.m.*

ATTACHMENT # 1
CARES/CRRSAA/ARPA Grant Funding Use/Availability

	<u>Description</u>	<u>Amount Proj</u>	<u>Actuals & Encumb</u>	<u>Status</u>
	CARES grant Award (#82, 94, 95 & 99)	21,736,343	21,736,343	
	CRSSA grant Award (#84)	3,324,451	3,324,451	
	ARPA grant Award (#87)	5,430,992	5,430,992	
	TOTAL GRANTS:	30,491,786	30,491,786	
Type of Expense				
Ops Deficit	FY20 Operational Expenses	(724,664)	(724,664)	Final
Ops Deficit	FY21 Operational Exp incl tenant relief; yearend	(3,693,321)	(3,693,321)	Final
Ops Deficit	FY22 Operational Exp incl tenant relief+ 107.9K int hit	(2,456,528)	(2,456,528)	Final
Debt Service	FY21 Airport GO Bond debt service	(602,375)	(602,375)	Final
Debt Service	FY22 Airport GO Bond debt service	(662,600)	(662,600)	Final
Debt Service	FY23 Airport GO Bond debt service	(660,300)	(660,300)	Final
Project	TWY Regulator Upgrade (appropriated)	(118,814)	(118,814)	Final
Project	Terminal Suspended Ceiling Tile Replac	(350,000)	(213,506)	Final
Project	Terminal Seating	(450,000)	(450,000)	Final
Project	SREB Circulation Pump Upgrade	(165,000)	(183,949)	Final
Project	SREB Wash Bay Protection	(49,925)	(49,925)	Final
Project	Float Pond Electrical Upgrades	(190,000)	(156,348)	Final
Project	Forklift vehicle	(48,715)	(48,715)	Final
Project	Bagwell Gas Detect \$43k desgn+construct 195.4k pend	(238,400)	(210,766)	Final
Project	Parking Lot Design (max) - Estimate	(767,783)	(767,783)	In Progress
Project	NWDA Electrical Upgrades	(296,400)	(296,400)	In Progress
Ops Deficit	FY23 Tenant Rent Relief (est)	(1,250,000)	(1,250,000)	In Progress
Ops Deficit	FY23 Operational Expenses (est)	(950,900)	(950,900)	In Progress
Ops Deficit	FY24 Tenant Rent Relief (est)	(1,600,000)	(1,600,000)	In Progress
Ops Deficit	FY24 Operational Expenses (est)	(118,700)	(118,700)	In Progress
Debt Service	FY24 Airport GO Bond debt service	(657,125)	(657,125)	In Progress
Project - Match	Ramp Project Match	(312,500)	(312,500)	Final
Project	Temsco Sewer hookup	(295,000)	(295,000)	PENDING FAA
Project	Bag Belt Replace - Est; + \$50K design (10/21)	(1,469,716)	(1,469,716)	In Progress
Project	Parking Lot Construction -TBD -Est (in design)	(9,686,227)	(9,686,227)	In Progress
Project	Sand/Chem bldg Back-up Electric Boiler	(175,000)	(175,000)	In Progress
Project	Fuel Station Access Control & Generator	(35,000)	(35,000)	In Progress
Project	Gate K Culvert Replace (Design + Constr estimate)	(670,426)	(670,426)	In Progress
PENDING	Gate K culvert Replace PFAS/Dewatering addendum	(600,000)	(600,000)	PENDING FAA
Project	J Buried Tank Removal & Replacmt (Old Shop UST remove/replace/cleanup)	(254,950)	(254,950)	In Progress
Project	Man Lift	(20,000)	(20,000)	Final
Debt Service	FY24 & FY25 Airport Rev Bond Interest	(752,250)	(752,250)	In Progress
		169,167	347,999	

Actuals Lower than expected