



AIRPORT BOARD AGENDA

August 08, 2024 at 6:00 PM

Airport Alaska Room/Zoom

<https://juneau.zoom.us/j/82856995400?pwd=YUNLd2p1OFI3TnY3NUpKa3BRQmFidz09>

or Dial: 1-833-548-0276 Meeting ID: 828 5699 5400 Passcode: 697369

TO TESTIFY: CONTACT PAM CHAPIN, 907-586-0962

BY 3:00 PM ON AUGUST 7, 2024

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF MINUTES

1. July 11, 2024, Airport Board Minutes

D. APPROVAL OF AGENDA

E. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

F. UNFINISHED BUSINESS

2. **Airport Board Bylaws (Attachment #1).** At the July Board meeting, a motion was made with additional language/changes to the Bylaws. The Bylaws discussion was then tabled. A motion must be made to take the Bylaws from the table to resume the discussion on the motion. The attachment shows the proposed changes as they were drafted for the July Board meeting. The Chair intends to send the Airport Board Bylaws to the Operations Committee for additional work.

G. NEW BUSINESS

3. **Federal Aviation Administration (FAA) Grant Award – Runway Safety Area (RSA) Shoulder Grading Design.** An FAA Airport Improvement Program (AIP) grant in the amount of \$422,353 has been awarded to JNU for RSA Shoulder Grading Design Project. Temporary local match of \$25,000 from the Airport Revolving Account was previously appropriated to start the project, however, this will be replaced with \$125,000 in Passenger Facility Charge (PFC) for project match. Staff requests that the Board approve this \$422,353 FAA grant and the appropriation of \$125,000 in PFC for local match, and forward to the Assembly for appropriation. The \$25,000 from Airport Revolving Account will be transferred back/de-appropriated upon PFC appropriation.

Board Motion: *“Approve the appropriation of an FAA AIP grant award in the amount \$422,353, and PFC local match funds in the amount of \$125,000 for Runway Safety Area Shoulder Grading Design Project.”*

4. **Contract Award – Runway Safety Area (RSA) Shoulder Grading Design.** The Airport received one proposal for the RSA Shoulder Grading Design in the amount of \$438,426 from HDR Engineering, Inc. The Airport requests concurrence from the Board to proceed with a contract with HDR upon Assembly appropriation of the FAA grant and PFC local match for this project.

Board Motion: *“Concur award to HDR Engineering, Inc., for the RSA Shoulder Grading Design contract in the amount of \$438,426, upon Assembly appropriation of the FAA grant and PFC local match for this project.”*

5. **FAA Grant Award – Aircraft Rescue and Fire Fighting (ARFF) Truck Acquisition.** An FAA AIP grant in the amount of \$1,007,116 has been awarded to JNU for the acquisition of a new 1,500-gallon ARFF truck. This would be for the replacement of ARFF A-2. The Airport is currently leasing an ARFF truck from

Palmer Airport in order to maintain ARFF index. The old A-2 (1993) was no longer able to meet FAA certification requirements, which was sold at public surplus auction for \$5,000. The proceeds from the sale are required to be put back into the CIP. The Airport is using the government cooperative purchasing agreement to acquire a new truck. It is estimated 12-18 months for delivery due to lead times with manufacturing. A local match of \$65,527.74 was previously appropriated from Sales Tax, however, an additional \$10,000 in Airport funds is needed. The \$5,000 from the proceeds from public auction funds will be used plus \$5,000 from Airport Revolving Account, which will need to be appropriated to cover the full grant match. Once future PFC10 funding is in place and collected, the \$65,527.74 sales tax portion of the local funding, as well as the \$5,000 from Airport Revolving Account will be reimbursed. Staff requests that the Board approve this FAA grant of \$1,007,116, approve \$5,000 in Airport funds (from the proceeds of the public auction), and approve \$5,000 from Airport Revolving Account for the additional local match requirement, and forward to the Assembly for appropriation.

Board Motion: *"Approve the appropriation of an FAA AIP grant award in the amount \$1,007,116; approve \$5,000 in Airport funds (from the proceeds of the sale of the old A-2 truck), and \$5,000 from Airport Revolving Account for the additional local match required for Aircraft Rescue and Fire Fighting Truck acquisition and forward to the Assembly for appropriation."*

- 6. Tenant/User Insurance Requirements Policy Change (Attachment #2).** The Airport, as part of the City & Borough of Juneau (CBJ), receives an annual independent insurance review for all airport operations (leases, operations, facilities, vehicles, fueling, Aircraft Rescue/Fire Fighting (ARFF), FAA/Occupational Safety & Health Administration (OSHA)/ Americans with Disabilities Act (ADA) code compliance and provides an annual comprehensive report. See January 26, 2024, CHUBB Insurance Report link:

<https://juneau.org/wp-content/uploads/2024/06/Juneau-International-Airport-Chubb-Risk-Engineering-Report-092823.pdf>

The Airport uses this report to correct its discrepancies, as well as tenants'/users' discrepancies. One of the biggest deficiencies is the insurance requirements for tenants. While the Airport works with Risk Management on new agreements, leases and contracts, the older leases and contracts have not been reviewed and updated in many years based on CBJ insurance requirements and industry standards. Chelsea Swick, CBJ Risk Management Officer, met with the Airport staff and called other (similar) Airports for those industry standards. The attached memo from Ms. Swick discusses the insurance minimums that Risk intends to implement for the lowest minimum requirements and increase the standards in accordance with its underwriter. This will be addressed through the Leasing Policy update at the next Operations Committee, then brought back before the Board.

Refer changes to tenant insurance requirements to the Operations Committee for review of policy.

- 7. Airport Staffing and Planning.** The Airport has been operating with minimal staffing to handle the increased workload and responsibilities of capital projects, additional federal requirements, new programs (Aviation Worker Screening) and many other operational demands. Airport Administration also has some long-time employees eligible for retirement that have a lot of institutional knowledge of the airport operations. It would benefit the Board to learn the positions in the Airport Administrative staff, review what each position does and see if additional staffing is needed or future planning of administration staff and needs.

Refer Airport staffing and planning to a Committee of the Whole meeting.

- 8. Ordinance 2024-32. An Ordinance Establishing a Waiver Process for Airport Board Appointments and Temporarily Waiving the Three Tenant Rule; Board Review (Attachment #4 and #5).** The Airport Board has been asked by the Assembly to provide review and comments on proposed Ordinance 2024-32 that

would allow a waiver process for Airport Board appointments and temporarily waive the 'three tenant rule'.

The Ordinance (Attachment #4) will be introduced at the August 5, 2024, Special Assembly meeting, with the public hearing scheduled for August 19, 2024. In June 2004, a report (Attachment #5) by an independent auditing firm (Elgee, Rehfeld, Mertz) looked at the number of tenant seats on the Board and conflict of interest, including committee seats. This report is attached along with the Assembly COW minutes from June 28, 2004, which subsequently went to the Assembly on August 30, 2004. The CBJ Assembly adopted a limit of three tenants appointed to the Airport Board.

Discussion at the Board meeting with comments to be sent to the Assembly for consideration at the August 19, 2024 Assembly meeting.

9. Airport Manager's Report

10. Airport Projects Report - Mike Greene

11. Airport Projects Report - Ke Mell

H. CORRESPONDENCE

I. COMMITTEE REPORTS

12. Finance Committee

13. Operations Committee: Next Meeting will be August 13, 2024, 9:30 a.m., Alaska Room/Zoom

J. ASSEMBLY LIAISON

K. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

L. BOARD MEMBER COMMENTS

M. ANNOUNCEMENTS

N. NEXT MEETING DATE: September 12, 2024, Alaska Room/Zoom

O. EXECUTIVE SESSION

P. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.gov.

MINUTES of
AIRPORT BOARD MEETING
July 11, 2024
6:00 p.m. Alaska Room/ZOOM

A. **CALL TO ORDER:** Acting Chair Dan Spencer called the meeting to order at 6:01 p.m.

B. **ROLL CALL:**

Members Present:

Dennis Bedford	Chris Peloso	Dan Spencer
Jason Custer	Eve Soutiere	Charlie Williams
Jodi Garza		

Staff/CBJ Present:

Patty Wahto, Airport Manager	Sherri Layne, CBJ Law
Paul Khera, Deputy Airport Manager	Wàahlaal Giidaak, CBJ Assembly
Angelica Lopez-Campos, Bus. Mgr.	Paul Kelly, CBJ Assembly
Ke Mell, Airport Architect	Alicia Hughes-Skandijs, Assembly
Mike Greene, Airport Project Mgr.	Mark Fuelle, CBJ Fire Department
Shannon Morgan, Airport Admin.	Brandon Bagwell, CBJ Fire Dept.

Public:

Aral Loken, Tenant	Sarah Lowell, Coastal Helicopters
Craig Loken, Tenant	Cami Fulleron, Public
Craig Dahl, Juneau Chamber	Chris O'Brien, GA
Mike Stedman, Alaska Seaplanes	Max Mertz, Public
Al Stemmerman, AK Seaplanes	Erica Sjeroos, Alaska Seaplanes
Carl Ramseth, Alaska Seaplanes	Laura McDonnell, Public
Andy Kline, Alaska Seaplanes	Loren Jones, Public
Craig Dahl, Juneau Chamber	Stefanie Bingham, Flying Squirrel
Greg Hake, Alaska Seaplanes	Lorelei Bingham, Flying Squirrel
Michele Hake, Public	N. Lynch, Public,
Andrew Miller, Alaska Seaplanes	Rolan Paneer, Public
Keith Pasa, Alaska Airlines	Stephanie Scanlon, Public
Tara Parks, Public	Tobin Ortega, Public
Daniel Thornton, Public	Haines Outstation
Shannon Greene, Public	J. Vasques, Public
Jeffrey Hock, Flying Squirrel	Andy's Services
Wade Hoek, Flying Squirrel	Justin McGeehan, Public
Tamara Brown, Flying Squirrel	Kate Kanouse, Public
Kyle Schweissing, Public	Nicole Williams, Public
Ann Simard, Public	Seaplanes Haines
Kyle Ibias, Public	Jered Gebel, Public
Brandon LaPierre, Public	Supanika Ordenez, Public
Kent Lacey, Public	Chloe Cavanaugh, Public

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Christopher Horrell, Public
 Red Reginald, Public
 Kathleen Samalon, Public
 Managers of the Squirrel
 Heather Ramseth, Public
 Heather Mahle, Public

Lisa Phu, Public
 Sean Kveum, Alaska Seaplanes
 Kent Craford, Alaska Seaplanes
 Lynn VanKirk, Public
 Charles VanKirk, Public

C. **APPROVAL OF MINUTES:**

1. *Jodi Garza moved to approve the minutes of June 13, 2024. The motion passed by unanimous consent.*

D. **APPROVAL OF AGENDA:** Board Member Jason Custer asked to add two items to the agenda: 1) under New Business: Parking Garage Discussion; and 2) under Old Business: Follow-up on Manager's Performance Evaluation. He also asked to move up the issue of the Flying Squirrel Espresso Lease earlier in the agenda as there are a lot of people that are concerned about that. *Jason Custer moved to approve the agenda as presented except with the addition of Parking Garage under New Business, follow-up of Manager's Review under Executive Session and moving the issue of the Flying Squirrel Espresso Lease up before Unfinished Business. The motion passed by unanimous consent.*

E. **ELECTION OF OFFICERS/APPOINTMENT TO COMMITTEES:** *Jodi Garza nominated Dan Spencer as Chairman of the Board. The motion passed by unanimous consent. Dan Spencer nominated Dennis Bedford as Vice Chair. The motion passed by unanimous consent. Jodi Garza volunteered to continue serving as Secretary. There were no objections.*

Chair Spencer asked for volunteers for the Finance Committee. Jodi Garza said she would like to remain on the Finance Committee but step down as Chair. *Ms. Garza nominated Jason Custer as Finance Committee Chair. The motion passed by unanimous consent.* The third member will be Chris Peloso.

The Operations Committee currently has Dennis Bedford as Chair, who said he will continue as Chair. Charlie Williams volunteered to be on the Operations Committee. Eve Soutiere will be the third member.

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

H. **5. Alaska Seaplanes North Concourse Concession (Attachment #2).** Board Member Jodi Garza noted a conflict of interest and recused herself from discussion and participation. Board Member Eve Soutiere also noted a conflict of interest and recused herself. Ms. Wahto said this item is being brought to the Board due to compliance matters. She said she was not on social media but had heard a lot of negative things bashing the Airport, Airport Management and herself. The Airport is not opposed to a coffee shop, but

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it has to follow CBJ (City & Borough of Juneau) code and FAA (Federal Aviation Administration) compliance. When the Airport put forth the paperwork and requested Seaplanes to put in a tenant sublease request, they asked for the paperwork. Then they came back to say that they were advised by legal counsel that they could not file the paperwork. It was later found out that there was no agreement with this concessionaire that was doing business on the airport. There are a couple of things with that. The Airport is required by the FAA grant assurances that anyone doing business on the airport has to have an agreement, fees paid, and insurance in place (CBJ code). So, it is not like someone can set up shop anywhere on the airport and just start doing business. It is her job and the Airport staff to make sure that everything is in compliance. This is not opposition to any of the services. It is trying to get things into compliance so that Seaplanes, the Airport, the concessionaire does not fall through the crack and are following rules.

The FAA has weighed in on this. They said it needs to come before them for concurrence due to it being a concessionaire that has not gone out for public solicitation. There are a lot of things that go through this. This was tried to be corrected. Ms. Wahto has an obligation to bring it before the Board, Law Department and the FAA when things are wrong and sideways. This item is informational only and it still needs to be worked on. She needs to let people know that this is not in compliance. If a blind eye is turned on this, it could jeopardize grant assurances.

Jason Custer said he read all of the public comments on Facebook. He said it seems like we're picking on an extra grande fight here with something that is really not a good look for the airport. This is a small, woman-owned business. It's a local business. It looks like the Airport Manager signed the plans authorizing the coffee shop being there on the Seaplanes property. He said he read the letter from the Seaplanes attorney, and he thought they had a very good argument. He did not see why out of all of the things that they could be spending their time on, they're spending so much time on this here. He asked to see the FAA's opinion on this.

Ms. Wahto read an email, which could be put into a more formal letter, from the Compliance Office out of the Alaskan Region. There were two statements, one from July 8: "The tenant should have sought your approval for the sublease. It is likely not aeronautical and would require approval from the FAA, whereby it would require JNU to collect the non-aero rate for the sublet area. We would also support your efforts to collect all fees due on par with what other concessions are in the terminal that are being paid. As a non-aero sublease, neither CBJ or FAA approvals are guaranteed." There were several items that the FAA Compliance cited: 1) FAA Order 5190.6.b, FAA Airport Compliance Manual, Change 3 Consolidated, Sections 12 and 17. Ms. Wahto believed 2) the terminal and possibly the site of the development on Tract 1 is likely federal surplus which aeronautical use only requirement. Meaning if JNU wants to allow it, they have to get FAA consensus. This is not an argument about a grande coffee. This is doing what has to

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be done to remain in compliance with the FAA. The Airport has an obligation to do this. Staff is not picking on them but has to do this for everyone.

The Airport has subtenant agreements, but the concessionaire lies in a whole different area and they cannot be treated any differently than a concessionaire in the terminal. The difference is public solicitation, fees, agreements and insurance. The City is not protected right now. It is about following the rules that are set before us from the FAA. They are the ones that pay for 93.75% of this airport and the Airport stands to lose that for even a small infraction. She will not go there and put the City or the Airport in jeopardy.

Board Member Chris Peloso asked what the potential penalties in dollars to the Airport could be? Ms. Wahto said it could range from losing all grants to having to pay back grants, depending on how heavy handed they come down. This would come from the FAA Headquarters Compliance. The Airport has received a little more than \$300M given to the Airport and it could jeopardize what the Airport is currently getting, as well as any future grants. They are trying to make sure the Airport comes into compliance.

Jason Custer moved to direct the Airport Manager to work with Alaska Seaplanes to achieve FAA approval of the existing arrangement for Flying Squirrel Espresso's use of the Alaska Seaplanes terminal space. Board Member Dennis Bedford said he thought the Board supports the concept, but the process needs to be followed. He said the FAA is very big and holds a lot of sway over the program. A large amount of funding is received from them, and the Airport has to follow their directives. He said he did not appreciate the tone of the letter from the Seaplanes attorney. He said this was the first notice that he had, and it was very confrontational. He particularly took offense at the last statement that the FAA wasn't involved in this. He said it very much is. He didn't think the attorney had a good understanding about the system or the program that the Airport is running.

Mr. Peloso asked if the motion was approved, would it change anything that Ms. Wahto is doing or is this what they are working on. Ms. Wahto replied that this is what staff is working on. It came to a standstill when Seaplanes announced their attorney was involved and the Airport could not get the sublease or agreement, because there wasn't one. There has to be some mechanism on how that business is being run and what the FAA then directs. Until the paperwork is put into the Manager's office so that it is known what type of agreement is being looked at, another step cannot be taken.

Chair Spencer said he was reluctant to have the Board jump in in the early stage to direct Airport management to do something. If the attorneys are working together, the Airport Manager is working with the FAA, this goes back to the Hummingbird Hollow wherein a vendor came in telling the Board what it needed to do. The Board chose not to do anything. He did not think they were at an appropriate point to do this. He said he heard the Manager saying she wants to get this done, too.

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Attorney Sherri Layne, CBJ Law, noted that Mr. Williams cannot vote tonight.

Kent Craford, Alaska Seaplanes, noted a point of order with 50 people on Zoom, will they be afforded the opportunity to comment or would they have had to submit a request by yesterday. Ms. Layne said it has to be in accordance with the rules and there is an advance notice. Mr. Craford deferred to Andy Kline for their official statement on this, but he said it is correct that their attorney is speaking with the City Attorney, however, he strongly disagreed with Mrs. Wahto's characterization of the interaction thus far on this issue. They have gotten three different answers from the Airport Manager about this coffee stand. It is allowed with some paperwork, was the first. It is not allowed at all, was the second. And then third, and what she has referenced recently, is it is allowed but it has to go to public bid, which means the Flying Squirrel is out and they are stuck with the Tailwind in the Alaska Seaplanes building.

Mr. Craford said that is their building. They own it and there is no way in hell they will allow a Tailwind to operate in their building. The bottom line is this is a service that they are providing for the traveling public. It is meeting a need that is not being met by the bar upstairs that only serves day drinkers, which isn't even open until 9:30 a.m. He said you can sense the frustration in his voice because just as Mrs. Wahto takes some umbridge to the criticism, he personally took umbridge at her characterization of the communication. He has worked on this airfield for 15 years. They have been an excellent corporate citizen. They provide many jobs and a lot of opportunity for Juneau and the outstation communities that they serve. They try to do the right thing. They participate. They communicate. They have excellent relationships with most of the airports that they operate on. He asked the State of Alaska today if they could open a coffee stand at one of their other stations and they said sure. He asked if they could allow a private business to operate that coffee stand, they said sure. They have to fill out some paperwork. It has to comply; you know, be included in your lease. They operate under the same FAA rules that Juneau Airport operates under. This is the United States of America. There aren't some special rules for Juneau. They are tired of the Airport Manager pretending to have a monopoly on the information. They have worked under the FAA for years as well. They know the FAA. They know that there's usually a way to get things done. What is the harm in passing the motion. He did not see harm in directing the Airport Manager to work cooperatively with Alaska Seaplanes to allow Flying Squirrel to continue.

Mr. Custer asked if they could suspend the rules and let others testify. Ms. Layne said that to suspend the rules, a super majority is needed. Therefore, five people would be needed to suspend the rules. Chair Spencer noted there were not five members to vote. Ms. Wahto said this is a notice only, she is working through the process.

Andy Kline, Marketing Manager at Alaska Seaplanes and Project Manager for the coffee stand in the cargo building, said it is important to understand that this facility was conceived, designed, constructed and is maintained by Alaska Seaplanes, using only their

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own funding. No federal, state or city dollars have been used on this facility. It is a separate facility from the terminal. The fact that there is a breezeway that they constructed at their own expense for the convenience of their customers accessing the facility, does not make it part of the airport terminal. They lease airfield land from the Juneau International Airport. They have adhered to that lease in that building and the operation of their cargo facility, which includes reasonable and customary uses, existing historically or at present elsewhere on the airport property. He didn't think anyone would argue that a coffee stand is not a reasonable and customary use. In fact, their building plans were approved by the Airport Manager and included the designation of a coffee and gift shop at the very location where that service is now provided. They offer the service of a coffee stand run by a fantastic locally owned and operated company, Flying Squirrel Espresso, as a service to the public. Alaska Seaplanes makes no money from the sale of coffee or snacks at the stand. Flying Squirrel Espresso pays them a nominal licensing fee for operating in their facility. This service is needed and wanted by the traveling public. He said if you had any doubt of that, he welcomed them to review the comments on their most recent Facebook post or look around the room. Hundreds of people have responded with overwhelming support for this coffee stand and the service they provide. He said, with that said, this is now a legal discussion. As such, they do not believe they have been given proper notice to prepare a full response at this time. Their attorney is currently in contact with the City's attorney's office. Because this could go into litigation, they made no further comment at this time. He thanked the Board for the opportunity to give comments on behalf of Alaska Seaplanes.

Gregory Hake, Line Pilot with Alaska Seaplanes, said he had a vested interest in this discussion because of the fact that they fly small airplanes that do not have stewards who are serving coffee to a traveling public that is used to having coffee on the airplane. That said, the coffee shop has been a huge boon to the traveling experience that they provide out of Juneau in the service of all the different communities that they work with. He had flown with a number of the people in the room. Coffee service and having a snack on the airplane is part of the aeronautical experience. It is not divorced from it, in his opinion. He said he was not an FAA definition expert. He did not know what they would say on that exactly, but they will find out in this process. He strongly agreed with Mr. Custer's vent and comments that this is needed in their community. The coffee that is served downstairs is excellent coffee. It is coffee. He walked in tonight and the bar upstairs was closed. None of their passengers, and they probably had 150 or so passengers that went through the airport that evening have had access to coffee because they don't go through to the other side where you can get a cup of coffee. It's a service that makes a lot of sense. He appreciated the Board's willingness to spend the time on this issue.

Having served on an airport board himself in Georgia, these are the kind of things that have to be talked about because they are designing an experience that does have to be in conformance and compliance with a lot of rules and regulations. Sometimes it has to be pushed a little bit to make things work. If Alaska is known for anything, it is for the fact

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that we know how to make things work in the communities to serve their specialized needs. He thought one aspect of this is whether or not is aeronautical. The other side is that they did not ask for any money to put the building together for the community. It is born out of the hard work of the folks that are operating at Seaplanes. It seems to make sense to have the facility to serve coffee.

Mr. Custer moved to suspend the rules for the purpose of allowing additional comments from people who did not sign up on time on this issue. The motion failed (Yes: Jason Custer, Chris Peloso and No: Dan Spencer and Dennis Bedford). The original motion passed by a vote of three to one (Dennis Bedford).

Ms. Wahto said that while this is being worked on, currently while they are operating, there is no agreement. With that said, knowing that staff is trying to work through this, something needs to be presented to the Airport in the form of insurance to cover the Airport and CBJ. This needs to happen at the very least. When there are multiple lessees or a subtenant, the subtenant has to provide something to the lessee, in this case Seaplanes, but they are not technically a lessee, it is a licensing agreement. Then it falls back to the Airport. Regardless, the City needs to be held harmless, which staff will work with Risk Management for that information. This insurance would be from Flying Squirrel.

A five-minute recess was taken.

G. UNFINISHED BUSINESS:

2. Float Pond Access Road Follow-up on Airport Improvement Program (AIP)

Ineligible Costs. Ms. Wahto said this is a follow-up from last month's meeting regarding a detailed listing of the ineligible items in the packet that the Board requested. This was an IOU from last month. Ms. Garza asked if the \$59K came out of the operating budget. Ms. Wahto said it was CARES funds that came through the operating budget.

3. Airport Board Bylaws (Attachment #1). The marked-up copy is before the Board. The changes were housekeeping. It needs to be done on a fairly regular basis and had not been approved by the Assembly since 2004. The Board made some changes in 2017, but it was never passed by the Assembly. Those changes were incorporated into this version, which is an updated version since 2004 incorporating all changes. *Jason Custer moved to accept the proposed Bylaws changes as presented provisional upon and including changes that state all committee appointments must be confirmed by the Board, the person presiding over in-person or hybrid meetings must be in attendance in person, that chair terms are limited to one year and that standing committees shall meet no less than once every three months. Eve Soutiere moved to table Mr. Custer's motion until the next scheduled meeting.* Ms. Wahto said if anyone has changes, send them to her and copy Pam. They will be included as additional changes for consideration at the next meeting.

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4. **Cox Environmental Draft Channel Flying Contamination Report.** This is the contamination report for the area split between the Loken property and the Airport. The report came back with the information included in the packet. This is presented for information only. Staff will continue to work with Cox Environmental, as well as the Alaska Department of Environmental Conservation (ADEC). Ms. Garza asked if the discovery was found in 2014 and testing was done at that time, and we waited ten years and now we're testing again? Ms. Wahto said there was limited testing. It was an open site during a construction project. It was noted at that time that there was a strong smell of petroleum product. When ADEC came out, they had the Airport do testing but not install or find all of the perimeters. They said because it was a contamination site and not a spill, that the Airport took out what was in the area that was going to be repaved, put it in sacks and put them out. Until the area needed to be redone again, it was going to be an open contamination record on ADEC site. This came up when looking at the property the Loken's are trying to sell and knowing that there is an open contamination site. ADEC required further testing and perimeters checked for test wells. That is what brought it up again. It was in a holding pattern until something else needed to be done with it.

Ms. Garza asked if the Airport is in compliance with the ADEC, and where the funding is coming from for Cox Environmental. Ms. Wahto said the Board approved the funding out of the Airport Fund Balance, which was about \$49K. Risk Management has been contacted and because it is a contamination site, it does not fall into the category of being able to claim something. It is not known where it will go as mitigation. As a government entity, there are certain things that ADEC looks at. ADEC works differently with a government agency versus a private entity.

H. **NEW BUSINESS:**

5. **Alaska Seaplanes North Concourse Concession:** [Discussed earlier in the meeting.]

6. **Parking Garage:** Board Member Jason Custer said the community needs shovel ready infrastructure projects that have plans and designs and stuff ready to go. Things that can be done so that as funding opportunities become available, we have things that can be submitted. Examples could be, there would probably be a State GO (general obligation) Bond probably in the next session, there could be local bonds, there could be other grant funding opportunities. He suggested they think about prioritizing getting some kind of shovel-ready design together for a parking garage so that the Airport is prepared for the future. Concrete and rebar do not go out of style. It could sit on the shelf for 10 to 15 years and the design would still be relevant and useful. He said the upcoming master plan will look at how the Airport develops in an orderly manner. Common sense would dictate that no matter what you are doing to increase the size of the airport, you will need more parking. He thought it would be great to create a lot of jobs.

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Ms. Wahto said this was discussed at the June Finance Committee meeting. It is on the CIP (Capital Improvement Program) and out a ways. Part of the problem is funding, of course. Parking garages in the airport world are not federally funded through traditional means. There are other ways to try to get that money. But it is certainly the next step to look at before any expansion can be done. It is always good to have that on your radar, but the design piece has to have funding. Ms. Wahto said that the parking garage is now estimated to cost \$50-\$75M. Ms. Garza said the parking lot is often full and there is nowhere else to go. It's an issue for those traveling to the capital and visiting the capital, not having to shovel snow late at night for those early departures. She supported looking into the project. It is on the CIP list. Mr. Peloso said it would be helpful to have better numbers for this project. He suggested maybe the Airport Manager and Ke Mell might look in and see if we did want a parking garage plan, what are the options? Then there would be something to discuss. Ms. Wahto said the Airport can go back and look at the schematic designs from DOWL when looking at the parking lot. She thought they had done this, and the cost had probably escalated. This included the number of spaces and how many stories. Chair Spencer asked staff to bring this back to the Board this fall.

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

a. Aircraft Rescue Fire Fighting (ARFF) Operating Budget Credit FY24. As Mr. Bagwell had not started as early in the season as they had budgeted, staff went back to Capital City Fire & Rescue and asked for a credit. The credit will be about \$102K for the FY24 budget.

b. Gift Shop Concessions Update. The gift shop concessions went out for proposals last year. The Airport and the evaluation team selected both proposers. Hummingbird Hollow did a build out to make that a permanent space. They also repurposed some of the old glass that had originally been planned for the seating area upstairs. Tailwind has their concessions on both pre-security and post-security for concessions and gift sales. Ms. Garza said when this came to the Board in March 2023, there was an issue with moving the gift shop to kiosks as noted in the RFP (Request for Proposals) and that the gift shop area downstairs because of the way federal dollars were received for the terminal was going to have to be given up for circulation. She was happy to hear the conclusion. Ms. Wahto said the remodel downstairs had been more than ten years. As the shell had been built and having them in that space, Hummingbird Hollow paid for the build out. The Airport was still in compliance. The other concessionaire used the space they were already in.

Ms. Garza said the concession agreements dictate the open hours and there has been a lot of discussion about Cup O' Joes' hours. Have there been any changes to their operating agreement? Ms. Wahto said she will have to look at the contract. Part of the issue they have is finding personnel that have to pass background checks so they can work on both sides. Mr. Custer asked when someone gets a lease, is there a

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requirement that they have to use the space and be open certain hours, so they are not just warehousing the space. Ms. Wahto said there is an agreement within what they propose they will do. If there are extenuating circumstances, for example, when Covid hit or special hours or things brought to the attention of Airport management that something has occurred, they let the Airport know. For the most part, it is spelled out in the lease agreement and what they proposed.

c. Aviation Worker Screening (AWS) and Litigation Update. Staff has not heard anything further about this. The Airport is still doing in-house screening of employees that are entering into the secure and sterile areas. It is still ongoing.

d. Airport Fund Balance and Capital Revolving Account Balance. There has been no change to these documents.

8. Airport Projects Report – Ke Mell. Ke Mell, Airport Architect, reported Alaska Seaplanes submitted an Airfield Tenant Improvement Request (ATIR) for Lease Lot 2, just north of their building. Staff responded with comments and received a response on July 3.

Gate 5 Passenger Boarding Bridge (PBB) Replacement had Substantial Completion effective 3 p.m. July 11. The PBB is available for use. There are some close-out items but the PBB is available for use.

9. Airport Projects Report – Mike Greene. Mike Greene, Project Manager, reported the *Terminal Reconstruction Project* has seen the glass guardrail system completed, with two punch list items. The ground source loop field system modifications have been accepted and the contractor is moving forward, which will get the project closer to the Terminal Air Balancing (TAB), which has tried to be done for two years. Work continues on the lighting control replacement. A modified fee proposal came down from \$163,100 to \$158,000, which is better. The equipment is expensive, and it is a long lead item, which is being reviewed.

The big push has been on the *Rehabilitate Part 121/135 Apron & Remain Overnight (RON) Parking Apron Project*. As of July 1, Phase 1A, 1B, 1C, 2A, 3A, 3B, 4, 8, 10 and 12 are complete, which is way ahead of schedule. Secon wants to go, but staff is reigning them back because there are things they cannot have all at once. The project is very impressive, and the work is looking really good. They are currently in the Phase 5 area, Gate 3. Roger Hickel and Alaska Airlines will move in as soon as it is done and remove Gate 3 PBB. After that, Secon will move to Phase 11, the South End of the 135 Ramp.

Ms. Wahto said there has been a lot of coordination with everyone on this project. It is moving dynamics. Anyone that has had to fly out there, drive out there, push planes

AIRPORT BOARD MEETING

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back, especially as the project gets closer to combining areas where the smaller regional operators and 121 gates are, there are some really narrow places. Alaska Airlines was trying to figure out how to do their pushbacks through the narrow corridors when there is a freighter in. She thanked Seaplanes for voluntarily moving back the whole row to accommodate that narrow area. Everybody is working together, and she appreciates it.

I. **CORRESPONDENCE:**

10. Letter from Kyle Schweissing and the Alaska Airmen's Association regarding Juneau Aviation Trade Show 2025 (Attachment #4): Kyle Schweissing thanked the Board. He said he was in attendance in case anyone had any questions. He thought that having an airplane trade show in Juneau would be a great opportunity for the people in the community. There are a lot of jobs supported by this airport and there's a lot of opportunity for people there. The best way to move forward with this proposal is with the support of this Board. Mr. Schweissing did not think the Airport would incur any costs. He said the Alaska Airmen's Association will be incurring the cost of insurance. Individual operators may incur costs to try to get the insurance achieved. Through the Airport's support, he envisioned borrowing cones and separators for the security environment. His proposal includes the suggestion of using badged employees from Guardian Flight, Airlift Northwest and the National Guard to secure the perimeter. Ms. Wahto said it was a great idea and that it had been a long time. Based on the area that this is going to be in, it will not be in the middle of construction as it is early in the season. The security would have to be run through TSA, but this is an easy thing to do. She is glad it is starting early. *Jodi Garza moved to accept the proposal from Kyle Schweissing and the Alaska Airmen's Association for a Juneau Aviation Trade Show for 2025.* Ms. Wahto suggested that a Board Member be appointed on the committee to help bring this through and be the liaison with Alaska Airmen's Group. Ms. Soutiere volunteered to be the liaison. *The motion passed by unanimous consent.*

J. **COMMITTEE REPORTS:**

11. Finance Committee: Chair Jodi Garza said the Committee met last month. She thanked staff for a very informative and constructive meeting. She wanted to talk about Mr. Custer's proposed Bylaw change of having quarterly meetings. She supported that especially for the Finance Committee just to sort of get in a rhythm and to get ahead of budget season. She thought for Finance it would make sense to meet on a regularly scheduled basis. Chair Spencer said he liked the idea of having regular scheduled meetings because they can all plan around it, too.

12. Operations Committee: Chair Dennis Bedford said there will be a meeting in the fall. Ms. Soutiere said she had been contacted by general aviation folks and felt it would be more appropriate to bring this to the Operations Committee first. It has to do with unpaved areas in front of hangars, the wash rack, transient parking, helicopter traffic, where people are parking at Aero Services, increased safety, and private helicopters in the GA (general aviation) area, and having a standing item called "general aviation". She

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knew the wash rack and paving have been discussed. The Committee could discuss what would be on the table versus what cannot be and then bring it to the Board next time. She could let the people who have contacted her know about meetings. They are feeling forgotten about due to the giant construction project. Ms. Wahto agreed. She noted that a plan to pave between hangars last year was pulled off because the FAA said there is only a 40' swath that would be eligible, which was based on aircraft size. All of the rest was either on the Airport or the tenants. This had to be pulled off the table because of a \$12M project, about \$9M was not going to be funded by the FAA. Ms. Soutiere said having those responses in one place through the Operations Committee would let tenants know things are being addressed.

K. **ASSEMBLY LIAISON COMMENTS:** 'Wàahlaal Giidaak said this has been an interesting meeting. She said listening in tonight, she noted the Assembly does their best to abide by their policies and internal processes. It sets a standard for the public that they can count on and rely on for future meetings. She said she knew people are passionate about certain things and everyone gets that way because they are in these positions to serve their community. It is exciting that so many of the Board Members are passionate about those things. She thanked the Board for their dedication and willingness to serve.

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

M. **BOARD MEMBER COMMENTS:** Jason Custer said he is really passionate about public participation in meetings and in civics and people getting a chance to express themselves and their opinions. He will always support that to the fullest extent possible. He is just a radical and he can't come off that. He thought it was really important when people are excited and they come to the meetings, that they have a chance to speak if they'd like to.

Mr. Custer also thought it would be great to work on a design for a parking garage. If we could somehow make that like a community priority for the CBJ. He didn't know if they had any priorities for the Airport that they push for when they are doing their advocacy with elected officials, but it would be nice to get a big project like that they could help work on. He thought it would be great for the community, economy, airport and everyone. It is also possibly a very important part of trying to keep the capital here. If legislators and their staff cannot get in and out of this place, they will start complaining about it. Parking is already maxed out during the legislative season. It could be very strategically important for the community, too. Particularly, if they are going to keep running down the ferry system the way it is been run down, they will have to use the airport. He really liked the idea of a parking garage.

Dennis Bedford said in viewing the coffee stand, he has no objection to putting a pot of coffee on the counter or selling caps and tee shirts with their logo on it over the counter.

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- N. **ANNOUNCEMENTS:** Ms. Wahto said she will be taking a week of leave beginning July 27 and be back on the 4th. She will not be answering her phone.
- O. **NEXT MEETING DATE:** The next regular Airport Board meeting will be held on August 8, 2024, at 6:00 p.m. in the Alaska Room and via Zoom.
- P. **EXECUTIVE SESSION:** *A motion was made that the Airport Board go into executive session to discuss a subject that may tend to prejudice the reputation and character of the Airport Manager, provided the Airport Manager may request a public discussion. The motion passed by unanimous consent. The Board went into executive session at 8:13 p.m. The Board came out of executive session at 8:39 p.m.*
- Q. **ADJOURN:** *A motion was made to adjourn. The motion passed by unanimous consent and the meeting adjourned at 8:40 p.m.*

ATTACHMENT #1

BYLAWS
of the
CITY AND BOROUGH OF JUNEAU
INTERNATIONAL AIRPORT BOARD

ARTICLE I - NAME

The name of this Board shall be the City and Borough of Juneau International Airport Board ("the Board").

ARTICLE II - PURPOSE

The Board was established by Title 5 of the CBJ Municipal Code pursuant to the CBJ Charter to exercise all powers necessary and incidental to operation and maintenance of all airport facilities in the public interest and in a sound business manner. The Board establishes financial and operational policy and appoints the Airport Manager. The Board operates the Airport as an enterprise fund, which means it is self-supporting.

ARTICLE III - MEMBERSHIP

1. The Board shall consist of a maximum of seven members who will be appointed by and serve at the pleasure of the Assembly.
2. Members of the Board are appointed for staggered three-year terms and shall serve without compensation. A member shall serve until his or her successor is appointed by the Assembly.
3. Other qualifying factors related to qualifications for membership are contained in CBJ Municipal Code sections 05.01.010 and .030.

ARTICLE IV - MEETINGS

1. Regular meetings of the Board will be hybrid meetings and shall be held on the second Thursday of each month at 6:00 p.m. in the Alaska Room of the Airport Terminal and streamed virtually, unless otherwise noticed.
2. Meetings shall be open to the public and conducted according to Robert's Rules of Order. Notice of the meeting shall appear as published by the City & Borough of Juneau's public notice system. Participation remotely shall be allowed for regular, special, and committee meetings of the Board.

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3. Special meetings may be called at any time by the Chair or at the request of the Committee Chairs. At least two business days' notice shall be given and filed with the CBJ Clerk.

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4. Minutes of regular meetings shall be distributed by Airport staff to members at least seven days prior to the next regular meeting. Minutes of special meetings shall be distributed to members as soon as possible after the meeting.

5. Upon advising the Board or Committee Chair in sufficient time for Airport staff to make the necessary technical arrangements, a member who is unable to physically attend a meeting may attend a regular or special Board meeting or a committee meeting by telephone or virtually.

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6. A quorum of the Board shall consist of a majority of the membership, including those present electronically and virtually. A quorum must be present for any business to be conducted.

7. Voting shall be by roll call vote or by general consent (no objection). In a roll call vote the Chair shall be required to vote. A majority vote of the Board membership is needed to approve any action.

ARTICLE V – CONFLICT OF INTEREST

If a member has either a financial or a personal conflict of interest, the member shall not deliberate or vote on any matter in which he or she has such an interest. A member who is involved in a matter that may result in a conflict of interest shall disclose the matter on the public record and asked to be excused from the discussion and official action on the matter. The presiding officer may determine whether the member's involvement would be a conflict of interest. The presiding officer's decision may be overridden by a majority vote of the Board. See CBJ Conflict of Interest Code, Sections 01.45.010 - .080 and 01.45.100.

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ARTICLE VI - OFFICERS

The officers of the Board shall consist of a Chair, Vice Chair, and Secretary. Officers shall hold offices for one year or until their successors are elected. The election of officers shall take place in July (or as soon as new Board Members are appointed), with the officers to begin their duties at their first meeting after their election.

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Duties of the **Chair** shall include, but are not limited to, the following:

1. Presiding at all regular and special meetings of the Board.
2. Ensuring that all correspondence and business of the Board is carried out.
3. Acting as spokesman for the Board.
4. Appointing committees, including ad hoc committees and task forces of the Board as deemed necessary.

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ATTACHMENT #1

5. Acting as liaison between the Board and the CBJ Assembly.
6. In consultation with the Airport Manager, preparing the agenda for each meeting.

Duties of the **Vice Chair** shall be to preside in the absence of the Chair and perform all the duties of that office. In the absence of the Secretary, the Vice Chair will perform the duties of the Secretary.

Duties of the **Secretary** shall include reviewing and giving tentative approval to minutes of all regular and special meetings of the Board, as prepared by Airport staff, prior to the distribution of the draft minutes to other members of the Board and the public.

ARTICLE VII – STANDING COMMITTEES

The standing Committees of the Board shall be the Finance Committee and the Operations Committee and any other committee designated and approved by a majority of the Board.

The Chair shall appoint the members of the standing committees of the Board, designating one member to serve as the chair of each committee. Each standing committee shall consist of at least three members.

Duties of the standing committees shall include, but not be limited to, the following:

1. Finance Committee: Consider and make recommendations to the full Board regarding:
 - a. the Airport Manager's proposed operating and capital budgets;
 - b. Airport rates and charges; and
 - c. All other items that have or may have a financial impact on the Airport.
2. Operations Committee: Consider and make recommendations to the full Board regarding any issue that has or may have an operational impact on the Airport.

Action(s) recommended by the standing committees shall be subject to approval by a majority of the Board members [at a Regular or Special meeting](#).

ARTICLE VIII – AIRPORT MANAGER

The Airport Manager serves at the pleasure of the Board and shall be responsible for the hiring and/or firing of airport personnel. Subject to direction from the Board, the Airport Manager shall be responsible for the general supervision and the administration of the business and affairs of the Juneau International Airport.

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ARTICLE IX – EVALUATION OF THE AIRPORT MANAGER

The Board, meeting in executive session, shall evaluate the performance of the Airport Manager at least once each year, prior to the anniversary date of the Airport Manager’s employment. Results of the evaluation shall then be discussed with the Airport Manager, either in executive or public session as desired by the Airport Manager, who may concur or disagree with the Board’s evaluation. The Board’s evaluation shall determine whether the Airport Manager is entitled to an increase in salary.

ARTICLE X – AMENDMENTS

These bylaws may be amended or revoked by the affirmative vote of not less than a majority of the Board in any regular meeting, provided the notice of such meeting shall have contained a copy of the proposed amendment or revocation.

Approved and adopted by the Board this 13th day of June, 2024.

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Al Clough, Chair

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Attest:

Jodi Garza, Secretary

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JUNEAU INTERNATIONAL AIRPORT

LEASING POLICY

As approved by the Airport Board on September 6, 2016

I. Purpose

The Federal Aviation Administration (FAA), by way of its Airport Sponsor Grant Assurances, requires any airport developed with Federal grant assistance to operate for the use and benefit of the public and for the airport to be made available to all types, kinds, and classes of aeronautical activity on fair and reasonable terms and without unjust discrimination. In addition, these Airport Sponsor Grant Assurances require an airport sponsor to maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the airport and to avoid unjust economic discrimination within classes of users, taking into account such factors as the volume of traffic and economy of collection.

The purpose of the Juneau International Airport (Airport) Leasing Policy is to (1) provide sound, consistent guidelines through which the Airport can respond to the interests of financially stable and responsible lessees; (2) administer Airport leaseholds in accordance with its grant assurances; (3) insure the Airport's ability to meet its obligation to provide a stable revenue source for the Airport; and (4) provide guidelines for Airport related business decisions.

The leasing of Airport land is regulated and influenced by City, State, and Federal law including, but not limited to, the policies and rules of the FAA, formal policies adopted by the Airport, input from the tenants, users, community, and precedent set by the Airport Board.

II. Rates, Fees and Charges

FAA guidelines¹ require the Airport to make the airport as financially self-sustaining as possible.

To the extent feasible, aeronautical use² charges must be established on a cost recovery basis, while use of airport property for non-aeronautical facilities and/or services must be based on fair market value.

In specific circumstances which are not covered by established rates, fair market value will be determined by an independent appraisal of the specific parcel and the rental rate will be negotiated to achieve Airport's intended return.

The Airport assesses rates and fees each year through the budget process and may adjust lease rates

¹ 49 U.S.C. §47107(a)(13)

² Aeronautical uses include air taxi and charter, air carrier service, pilot training, aircraft rental, aerial photography, crop dusting, aerial advertising and surveying, aircraft sales and service, aircraft storage, sale of aviation petroleum products, repair and maintenance of aircraft, sale of aircraft parts, parachute and ultralight activities.

in accordance with the budget needs and tenant negotiations.

III. Land Uses

An Airport Master Plan (AMP) and an Airport Layout Plan (ALP) have been developed for the Airport and are periodically updated. These plans, which are reviewed and approved by the FAA and the Airport following public review and input, provide guidance to Airport staff and the Airport tenants in land use leasing decisions. The Airport lease documents specify permitted uses of Airport property and any land use restrictions which may apply. Please see CBJ Code 53.20 and 05.20.

IV. Authority to Lease

The Airport is owned and operated by the City and Borough of Juneau (CBJ). CBJ provides the Airport land, under CBJ Code Title 49 Lands, and the land is leased by the Airport, under CBJ Code Title 5 Juneau International Airport.

V. New Lease Requests

Airport property is leased on a first come, first served basis in accordance with the AMP, the ALP, the prospective lessee's proposed use or operation, and with the best financial interests of the Airport. Potential lessees shall submit a fully completed Lease Application with associated fees to the Airport together with such additional information as may be required for review by the Airport Manager. All commercial applicants must provide a business use and activity plan that meets airport minimum standards, as reflected in the Airport's Minimum Standards Document.

All applicants who submit a fully completed application for lease property with the associated fees will be put on the Airport Lease Wait List. The list is categorized by type of request (commercial, executive hangar, t-hangar, tie-down, and/or float pond). When space is available for a specific type of lease, in accordance with the AMP and the ALP, the applicants on the Airport Lease Wait List will be contacted in the order of application submission date. If the an applicant does not wish to pursue the available lease space, the next applicant who desires the same type of lease will be offered the available space for lease. Any applicant that chooses not to pursue the available lease property will not be removed from the Airport Lease Wait List or lose their rank on the Airport Lease Wait List and will be contacted the next time lease space becomes available for the requested lease type.

The Airport will issue a lease to an applicant only if the application meets the requirements of this leasing policy and provided:

- A. The proposed use is consistent with the AMP, the ALP, and the Airport Terminal Plan, if applicable, and other relevant CBJ land use planning documents;
- B. Approval will not constitute a violation of the FAA Grant Assurances;
- C. An applicant's commercial use of the property will comply with the requirements of the approved Airport Minimum Standards document; and
- D. The applicant and any proposed sublessees, are in good standing with the CBJ including, but not limited to, the timely payment of all CBJ taxes.

From time to time, the Airport and CBJ Law Department may review lease terms and update the Airport's lease template as required, and as approved by the Airport Board.

VI. Lease Agreements and Legal Review

The Airport leases may contain more restrictive clauses than private sector leases. Lessees will be required to assume the liabilities associated with possession and control of real property including, but not limited to, compliance with all Federal, State and CBJ laws and regulations pertaining to the use, storage and disposal of hazardous materials and storm water pollution prevention regulations, air space protection and security of the airport through lessee parcel.

The Airport leases are approved by CBJ and shall, at a minimum, conform to local standards of tenant responsibility and liability. Lease language is periodically updated to reflect changes in FAA regulations and real estate law.

VII. Lease Term**A. Airfield Standard Lease Term**

The term of an airfield lease is determined by property designation in the AMP, the ALP, the prospective lessee's proposed use or operation, and the best financial interests of the Airport. Consideration shall also be given to a lessee's substantial capital investment in facilities and the requirement of a lender for a specific lease term. The standard lease term for a new stand-alone lease is based on the term investment schedule (Exhibit A).

Investment is defined as:

1. Construction and improvement costs on the lease parcel; or
2. The purchase or refinancing of the leasehold improvements on the property.

At expiration of a lease, a current lessee who is in compliance with all provisions of the current lease shall have the right to execute a new lease under the provisions of Section VIII.

A lessee may request a conditional lease and construct leasehold improvement in an area designated for other future development in accordance with the AMP and/or ALP. In such case a lease may expressly stipulate that at the expiration, termination or cancelation of the lease, the lessee will be required to remove the leasehold improvements (see section X.) or that ownership of the leasehold improvements revert to the Airport or the CBJ.

B. Terminal Standard Lease Term

The length of terminal lease term is determined by the Terminal Plan, the prospective lessee's proposed use or operation, and is in the best financial interests of the Airport. Generally, space in the terminal is leased for five years. If the Airport has plans to change the terminal, through renovation, strategic design, etc., leases may be offered on a month-to-month basis.

Concession leases are through CBJ contract bid or proposal for up to five years, with renewal options. Federal Government leases must comply with Federal procurement rules.

C. Exception to Standard Term

On a case by case basis, the Airport Board may consider a significantly longer lease term to support Airport property development and to allow a lessee to amortize its investment based on the

following criteria:

1. Significant initial capital investment;
2. Significant additional capital investment in current leasehold improvements;
3. Requirements of a lender for minimum lease term for those leases upon which leasehold improvements are used to collateralize loans, including the refinancing of an existing business operations;
4. Services provided to other Airport tenants and users;
5. Significant job creation;
6. Public infrastructure extensions which will benefit other parcels, such as roads, water, or sewer; or
7. Potential to attract other new aviation businesses.

VIII. Extensions of Existing Leases

A. General

1. At the end of a lease term, if a lessee is not in default of its existing lease, and if the leasehold improvements satisfy maintenance and appearance standards approved by the Airport, a new standard form lease shall be granted to the lessee, subject to the following exceptions:
 - a. If the lease is located in an area needed for future Airport development as outlined in the AMP (please see Section X. Disposal of Improvements).
 - b. If the Airport determines that a shorter term is necessary or appropriate in accordance with the AMP, the ALP, and is in the best financial interest of the Airport, the Airport may elect to approve a new lease for less than the standard term then in effect for similar property use.
2. At the expiration of the lease, the current Lessee shall have the option to execute a new lease under new lease provisions (as long as the lease complies with the exceptions stated in section VIII.A.1).
3. A private hangar lessee may request the Airport to convert its lease to a commercial lease if the leasehold improvements meet the Airport's Minimum Standards for the proposed commercial activity. If approved by the Airport Board, that parcel shall be converted to the commercial lease rate, rules and requirements of commercial tenants.
4. A commercial hangar lessee may request the Airport to reconvert its lease to a private hangar lease if the lease was originally a private hangar and conforms with the AMP and ALP.

B. Commercial

1. At the expiration of an existing commercial lease, or at any time during the lease term, a lessee may submit a proposal to the Airport for a new lease agreement or an extension of its existing lease. The Airport shall grant a new lease provided:
 - a. The lessee is in full compliance with the existing lease terms and conditions;

- b. The Airport determines that there is no immediate need to use the property for Airport purposes when the current lease expires;
 - c. The existing/proposed property use is consistent with the ALP, AMP, and other relevant land use planning documents;
 - d. Lessee demonstrates its commitment to maintain or improve the leasehold improvements to the Airport's Minimum Standards.
2. The term of a new lease or lease extension(s) will be established, and approved, by the Airport, based on its determination of the following issues:
- a. If the Airport's financial or operational interest is best served by a new or extended lease or expiration of the existing lease;
 - b. The value of proposed new and/or improved aviation or industrial facilities;
 - c. Whether the time needed to amortize lessee's investment is longer than lessee's remaining lease term;
 - d. The reasonable period of time needed to amortize lessee's proposed investment in improvements to its facilities and Airport property.
3. If no new capital investment is proposed, a new lease shall be executed, subject to the current standard commercial lease terms and conditions.
4. In areas established as general aviation or private hangar lease lots, a business lease (or assignment) may be approved by the Airport Manager, so long as the purpose of the lease remains as aircraft storage. No commercial activity (public for hire) or heavy maintenance may occur in these sites. This includes CBJ building code and lease insurance provisions.
- C. Leases of Adjacent Property
- D. Provided an applicant meets all other requirements of the leasing policy, lease of airfield property adjacent to a current lessee's existing airfield lease shall be considered an addition to the original lease and will be afforded the same term as the lessee's existing lease, unless the lessee applies for a longer term based on additional capital investment.

IX. Construction of Leasehold Improvements

Leasehold improvements must be constructed in accordance with the FAA, CBJ and Airport guidelines. Height restrictions, lot-line setbacks, appropriate parking, building design, quality of construction, and other requirements are controlled by the FAA, CBJ building code, and the Airport. Prior to making substantial changes to the footprint or height of a leasehold improvement, a tenant shall first acquire the written approval of the Airport Manager.

X. Disposal of Land Lease Improvements

The lessee owns the title to the leasehold improvements that they construct or purchase during the term of the lease, unless, at the time of construction, the lease expressly provides that the Airport (or the CBJ) is the owner of the leasehold improvements at the expiration of the lease.

At the expiration, termination, or cancellation of a lease:

- A. The lessee may sell the leasehold improvements to a new lessee provided the new lessee is in good standing with the CBJ (see Section V). and The lease may be assigned or a new lease generated with the new lessee as outlined in Section VII; or
- B. The lessee shall remove the leasehold improvements at the lessee's sole expense if:
1. The leasehold improvements do not comply with written Airport policies or are inconsistent with the AMP or ALP, at the time of construction; or
 2. The leasehold improvements are not sold under X.A. of this section; or
 3. The Airport makes written findings that the leasehold improvements are a safety hazard to the public.

Upon removal of leasehold improvements, Lessee shall return the Leased Premises to its unimproved condition; or

- C. . If in accordance with the AMP, ALP, and CBJ code the leased property are required for future development, the lease was executed prior to the determination of a future need for the leased property, and the Airport declines to renew a lease, the Airport will either purchase or relocate the leasehold improvements. The Airport, at the Airport's discretion, may either:
1. Purchase the leasehold improvements. . The purchase price would be at the cost of replacement of the leasehold improvements at a new location at the Juneau International Airport. If the lessee has no intention to continue leasing at the Juneau International Airport, the Airport will purchase the leasehold improvements at fair market value as determined by an independent appraisal; or
 2. Relocate the leasehold improvements to a new location at the Juneau International Airport

XI. Subtenant Approval

A. Private Hangars - Sublease Occupants

Upon the Airport approval, non-commercial lessees may utilize a sublease arrangement to offset hangar ownership expenses provided the lessee:

1. Stores at least one of its owned aircraft in the hangar;
2. Shall not allow any use of, or activity, on the leased premises by the sublessee that is not in full compliance with the terms and conditions of the lease; and
3. Has provided the Airport Manager with a copy of its sublease agreement, in which the financial terms may be redacted.

If the private hangar owner does not utilize the hangar for its owned aircraft, the owner must apply for and obtain a commercial lease to be able to sublease its hangar. (See Section VIII.A.4.).

B. Commercial Sublease

Upon the Airport approval, a lessee may sublease a portion of its leasehold improvements to provide additional aviation related services at the airport. Terminal subleases are not allowed, except by written permission of the Airport Manager, who may approve a short-term sublease in

unusual circumstances such as a shortage of office or counter space. All sublessees are bound by Regulation 07 CBJAC 10 Rates & Fees, for all applicable fees and reporting, and shall be required to provide proof of insurance under the appropriate section of the lease. The Airport Manager shall have the authority to immediately revoke approval of any sublease, if a sublessee is out of compliance with the Airport, CBJ or FAA use, and reporting or fee payment requirements.

C. Review and Approval

The commercial lessee shall submit a fully completed Sublessee Application to the Airport Manager together with such additional information as may be required for review by the Airport Manager. The sublease will be approved if:

1. The proposed use is appropriate and consistent with the AMP, the ALP, and CBJ code;
2. Approval will not constitute a violation of FAA Grant Assurances;
3. The use of the property will comply with the requirements of the Airport Minimum Standards; and
4. The lessee and sublease have provided written acknowledgement that they will comply with all provisions of the original lease.

XII. Assignment of a Lease

A. Assignment of Private Hangar Lease

A lessee who intends to sell its leasehold improvements to another party shall provide 30-day written notice to the Airport Manager of the lessee's desire to assign its lease due to pending sale or transfer of its leasehold improvements and pay the administrative assignment fee established in the current Airport rates, fees and charges. The written notice must comply with section X.C.

The Airport shall not approve a lease assignment until the Airport staff inspects the hangar and determines the hangar is in compliance with the Airport and CBJ codes. Assignees must be in good standing with the CBJ.

B. Assignment of Commercial Lease

A lessee who intends to sell its leasehold improvements to another party or otherwise assign its commercial lease shall submit a completed Airport Lease Action Request to the Airport Manager at least thirty (30) days prior the request assignment and pay the administrative assignment fee established in the current Airport rates, fees and charges.

The Airport shall not approve any assignment of a commercial lease which would cause the Airport to violate its Grant Assurances. A commercial assignee must be registered with the CBJ and be in good standing.

C. Assignment Action Request Form

All assignments must provide an action request form that includes the following:

1. The name of the proposed assignee, including the names of the controlling interest owners if a limited liability company, corporation, partnership, or other association;
2. Contact information for the assignee; and
3. A copy of the proposed or actual document to be used to convey ownership, such as a sales agreement or a bill of sale, in which the financial terms may be redacted.

To: Juneau Airport Board and Airport Administration

From: Kyle Schweissing and the Alaska Airmen's Association

Subject: Juneau Aviation Trade Show 2025

Proposed Date: Late April 2025 (4/19 or 4/26) 12pm-3pm

Proposal and Background

I, Kyle Schweissing, am proposing that the Alaskan Airmen's Association and the Juneau Airport Board co sponsor an aviation trade show consisting of a static aircraft and airport apparatus display along with informational booths. I am proposing that the event take place in Silver Bay (the area around the Airlift, Guardian, and National Guard hangars) in late April 2025.

The goal behind the event is to give the general public a better understanding of airport operations and careers in aviation. Our community relies on the airport heavily and most of the general public probably doesn't understand how much is going on at our airport or about the many careers behind making our airport run. This event would be a great chance for young and old to learn more about everything to do with aviation at our airport.

I am asking for the Board's help in several areas. These areas include airport security, ramp use coordination with Aero Services, and general coordination of the event.

Location

My proposed plan would be for the event to take place inside and ramp-side of the National Guard hangar, the Guardian Flight hangar, and the Airlift Northwest hangar. The static displays would be inside all three hangars and outside on the shared ramp space between each hangar. One area where I need assistance

from the board, is to coordinate with Aero Services on ramp usage as they commonly park aircraft in and use this area.

Airport Security

The security plan for the event would be to create a barrier ramp-side of the three hangars that encompasses the hangars and have GA badged representatives from each organization monitoring the barrier. Access to the event would be through all three hangars. All three organizations have given tentative approval to this proposal.

Advertisement

I had not planned on proposing a budget for advertising as I feel we have many free options available, especially since this is the first time we are holding the event. Having the airport co-sponsor this event would provide more free methods of advertisement.

Parking

One of the reasons why using the proposed space I outlined above for the event is convenient is because there is a lot of parking available along Livingston Avenue in front of the hangars. The airport wouldn't have to figure out how to provide parking at the terminal or somewhere else for this event. We would just need to coordinate with the three hangars to make sure parking remains available to employees during the event.

Insurance

The city's risk management department will require event insurance for this event to take place. This insurance would cost anywhere from \$5,000 - \$10,000 if purchased outright. However, the Alaska Airmen's Association is really interested in establishing

an event like this in Juneau and has offered to sponsor the event and provide event insurance under their current insurance policy.

The city will also require those with aircraft displayed to have at least a 1 million dollar insurance policy with the event named on their policy. This will be a large hurdle to any general aviation aircraft displayed at the event, and a hurdle to get the event named on commercial operator's insurance policies.

Ready Aircraft Staging

Guardian and Airlift will have aircraft displayed during the event but will also have other aircraft that need to remain available for potential missions during the event. An aircraft staging area near their hangars but outside of the event will need to be established.

Safety

All aircraft and equipment will be deactivated via battery disconnect unless approved by the CBJ risk assessment office. Static wicks will be removed or flagged and other safety areas will be protected via safety flagging where necessary. Each participant in the event will be in charge of monitoring and restricting access to safety sensitive areas of aircraft and apparatus.

Participant List

Below are tentative lists of operators to be invited to bring an aircraft or apparatus to the event and then there is a separate list of organizations that would be invited to have an informational or promotional booth at the event. This list is preliminary in nature and not representative of those organizations that have been contacted.

Aircraft/Equipment Displayed:

- Guardian Flight
- Airlift Northwest
- Army National Guard
- Alaska State Troopers
- Alaska Seaplanes
- Temsco
- Ward Air
- ARFF
- Airport Ops (Loader, and Some snow removal equipment perhaps?)

Booths:

- Alaska Airmen's Association
- Air Traffic Control
- National Weather Service
- Civil Air Patrol
- Airport Board
- TSA
- Aircraft maintenance technicians
- Alaska Airlines
- Airport Police

In summary, my proposal is that the Juneau Airport Board co-sponsor this event with the Alaskan Airmen's Association in order to get this event off the ground. I am willing to help coordinate the event, but will need help with many of the items listed above.

I hope to be there to present this information and answer any questions at the next airport board meeting.

Thank you for your consideration,

Kyle Schweissing

ATTACHMENT #1

BYLAWS
of the
CITY AND BOROUGH OF JUNEAU
INTERNATIONAL AIRPORT BOARD

ARTICLE I - NAME

The name of this Board shall be the City and Borough of Juneau International Airport Board ("the Board").

ARTICLE II - PURPOSE

The Board was established by Title 5 of the CBJ Municipal Code pursuant to the CBJ Charter to exercise all powers necessary and incidental to operation and maintenance of all airport facilities in the public interest and in a sound business manner. The Board establishes financial and operational policy and appoints the Airport Manager. The Board operates the Airport as an enterprise fund, which means it is self-supporting.

ARTICLE III - MEMBERSHIP

1. The Board shall consist of a maximum of seven members who will be appointed by and serve at the pleasure of the Assembly.
2. Members of the Board are appointed for staggered three-year terms and shall serve without compensation. A member shall serve until his or her successor is appointed by the Assembly.
3. Other qualifying factors related to qualifications for membership are contained in CBJ Municipal Code sections 05.01.010 and .030.

ARTICLE IV - MEETINGS

1. Regular meetings of the Board will be hybrid meetings and shall be held on the second Thursday of each month at 6:00 p.m. in the Alaska Room of the Airport Terminal and streamed virtually, unless otherwise noticed.
2. Meetings shall be open to the public and conducted according to Robert's Rules of Order. Notice of the meeting shall appear as published by the City & Borough of Juneau's public notice system. Participation remotely shall be allowed for regular, special, and committee meetings of the Board.

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ATTACHMENT #1

3. Special meetings may be called at any time by the Chair or at the request of the Committee Chairs. At least two business days' notice shall be given and filed with the CBJ Clerk.

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4. Minutes of regular meetings shall be distributed by Airport staff to members at least seven days prior to the next regular meeting. Minutes of special meetings shall be distributed to members as soon as possible after the meeting.

5. Upon advising the Board or Committee Chair in sufficient time for Airport staff to make the necessary technical arrangements, a member who is unable to physically attend a meeting may attend a regular or special Board meeting or a committee meeting by telephone or virtually.

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6. A quorum of the Board shall consist of a majority of the membership, including those present electronically and virtually. A quorum must be present for any business to be conducted.

7. Voting shall be by roll call vote or by general consent (no objection). In a roll call vote the Chair shall be required to vote. A majority vote of the Board membership is needed to approve any action.

ARTICLE V – CONFLICT OF INTEREST

If a member has either a financial or a personal conflict of interest, the member shall not deliberate or vote on any matter in which he or she has such an interest. A member who is involved in a matter that may result in a conflict of interest shall disclose the matter on the public record and asked to be excused from the discussion and official action on the matter. The presiding officer may determine whether the member's involvement would be a conflict of interest. The presiding officer's decision may be overridden by a majority vote of the Board. See CBJ Conflict of Interest Code, Sections 01.45.010 - .080 and 01.45.100.

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ARTICLE VI - OFFICERS

The officers of the Board shall consist of a Chair, Vice Chair, and Secretary. Officers shall hold offices for one year or until their successors are elected. The election of officers shall take place in July (or as soon as new Board Members are appointed), with the officers to begin their duties at their first meeting after their election.

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Duties of the **Chair** shall include, but are not limited to, the following:

1. Presiding at all regular and special meetings of the Board.
2. Ensuring that all correspondence and business of the Board is carried out.
3. Acting as spokesman for the Board.
4. Appointing committees, including ad hoc committees and task forces of the Board as deemed necessary.

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ATTACHMENT #1

- 5. Acting as liaison between the Board and the CBJ Assembly.
- 6. In consultation with the Airport Manager, preparing the agenda for each meeting.

Duties of the **Vice Chair** shall be to preside in the absence of the Chair and perform all the duties of that office. In the absence of the Secretary, the Vice Chair will perform the duties of the Secretary.

Duties of the **Secretary** shall include reviewing and giving tentative approval to minutes of all regular and special meetings of the Board, as prepared by Airport staff, prior to the distribution of the draft minutes to other members of the Board and the public.

ARTICLE VII – STANDING COMMITTEES

The standing Committees of the Board shall be the Finance Committee and the Operations Committee and any other committee designated and approved by a majority of the Board.

The Chair shall appoint the members of the standing committees of the Board, designating one member to serve as the chair of each committee. Each standing committee shall consist of at least three members.

Duties of the standing committees shall include, but not be limited to, the following:

- 1. Finance Committee: Consider and make recommendations to the full Board regarding:
 - a. the Airport Manager's proposed operating and capital budgets;
 - b. Airport rates and charges; and
 - c. All other items that have or may have a financial impact on the Airport.
- 2. Operations Committee: Consider and make recommendations to the full Board regarding any issue that has or may have an operational impact on the Airport.

Action(s) recommended by the standing committees shall be subject to approval by a majority of the Board members at a Regular or Special meeting.

ARTICLE VIII – AIRPORT MANAGER

The Airport Manager serves at the pleasure of the Board and shall be responsible for the hiring and/or firing of airport personnel. Subject to direction from the Board, the Airport Manager shall be responsible for the general supervision and the administration of the business and affairs of the Juneau International Airport.

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ATTACHMENT #1

ARTICLE IX – EVALUATION OF THE AIRPORT MANAGER

The Board, meeting in executive session, shall evaluate the performance of the Airport Manager at least once each year, prior to the anniversary date of the Airport Manager’s employment. Results of the evaluation shall then be discussed with the Airport Manager, either in executive or public session as desired by the Airport Manager, who may concur or disagree with the Board’s evaluation. The Board’s evaluation shall determine whether the Airport Manager is entitled to an increase in salary.

ARTICLE X – AMENDMENTS

These bylaws may be amended or revoked by the affirmative vote of not less than a majority of the Board in any regular meeting, provided the notice of such meeting shall have contained a copy of the proposed amendment or revocation.

Approved and adopted by the Board this 8th day of August 2024,

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- Deleted: 9th of May 20
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Dan Spencer, Chair

- Deleted: Joe Heueisen

Attest:

Jodi Garza, Secretary

- Deleted: Pete Carlson
- Deleted: Angela Rodell

- Deleted: June



Human Resources and Risk Management
155 Heritage Way
Juneau, Alaska 99801
Telephone: 586-5250, Ext. 4084
Chelsea.Swick@Juneau.gov

MEMORANDUM

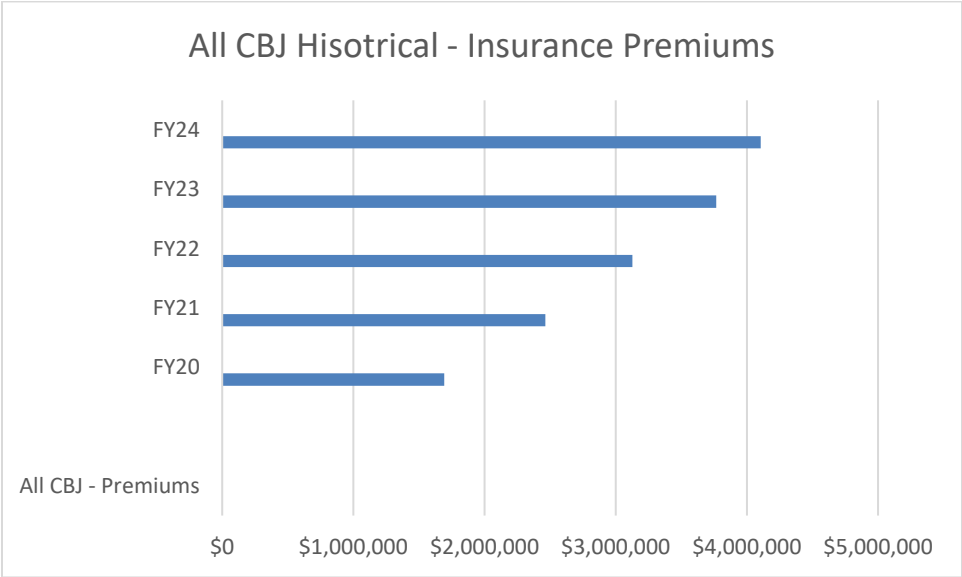
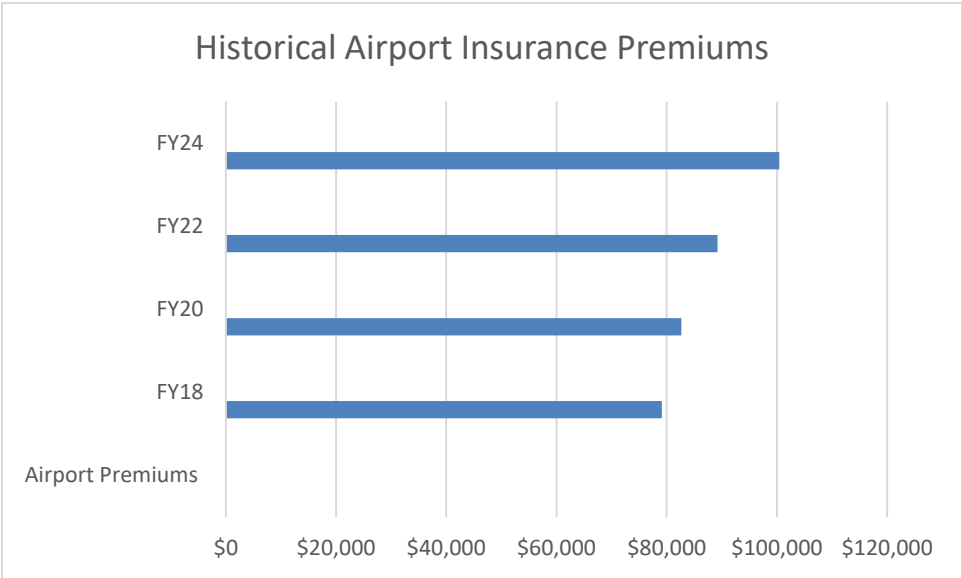
Date: June 27, 2024
TO: Juneau International Airport, JNU Board
From: Chelsea Swick, Risk Management Officer
Subject: Airport Lease Agreements – Insurance Increase

This Memorandum is to address the recent implementation of increased insurance limit requirements within the Juneau International Airport (JNU) lease agreements, both General Aviation (GA), and Commercial Lease Agreements. JNU has historically required lower than average insurance limits; however, with rising property values, labor and materials, increased cost in insurance premiums and increased exclusions within insurance policies, we must increase coverage to adequately protect our assets.

In July of 2023, James Duboise with Chubb Insurance, one of JNU's line of coverage carriers, met with JNU staff and myself for a required Airport Liability Risk Engineering Survey. Among many topics discussed, one of the recommendations for the JNU lease agreements was to increase current insurance limit requirements from \$250K to \$1M.

In an effort to get JNU lease agreements more in line with adequate coverage should a loss occur, I recently reached out to Chubb Insurance to talk through what they have seen with other airports of like size and use for comparison. The goal is not to overburden JNU's lessees, but to require coverage that demonstrates the ability to fully cover a loss. Chubb indicated \$5M CGL within lease agreements is the standard across the aviation/airport industry, but given the unique design, use and size of JNU, \$1M should be the lowest minimum requirement. CBJ Risk Management is in agreement with Chubb Insurance on this recommendation and have already implemented this requirement amongst other CBJ Departments.

Exhibit A details a snapshot of JNU's historical insurance premiums, and a snapshot of all CBJ insurance premiums which provide some insight on rising insurance costs. Exhibit B details CBJ's liability structure of insurance and is provided for informational purposes.



City and Borough of Juneau - Liability Structure Charts

Policy Term: July 1, 2024 to July 1, 2025

Total Premium: \$1,893,500.64



Total Cost: \$102,756.00 Total Limits: \$300,000,000					
Underwriters at Lloyds, London Limit: \$200,000,000 xs \$100,000,000 Premium: \$53,399.00					
ACE Property and Casualty Insurance Company Limit: \$100,000,000 Premium: \$49,357.00	Total Cost: \$1,069,695.00 Total Limits: \$20,000,000	Total Cost: \$140,122.50 Total Limits: \$20,000,000		Total Cost: \$90,081.14 Total Limits: \$10,000,000 Each Occurrence \$18,000,000 Aggregate	
	Gemini Insurance Company Limit: \$5,000,000 xs \$15,000,000 Premium: \$160,000.00	Aspen American Insurance Company. – 33.34% Stratford Insurance Company – 33.33% Navigators Insurance Company – 33.33% Limit: \$15,000,000 xs \$5,000,000 Premium: \$41,580.00		Arch Insurance Company Limit: \$9,000,000 xs of \$1,000,000 Each Occurrence \$18,000,000 General Aggregate Premium: \$32,495.80	
	Evanston Insurance Company Limit: \$10,000,000 xs \$10,000,000 Premium: \$200,000.00				
	Upland Specialty Insurance Company Limit: \$5,000,000 xs \$5,000,000 Premium: \$294,000.00				
	Princeton Excess & Surplus Lines Insurance Company Limit: \$5,000,000 Premium: \$415,695.00	Navigators Insurance Company Limit: \$4,000,000 xs \$1,000,000 Premium: \$27,552.00		Professional Security Insurance Company Limit: \$4,000,000 xs \$1,000,000 Each Claim \$7,000,000 Aggregate Premium: \$163,449.00	
		Navigators Insurance Company Primary Marine Liabilities for Ports Limited Pollution Liability Limit: \$1,000,000 Premium: \$39,531.45	Navigators Insurance Company Hull & Machinery – Per Schedule of Vessels Primary Protection & Indemnity: \$1,000,000 Limited Vessel Pollution Liability: \$1,000,000 Premium: \$31,459.05	Arch Insurance Company Limit: \$1,000,000 per occurrence \$2,000,000 Products Aggregate \$10,000,000 General Aggregate Premium: \$57,585.34	Professional Security Insurance Company Limit: \$1,000,000 per occurrence \$3,000,000 Aggregate for PL & GL Premium: \$327,397.00
\$5,000 Occurrence \$50,000 Aggregate Deductible	\$350,000 Self-Insured Retention all Coverages	\$1,000 Hull & Machinery, \$5,000 Protection & Indemnity, \$5,000 Marine General Liability Deductible		\$10,000 Occurrence and \$50,000 Aggregate Self-Insured Retention	\$100,000 per claim and \$300,000 aggregate Deductible
Airport Liability	Excess Liabilities: - Automobile Liability - General Liability - Public Officials Wrongful Acts (incl. EPL) Law Enforcement Legal	Marine Insurance Program		General Liability & Excess Liability - Eaglecrest Ski Area	Primary Professional Liability and Health Care General Liability & Excess Liability - Bartlett Regional Hospital

Presented by: HRC
Presented: 8/5/2024
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2024-32

An Ordinance Establishing a Waiver Process for Airport Board Appointments and Temporarily Waiving the Three Tenant Rule.

WHEREAS, the Assembly Human Resources Committee discussed this topic on July 29, 2024, and directed the Municipal Attorney to draft an ordinance that provides a waiver of the “Three Tenant Rule” (CBJC 05.01.010(b)) through the term of the existing tenant-members; and

WHEREAS, considering the Airport Board consists of seven members, a prior Assembly concluded no more than three Airport Boardmembers could be tenants (CBJC 05.01.010(b)); and

WHEREAS, while the Assembly strives to appoint qualified community members that are not tenants of the Airport Board, sometimes community interest is low and a fourth tenant applies, who is otherwise well-qualified; and

WHEREAS, a prolonged vacancy on any empowered board, especially the Airport Board, strains the other members, harms the governance of the Juneau International Airport, and harms the community; and

WHEREAS, as the elected officials for the community, the Assembly is best suited to determine whether good cause exists to temporarily waive the Three Tenant Rule and appoint a fourth tenant; and

1
2 WHEREAS, the CBJ Conflict of Interest Code (CBJC 01.45) provides proficient safeguards
3 to prevent self-dealing by Airport Boardmembers who are tenants, regardless if there are three
4 or four members; and

5 WHEREAS, although CBJ Charter 3.16(e) allows the prevailing vote of most boards to be
6 reduced by one if two conflicted members are present but unable to participate due to a conflict
7 of interest, the Assembly expects the Airport Board to promptly notify the Assembly if tenant
8 conflicts of interests are reducing the majority vote to three; and

9
10 WHEREAS, the underlying purpose of the Three Tenant Rule applies equally to tenants,
11 officers and employees of tenants, and subtenants of tenants; and

12 WHEREAS, upon balancing the competing public policy interests, the Assembly concludes
13 this ordinance is in the best interest of the community; and

14 WHEREAS, if the Airport Board has an opportunity to review this ordinance, the
15 Assembly would appreciate it, but if not, the Assembly specifically waives review by the Airport
16 Board (CBJ Charter 3.16(c)).

17 BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

18
19 **Section 1. Classification.** Section two of this ordinance is of a general and permanent
20 nature and shall become a part of the City and Borough of Juneau Municipal Code. Section
21 three of this ordinance is a noncode ordinance.

22 **Section 2. Amendment of Section.** Section CBJC 05.01.010, Board of directors, is
23 amended to read:

24 **05.01.010 Board of directors.**
25

1
2 (a) There is established the board of directors of the City and Borough of Juneau
3 International Airport which shall be known as the City and Borough of Juneau International
4 Airport Board (hereinafter referred to as the airport board). The airport board shall consist of
5 seven members appointed by the assembly to serve without compensation for staggered three-
6 year terms. Airport board members shall serve at the pleasure of the assembly. Terms shall
7 commence on July 1.
8

9 (b) No member of the airport board, or member of a board member's immediate family
10 or household, may be employed by the airport. To the extent possible, appointments to the
11 airport board shall include persons having aeronautical, engineering, financial, or other skills
12 relevant to airport matters. No more than three members of the airport board may be a tenant
13 under a lease with the airport, including a subtenant and, or an officer or employee of a tenant
14 under lease with the airport. However, the Assembly—by resolution—and for good cause may
15 temporarily waive the three tenant rule and appoint a fourth tenant.
16

17 (c) Appointments to fill vacancies on the airport board shall be for the unexpired term.
18 In the event a seat has six months or less remaining to the unexpired term, the assembly, at its
19 discretion, may choose to appoint the member to the remainder of the current term as well as to
20 the full term immediately following the expiration date of the unexpired term.

21 (d) No member of the airport board who has served for three consecutive terms or nine
22 years shall again be eligible for appointment until one full year has intervened, provided,
23 however, that this restriction shall not apply:

24 (1) If there are no other qualified applicants at the time reappointment is
25 considered by the assembly human resources committee, or

(2) To qualified board members serving in board seats for which a specific occupation or expertise is set forth by ordinance.

(Serial No. 95-10, § 2, 1995; Serial No. 97-07, § 2, 1997; Serial No. 2004-08, § 2, 3-22-2004; Serial No. 2005-03(d), § 2, 6-13-2005; Serial No. 2005-27, § 2, 10-10-2005; Serial No. 2007-57, § 2, 9-4-2007)

Section 3. Temporary Waiver of the Three Tenant Rule, CBJC 05.01.010(b).

From July 1, 2024, through June 30, 2027, the Assembly may appoint up to four people to the Airport Board that are tenants, including subtenants and officers or employees of tenants because community interest in the Airport Board is low, the governance of the Airport Board works best with all seven positions filled, and the CBJ Conflict of Interest Code provides sufficient safeguards to prevent and enforce any tenant self-dealing.

Section 4. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2024.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

**AGENDA
CITY AND BOROUGH OF JUNEAU
ASSEMBLY COMMITTEE OF THE WHOLE
WORK SESSION**

**Monday, August 30, 2004; 5pm
Assembly Chambers**

- I. Call to Order**
- II. Airport Audit Report**
 - A) Packet Items
 - June 18, 2004 Independent Accountant's Report - CBJ Airport by Elgee, Rehfeld, Mertz
 - June 28, 2004 Committee of the Whole Minutes
 - B) Airport Board Comments
- IV. Adjournment**

CITY AND BOROUGH OF JUNEAU,
AIRPORT

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

ELGEE REHFELD MERTZ, LLC

CERTIFIED PUBLIC ACCOUNTANTS

9309 Glacier Highway, Suite B-200 • Juneau, Alaska 99801
907.789-3178 • FAX 907.789.7128 • www.ermcpa.com

To Members of the Assembly,
City and Borough of Juneau, Alaska

We have performed the procedures enumerated below, which were agreed to by the City and Borough of Juneau, (CBJ), solely to assist you in evaluating the current Airport Enterprise Fund Board's administration practices, internal controls over leases and rate setting. This agreed-upon procedures engagement was performed in accordance with consulting services standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PROCEDURES:

The agreed upon procedures and our findings are as follow:

1. We performed inquiries of numerous Airport employees and Airport Board members to identify the processes used for billing and the development of the current rate structure for airport leases.
2. We reviewed selected Airport Board meeting minutes for rate change and billing transactions and the related approval and handling of related party or conflicts of interest.
3. We reviewed the current regulations governing the Airport Board for its current guidance on board member conflict of interest issues and compared that to current airport practices.

FINDINGS:**1. A Majority of the Airport Board Have Apparent Conflicts of Interest**

The current ordinance for the Airport Board states, in part: "*No City and Borough airport employee may be a member of the airport board or the spouse or a member of the household of a member of the airport board. To the extent possible, appointments to the airport board shall include persons having aeronautical, engineering, financial, or other skills relevant to airport matters.*" However, the ordinance does not limit the number of members who may serve on the Airport Board who have a conflict of interest due to a financial interest.

Currently, four members of the Airport Board, a majority of the seven-member board, have conflicts of interest, or at least an appearance of a conflict of interest, due to a direct financial interest at the airport. They are Mr. Joe Johnson, Mr. Pete Carlson, Mr. Ron Swanson and Mr. Tom Williams. These financial interests relate to the ownership of one hangar by each of Mr. Williams and Mr. Carlson, two by Mr. Swanson, and several by Mr. Johnson. Also, in Mr. William's case, there is a potential conflict as a management-level employee of Ward Air, Inc. Due to the cost to build and own a hangar at the Juneau Airport, not to mention more than one hangar, none of these financial interests could be reasonably deemed

as inconsequential. Accordingly, it would appear that it would be appropriate for members declare a conflict of interest pertaining to certain actions taken by the Airport Board with respect to rate setting for hangar and commercial operators, decisions relating to operations of Ward Air, Inc. (a Part 135 operator) and other matters that could be perceived as beneficial to these board members.

Airport Board governance, and airport billing and rate structure development are negatively impacted by the current structure of the Airport Board. Since a working majority of the board have conflicts of interest pertaining to significant activities of the airport, the ability of the board to operate objectively is in question. With the amount of pressure that these members must feel, both from themselves and from their tenant friends related to keeping their personal expenses to a minimum, we feel that there is undoubtedly an effect on their decisions.

We recommend that the Assembly review the Airport Board ordinance to determine whether tenants, and others with conflicts of interest, should be limited to a minority of positions (three or fewer) on the board of directors. Such a change would also require board members to provide an annual conflicts of interest statement to enable the City to monitor changes in conflicts of interest.

In the interim, before the Airport Board ordinance is reviewed and possibly changed, the Assembly may want to place greater emphasis on the tenant/non-tenant make-up of the board before making future board appointments.

2. Minutes of Significant Actions of the Finance Committee are Not Kept and the Finance Committee is Made Up Entirely of Airport Tenants

The Finance Committee of the Airport Board consists of three members, all of who have potential conflicts of interest due to a direct financial interest at the airport as previously discussed. They are Mr. Johnson, Mr. Carlson, and Mr. Williams. The Finance Committee develops the Airport budget for submission to the full board for acceptance and referral to the CBJ Assembly. Part of the budget development process includes setting rates for all revenue lines in the airport budget. The Finance Committee does not keep minutes of its meetings, so it is difficult to identify the process used, and rationale behind, the development of the budget, including rate setting. For example, the minutes for the Airport Board meeting for March 10, 2004 included the Airport Board's discussion and approval of the Fiscal 2005 and 2006 biennial budget. Attachment #2 to those minutes was an informal listing of the decisions made by the Finance Committee, including rate adjustments to be made. However, these are not formal minutes and there is no discussion as to the justification for the rate setting, including those rates that were increased and the rates that were left the same.

Because the Finance Committee consists entirely of tenants and because that committee does not keep minutes, rate setting, budget determination and other recommendations and decisions made by the Finance Committee to the Airport Board are less credible due to conflicts of interest concerns.

We recommend that the Airport Board not appoint a majority of members with conflicts of interest to the Finance Committee, and that all significant standing committees keep minutes of meetings.

3. The Board of Directors Have Not Declared Conflicts of Interest

In a memorandum to the Airport Board dated July 2, 2002, City Attorney John Corso addressed conflicts of interest questions by the Airport Board as follows:

The CBJ Conflict of Interest Code includes section 01.45.010, which is entitled "Misuse of Official Position". It says that a municipal officer may not "Take or withhold official action in order to affect a matter in which the municipal officer has a personal or financial interest." It also says that a municipal officer may not "Attempt to affect a personal or financial interest through coercion of a subordinate." and finally, "An assembly member, school board member, or member of any board or

commission may not deliberate or vote on any matter in which he or she has a personal or financial interest."

Given the relatively small number of airport leases, and the significant sums of money involved, it is likely that any Board member who is party to an airport lease would have a conflict of interest in voting on a policy to amend leases as described in this memorandum. I recommend that tenant Board members refrain from voting. I have been informed that there are four such members. The Charter provides that the vote required to take action (four, in the case of the seven-member board) is reduced by one for every two members who must abstain, provided that it is never less than a third of the membership. This means that if four members step down, action requires the unanimous vote of the remaining three.

During our work, we reviewed all of the minutes of the Airport Board for fiscal 2004 to date and selected minutes from fiscal years 2003 and 2002. During our review of the minutes, the only references to conflicts of interest that were discussed were as follows:

- During a strategic planning session, facilitated by the McDowell group in September of 2003, the board identified the current board member makeup and lack of guidance for conflict of interest as areas demanding attention.
- At the November 12, 2003 Airport Board meeting, during discussions about the hangar lease reversion issue, there was discussion about the Airport Board not being able to take any action with regard to this issue due to a majority of the Board members having conflicts of interest. The approved minutes from this meeting state the following, in part, with regard to what the Board can do regarding the lease issue:

There is a potential conflict due to a majority of tenants on the Board. In the absence of those people being able to take part in any kind of discussion, the Board would not have a quorum and the Board would not be able to do anything.

The Board's opinion with respect to their ability to take action on the leases seems to contradict the guidance by Mr. Corso, as discussed above. It also indicates an inability for the Airport Board to act objectively on certain matters due to a majority of board members with conflicts of interest. Nevertheless, in this case, the board appeared to recognize the conflict of interest.

- At the January 14, 2004 Airport Board meeting, the Airport Board again reiterated their belief that there was a conflict of interest with respect to the hangar lease reversion issue.
- At the February 11, 2004 meeting Mr. Williams asked the Airport Board to change the wording regarding the Airport Board's lack of objection to its support of a certain federal bill. Mr. Williams indicated that the wording of the Airport Board's action may cause him to have to declare a conflict of interest.

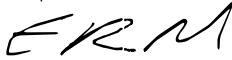
These instances indicate that the airport board is aware of potential conflicts of interest due to their financial interest. In addition, the Board adopted new by-laws in February 2004 that established guidance on dealing with the conflict of interest issue; but this has not resolved actual or perceived conflict. The new bylaws, due to the current composition of the board (majority being tenants), contain the potential to override the Chairman's decision regarding potential conflicts.

The conflicts discussed above, do not include all potential conflicts, however. We did not identify any declarations of conflicts of interest with respect to the determination and establishment of the overall budget for the airport (as discussed under point number 2 above), rate setting for hangar owners, or rate setting for Part 135 operators (commercial operators). These are all areas that actual or perceived conflicts of interest exist. The fact that there has been no discussion of these items during the Board meetings indicates that the Airport Board members are not declaring all potential conflicts of interest.

We recommend that the Airport Board members comply with their by-laws and the CBJ's Conflict of interest Code regarding all conflicts of interest.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the controls discussed above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of CBJ Assembly and Management in their evaluation the procedures used for Airports' Board practices, lease and rate setting processes and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.



June 18, 2004

ELGEE REHFELD MERTZ, LLC

CERTIFIED PUBLIC ACCOUNTANTS

9309 Glacier Highway, Suite B-200 • Juneau, Alaska 99801
907.789-3178 • FAX 907.789.7128 • www.ermcpa.com

May 5, 2004

Rod Swope, City Manager
City and Borough of Juneau
155 S. Seward
Juneau, AK 99801

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for the City and Borough of Juneau.

We will provide services to analyze and apply the agreed-upon procedures which you have specified, listed below, to evaluate the current Harbor Enterprise Fund's board administration practices, internal controls over procurement, and the Airport Enterprise Fund's board administration practices. These procedures will include interviewing the Enterprise Fund's management and accounting personnel to determine the flow of accounting information and controls placed in operation, as well as specific transaction and document testing as deemed necessary.

These procedures are expected to include the following:

HARBOR ENTERPRISE FUND

1. We will perform inquiries of the Harbor Enterprise Fund's personnel (and board members as necessary) to identify the processes used for contracts and procurement.
2. We will review FY2003/2004 board meeting minutes for procurement transactions and the related approval and handling of related party or conflict of interest contracts.
3. We will select a sample of procurement transactions to test compliance with the current regulations over procurement.

AIRPORT ENTERPRISE FUND

4. We will perform inquiries of the Airport Enterprise Fund's personnel (and board members as necessary) to identify the processes used for the development and setting of the current rate structure.

5. We will review FY2003/2004 board meeting minutes for rate structures and the related approval and handling of related party or conflicts of interest.
6. We will review the current regulations governing the Airport board for its current guidance on board member conflict of interest issues and compare that to current airport practices.

Upon completion of the interviews and preparation of a draft summary report we will provide you the total hours incurred to date and an estimate of the hours anticipated for the additional optional procedures. At that time you can elect to have the following steps completed or not.

HARBOR ENTERPRISE FUND

7. We will perform inquiries of the Harbor Enterprise Fund's personnel to identify the processes used for billing and payment collection.
8. We will review FY2003/2004 board meeting minutes for billing transactions and the related approval and handling of related party or conflict of interest contracts.
9. We will select a sample of transactions to test compliance with the current regulations over billing and current rates, as well as proper segregation of duties in the collection, recording and reporting processes.

AIRPORT ENTERPRISE FUND

10. We will select a sample of billing transactions to test compliance with the current regulations over billing and current rates, as well as proper segregation of duties in the collection, recording and reporting processes.

We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of the Assembly and Management, and should not be used by those who did not agree to the procedures and take responsibility for the sufficiency of the procedures for their purposes.

We plan to begin our procedures the week of May 3, 2004 and, unless unforeseeable problems are encountered, the engagement should be completed by May 31, 2004.

This engagement is solely to assist the CBJ Assembly and Management in their evaluation the procedures used for Harbor and Airports' board practices, procurement, billing and rate setting processes. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report.

Because the agreed-upon procedures listed above do not constitute an examination, we will not express an opinion on the CBJ Harbor or Airport Enterprise Funds. In addition, we have no obligation to perform any procedures beyond those listed above.

We estimate that our hours for these services will fall within the hours for additional services provided with our audit contract with the CBJ (currently approximately 60 hours are available). As indicated above, after we have completed the interviews and our evaluation of the controls we will estimate the hours needed to complete the optional sampling steps listed above. Hours in excess of the audit contract hours will be billed at our standard hourly rates, which range from \$140 to \$157 an hour. You will also be billed for out-of-pocket costs such as report production, typing, postage, etc. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional services arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of the procedures.

Sincerely,



RESPONSE:

This letter correctly sets forth the understanding of Elgee Rehfeld Mertz, LLC and the City and Borough of Juneau.

By: 

Title: Deputy City Manager

Date: May 6, 2004

**CITY AND BOROUGH OF JUNEAU
ASSEMBLY COMMITTEE OF THE WHOLE WORK SESSION**

Monday, June 28, 2004

Assembly Chambers

I. Call to Order: Chairman Jim Powell called the meeting to order at 5:00 p.m.

Members Present: Deputy Mayor Jim Powell; Mayor Bruce Botelho, Jeannie Johnson, Dan Peterson, Stan Ridgeway, Merrill Sanford, Randy Wanamaker, Marc Wheeler.

Members Absent: David Stone.

Staff Present: Rod Swope, City Manager; Peggy Boggs, Assistant City Attorney; Laurie Sica, Municipal Clerk; Allan Heese, Airport Manager.

II. Approval of Minutes

A. May 3, 2004 Committee of the Whole

MOTION, by Johnson, to approve the minutes of the May 17, 2004 Committee of the Whole meeting. Hearing no objection, it was so ordered.

III. Audit Report on the Airport

Max Mertz, an auditor for Elgee, Rehfeld and Mertz, said that in response to an Assembly request, they have reviewed the Airport Board and Docks and Harbors Board operations. The audit contract allows for 80 hours of specific services, and this work was done under that provision. The auditing firm will finish the report on the Docks and Harbors Board soon. Ms. Karen Brewer-Tarver, an audit manager who was present in the audience, performed the work. Mr. Mertz said he owns a hangar at the airport, and so did not do the actual audit, but did the finalization of the work, as presented.

Finding 1 – 4 of 7 members of the board, a majority, have a conflict of interest on matters that can affect the airport board's ability to carry out its business. All four are hangar owners, and in one case, a member is a managerial employee of a tenant of the airport.

Finding 2 – the Airport Board Finance Committee – a 3-member sub-committee of the Airport Board, is entirely made up of members with a conflict. In addition, that committee was not keeping minutes. Regarding the development of the rate structure and billing, there was no record of how business was conducted.

Finding 3 – Regarding declaration of conflicts of interest - there was no discussion that we could find that declarations of conflicts were complete in all matters.

Mayor Botelho asked if the auditors ever asked Airport Board members why the board did not comply with the advice of the city attorney. Mr. Mertz said no, and if there is a defense of that, the members can bring this to the Assembly.

Ms. Johnson asked the nature of the ownership interests in relationship to the overall airport operations. Mr. Mertz said the conflict is one in which a financial ownership interest is

Committee of the Whole Meeting	1	June 28, 2004
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significant. The value of a hangar is significant. The perception is that there could be action taken by board members to protect that interest. We are not saying that was done in any particular circumstance. There are a host of areas that would have an effect on the future value of that type of interest. It may make sense to have some hangar owners, but it should not be a majority of the board. There is a judgement call to be made. Regarding the employment situation with the one board member, there are so many areas that impact his interest, he asked how that member could effectively serve.

Ms. Johnson asked if the concerns were the ownership of hangars or the lease rate of land. Mr. Mertz said that the ownership of hangars was the most significant of the two.

Mr. Ridgeway asked how the hangars work regarding ownership. Mr. Heese said that there are some privately owned hangars, which take up the footprint of leased land. There are commercial owners whose footprint can take up a greater portion of leased land. Regarding paving on a tenant's leased land, the tenant would have the decision on how to handle the leased land, otherwise if it is airport land the board would make decisions.

Ms. Johnson asked about the ability to direct where things are constructed on the airport and if there is any land available now? Mr. Heese said the airport is land poor now. The airport is in the EIS process to obtain land, and there are a few small pockets available.

Mayor Botelho asked regarding hangars, is there an issue at the end of the lease about how the sale is to take place – does the hangar owner have an automatic right to renewal or is it open to all comers?

Mr. Heese said the current tenant has the first opportunity to sell or lease. The chair of the Board said, from the audience, that it is muddy -there are different leases all over the place.

Ms. Boggs provided information on the conflict of interest code. Board members cannot deliberate on any issue of which they have a financial interest. If the interest is insignificant or of a large class, there is no conflict. If the influence has insignificant effect, there is no conflict. It is a matter of degrees. In this case, there is a potential for a conflict of interest. A lease is a contract, there is bargaining, there are terms of the lease to be negotiated. Regarding land use issues, more facts are needed, but this could pose a potential conflict. CBJ Law has not issued a written opinion since 2002 on this issue.

Ms. Johnson asked if a board member thinks they have a conflict, what would be the proper procedure. Ms. Boggs said there are provisions for the law department to issue informal and formal opinions, and they are open to every board member.

Mr. Powell asked about the standard for review – and if it is the same procedure for Asserabymembers. Ms. Boggs said yes. Mr. Powell asked if more time was needed by the law department to review the three comments of the auditor. Ms. Boggs said that regarding the first finding, the law department doesn't know how many hangars there are. We don't know if those who own hangars constitute a large class of people. Regarding the second finding, minutes need to be kept. Regarding the third finding, declarations of a conflict of interest are mandatory if there is an indication that there may be a conflict.

Mayor Botelho said it would be helpful to know where the conflicts arise in the work of the board in general categories, and if there a point where the conflict is so pervasive that it would prevent a member to carry out the work of the board.

Mr. Mertz said that a person in question is a management level employee of Ward Air. When the financial livelihood is dependent on the airport itself – virtually every decision made will effect, either directly or indirectly, a business operating at the airport. Rate setting, allocation issues regarding Alaska airlines and the 135 operators, and terminal expansion are some of the major decisions the board effects.

Mr. Wheeler asked for a process to make decisions on board member appointments – should we ask our legal staff to advise on potential conflicts? Mr. Mertz said the hospital board is a good example – there are two doctors, but not six. You want the perspective, but not the majority. It has to do with the degree of control. It makes sense to have some determination of what conflicts a person may have and may bring to the board.

Mr. Ridgeway said conflicts are inevitable, but the way that it has been dealt with is to create advisory boards. The minutes appear to show most members have some sort of conflict. There are not a lot of outsiders coming to the airport board. Perhaps we should consider an advisory board of user groups and have a separate business board. Mr. Mertz said that struck him as well, that the people who show up to the meetings have direct interests in the operation of the airport, which is good, however, because of the strong involvement of the tenants, it makes more sense to limit the potential insiders with interest on the board. The airport board was an advisory board previously, and expansion can be cumbersome. He has seen an advisory group to a board work effectively, and not.

Mr. Heueisen said the people who serve on the board, whether there is a perceived conflict or not, have the best interest of the airport at heart, and he has not seen people make decisions which personally benefit them. He is an insurance agent, and has gone to the attorney, personally, several times, for an opinion on conflict. At the time board appointments were made, he asked for no more tenants to be appointed to the board. The problem is the perception of a conflict, whether there is a real conflict or not. When the issue of leases come up, how are they to act? He has made the call that he doesn't feel the airport board has the ability to make decisions on leases. In the future, he asked the Assembly to count the number of people who are tenants, and appoint some. Their opinion is valuable, but it should not be a majority. He appoints the committees, and he picked the members on the Finance Committee due to their expertise. He purposely left them off the leasing committee. The operations committee chair has the most experience out there. They do their best, but he asked the Assembly to please not send them any more conflicted people.

Mr. Wheeler asked if it is possible to appoint non-members to the committees. Mr. Heueisen said that on standing committees it was not, but on ad-hoc committees it was possible. Mr. Heueisen said he was finance chair previously and the meetings were recorded, but no written minutes were made. It appears that the recording has stopped, but we can record all meetings.

Board members in the audience said that the auditors had not spoken with them about this issue.

Mr. Powell asked the assembly about accepting the report tonight, or if more information was needed.

MOTION by Johnson, to accept the report.

Mr. Wanamaker asked what accepting the report means, if it was to accept it without making any determination on findings.

Mr. Powell said yes. We can qualify the acceptance with follow up actions. Mr. Botelho suggested receiving the report.

Hearing no objection, the report was received.

Ms. Johnson said to allow only three tenants to be board members, the Assembly would need to make an ordinance change. Board appointments are scheduled for this Wednesday. She would like to delay those appointments for further recommendations from the Attorney's office. The timing is unfortunate and we do not have enough information on the degree of conflict. She asked if the Assembly wished to do the same with the harbor board.

MOTION by Johnson, to delay the consideration of airport board appointments for approximately 30 days.

Ms. Johnson said there are two members who have the appearance of conflict, that are up for reappointment, and two applicants have apparent conflicts. The Assembly needs to know the degree of conflict.

Mr. Wheeler said it makes sense, and the establishing ordinance needs to be reviewed in the Human Resources Committee.

Mr. Wanamaker said delaying appointments and allowing members to continue to act is prudent. There is a presumption of a conflict now, and the information in the report goes back and forth regarding the conflict with the definitions. There are a lot of things wrong with the conflict of interest code. The Assembly needs to do a comprehensive revision of the conflict of interest code. The city attorney, potential candidates and board members need to discuss conflicts before they are brought to the Assembly. He is concerned about protecting people's legal rights.

Mr. Ridgeway agreed to delay appointments. The Assembly should consider delaying all appointments, including those to Eaglecrest, to stay on the subject. Mr. Ridgeway said that a total revision may be needed of all the boards. We will always have this conflict of interest issue before us due to people's personal interest in serving. There are some areas where we could look at advisory boards.

Mayor Botelho supported the idea of delay. He suggested the need to set some time aside at the next meeting to allow Airport board members with potential conflicts to discuss this with the Assembly, before any appointment interviews. He suggested moving forward with the interviews for the Eaglecrest Board, as we need to stay on track with time.

Mr. Sanford said that most of the board members on the Eaglecrest Board are users or part-time employees. Most of the members are those who want to see good facilities. This will be difficult to do and I would like information from the law department on the levels of conflict.

Mayor Botelho said he was not aware of employees on the Eaglecrest board, which would create a conflict, however, users of the facility could be considered in a large group of public in the same position and exempt from conflict.

Mr. Swope said he wanted to bring up concerns regarding Eaglecrest. That board is lacking members with specific financial experience, and there are no new applicants at this time, so he was going to ask for a delay in those appointments.

Mr. Wheeler said there is an appearance of conflict now, but he would like this board to be able to make decisions without the pall of the appearance.

Ms. Johnson said she spoke with Mr. Corso about conflicts a few years ago, and in a community of this size, it is going to happen -- we need to know how much is too much. She appreciates holding off for 30 days.

Mr. Wanamaker prefers holding off for 60 days, to allow time to work through this. He is concerned about the conflict of interest code, and terms such as "speculative conflict of interest." This term is not in there, but we need time to come to some better informed places of decision making capabilities.

There was no objection to a 60 days delay to on appointments to the Airport, Docks and Harbors and Eaglecrest Boards, and to return the issue to the Committee of the Whole. There was no objection to reviewing the existing airport board ordinance for possible changes for limitations on tenants on the board.

Mr. Wheeler asked about Findings 2 & 3. Ms. Johnson said she was certain the airport board will comply with both of those from now on.

IV. Adjournment: 6:50 p.m.

Submitted by:
Laurie Sica
Municipal Clerk

AIRPORT MANAGER'S REPORT – August 8, 2024

- a. Preliminary 2023 Enplanement Numbers. The Airport has received preliminary enplanement numbers for 2023 at 440,279. This is in-line with the 2018 data and is the second highest (to 2019) reported for Juneau.
- b. Parking Lot Equipment Update. Republic Parking has reported that the new gates, equipment and readers are expected to arrive in Juneau the week of August 19. They will be prepping the electrical and fiber in advance of this and readying for contractor installation upon equipment arrival.
- c. Joint Use CBJ Wastewater Pretreatment Facility – Aircraft Biffy Dump Station. The CBJ has proposed developing and installing a dual wastewater pretreatment facility and aircraft biffy dump station in a section of the tank farm. The majority of this would be underground. The pretreatment and biffy dump need to be a prescribed distance from the treatment plant, which makes the west end of the tank farm ideal. CBJ Wastewater will work through CBJ preliminary planning and design.
- d. Canagold Mining Operation (Polaris). The New Polaris Detailed Project Description is now on public record in Canada and can also be found on [Canagold Resources \(gov.bc.ca\)](https://www.gov.bc.ca). Canagold has met with Juneau Airport staff preliminarily on operations in/out of the Airport. As they get further into planning, the Airport should have an idea on what they may need for space and operations if it is determined that Juneau Airport is their final airport concept. The portion of the report detailing air operations is found on Pages 61-64, beginning in section 5.8.3.3.
- e. Passenger Facility Charge (PFC10) Application Process. The Airport will be starting the public process for PFC10 applications. This will start with the next Finance Committee meeting before coming back to the Board. PFC10 is expected to be a short collection period due to the PFC rules for project planning (no more than two years out for projects).
- f. Encampments on Airport Property. The encampments and trash in the Jordan Creek Greenbelt (and other areas on airport) have skyrocketed in recent months. This is now a daily, and sometimes twice daily, cleanout of the areas. The trash and abandoned property are accompanied by drug needles and unsanitary waste. This has become a strain on Airport resources.
- g. Airport Fund Balance (AFB) and Capital Revolving Account Balance (CRAB) (Attachment #3). The Capital Revolving Account Balance has been updated this month. The Airport Fund Balance page reflects updates to the proposed FY25/26 budgets and reflects what has been submitted to the Assembly and approved by the Board. ***The Fund Balance is based on the balanced FY25 budget with increases to the Airport Rates & Fees.*** No change since last month.
- h. Hot Topics. The following is a list of on-going topics that staff is working on in addition to the regular Airport Project Reports:
 - **NO CHANGE** – *Aviation Worker Screening (AWS) and Litigation Update.* JNU and approximately ten other airports filed a Joint Petition for Judicial Review of TSA's worker screening amendment, paralleling the random screening phase-in. Staff continues to work on the random AWS in-house. This phase-in is part of the AWS implementation plan for the informed compliance period,

which started September 25, 2023. Trial runs will continue weekly until fully implemented to nine hours/week required by September 2024.

- **NO CHANGE** – *Runway 26 Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR) approach lighting.* With the FAA Reauthorization Bill passed and the language included in the Bill that will allow airports to use AIP funding to complete the MALSR system, Staff will be pursuing design with FAA in the new Federal fiscal year.
- **NO CHANGE** – *Juneau Douglas North Crossing Project.* - Alaska Department of Transportation (ADOT) continues with the second channel crossing project between Juneau and Douglas. ADOT has released the GIS information used in the draft level 2 screening evaluation. A link to the mapper will also be made publicly available on the website: <https://www.jdnorthcrossing.com/>. DOWL and the State continue to state: ‘Any alternative that conflicts with the approach surfaces or the ALP will be modified to eliminate conflicts or removed from consideration.’ Please visit the ADOT website for the project www.jdnorthcrossing.com or make comment to the project email JDNorthCrossing@dowl.com.
- **NO CHANGE** – *Alaska Department of Environmental Conservation (ADEC) Site Contamination.* In 2014 during a project that required paving a drive lane just south of the old sand shed and Channel/Loken (Coastal) hangar, contamination of soil and groundwater was found. Cox Environmental was hired to perform a Contamination Characterization Report which was provided to the Board in July. The Airport will continue to work with ADEC and Cox Environmental to close out this site, which may take some time.
- **NO CHANGE** – *Title 49 (Jordan Creek) Variance Request.* Staff is still looking to work with the CBJ on Title 49 language for limbing after the Planning Commission denied the Development Department (CDD) during their rewrite of Title 49 for inclusion of safety or other ways to allow limbing in this area. The Assembly has approved \$150,000 in their FY24 Capital Improvement Project plan for: *the Jordan Creek Greenbelt Improvements, for installation of lighting, improve pathway and improve sightlines for Jordan Creek Greenbelt.*
- **NO CHANGE**– *Alaska Department of Natural Resource (ADNR) Land Conveyance Close-out.* During the Runway Safety Area (RSA) project, the Airport through the Environmental Impact Statement (EIS) public process and mitigation, acquired wetlands parcels from the State for the extension of the RSA on both the RWY 8 and RWY 26 ends, and to accommodate portions of the approach lighting systems. The Airport is still working with ADNR to convey these parcels to the Airport’s property. Once this is completed and recorded, the Airport Layout Plan and ‘Exhibit A’ will need to be updated to reflect the airport boundaries.
- **NO CHANGE** – *PFAS Testing and Monitoring.* Cox Environmental continues with their quarterly testing of groundwater, surveying the test wells to determine flow direction, including two private wells within the test radius.
- **NO CHANGE** – *Egan/Yandukin Intersection Improvements Project.* ADOT has narrowed down design alternatives for the project. Please visit ADOT website for the project at <http://dot.alaska.gov/eganyandukin>.

- **NO CHANGE** – *FAA Compliance Land Use/Financial Letter (January 2019)*. Staff continues to work on the remaining compliance items. Staff is looking to acquire the Loken/Channel Flying property as a through-the-fence operation. See Project Manager Report for Property Acquisition Specialist.
- **NO CHANGE** – *Passenger Facility Charge (PFC) cap increase* JNU continues to discuss PFC increases with our DC Lobbyist and Congressional Delegation.
- **NO CHANGE** – *Maintenance Programs* (roofs, heat pump equipment, baggage systems, etc.). Staff continues to develop maintenance contracts for specialized systems similar to what we do with airfield lighting and controls.

ATTACHMENT #3

Section G, Item 9.

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>
Beginning Available FB	2,770,968	3,785,000	3,785,000	3,785,000	3,785,000
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
JNU Total Expenses:	(13,154,400)	(13,943,700)	(14,960,800)	(13,060,400)	(13,287,800)
Minus Non-operational Exp & Debt Serv:	3,266,123	4,232,600	4,957,500	2,453,700	2,532,000
Operational Expenses:	(9,888,277)	(9,711,100)	(10,003,300)	(10,606,700)	(10,755,800)
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)				
JNU Total Revenues:	10,902,309	9,711,100	10,003,300	10,606,700	10,610,000
Increase (decrease) in Fund Bal (FB):	1,014,032	-	-	-	(145,800)
Ending Avail FB, including Reserve:	3,785,000	3,785,000	3,785,000	3,785,000	3,639,200
Less 3 Mo. Operating Reserve	(2,472,100)	(2,427,800)	(2,500,800)	(2,651,700)	(2,689,000)
Ending Available Fund Balance	1,312,900	1,357,200	1,284,200	1,133,300	950,200

*** 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.

Date	CIP Revolving Balance*	Reimbursed Amount (+)	Forward Fund Amount (-) anticipate reimbursement	Encumbered Amount (-) permanent/ <u>no</u> reimbursement	Description
	\$819,246	-	-	-	BUDGET
Apr-19			(\$477,000)	**	NO LONGER REQ. Termnl Recon
Jan-21			(\$50,000)		Property Acquisition Frwd Fund Specialist
Jan-05		\$542			\$541.95 adjustment
Jun-24		\$25,000	(\$25,000)	***	RSA Shoulder Grading Design
			(\$5,000)	***	ARFF Truck
	\$287,788				AVAILABLE BUDGET on A50-001 to forward fund Projects

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

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

*** Pending Board Approval on 8/8/24 & Assembly Action 8/19/24



MEMORANDUM

TO: Patty Wahto, Airport Manager

FROM: Mike Greene, JNU Airport Project Manager

DATE: July 24, 2024

RE: Projects Office Monthly Report

Project specific summaries of project status and activity are presented below.

Terminal Reconstruction: JNU continues to work on finalizing the following outstanding work items:

Ground Source Loop Field System Modifications: Dawson Construction has begun work on the modifications to the terminal's loop field system per RFP 190R3.

Task 2: The work to furnish and install a side stream filter has been completed. This filter will be used to remove contaminants from the loop field's methanol heating medium.

Task 3: The work to furnish and introduce Fernox heating, ventilating and air conditioning (HVAC) Protector F1 inhibitor to the 6,700-gallon 15% methanol, 85% water solution at a concentration of 0.5% of the fluid volume or approximately 90 gallons remains incomplete.

Task 4: The work to furnish and introduce methanol as necessary to bring the total building solution to the desired 15% methanol, 85% water by volume mixture remains incomplete.

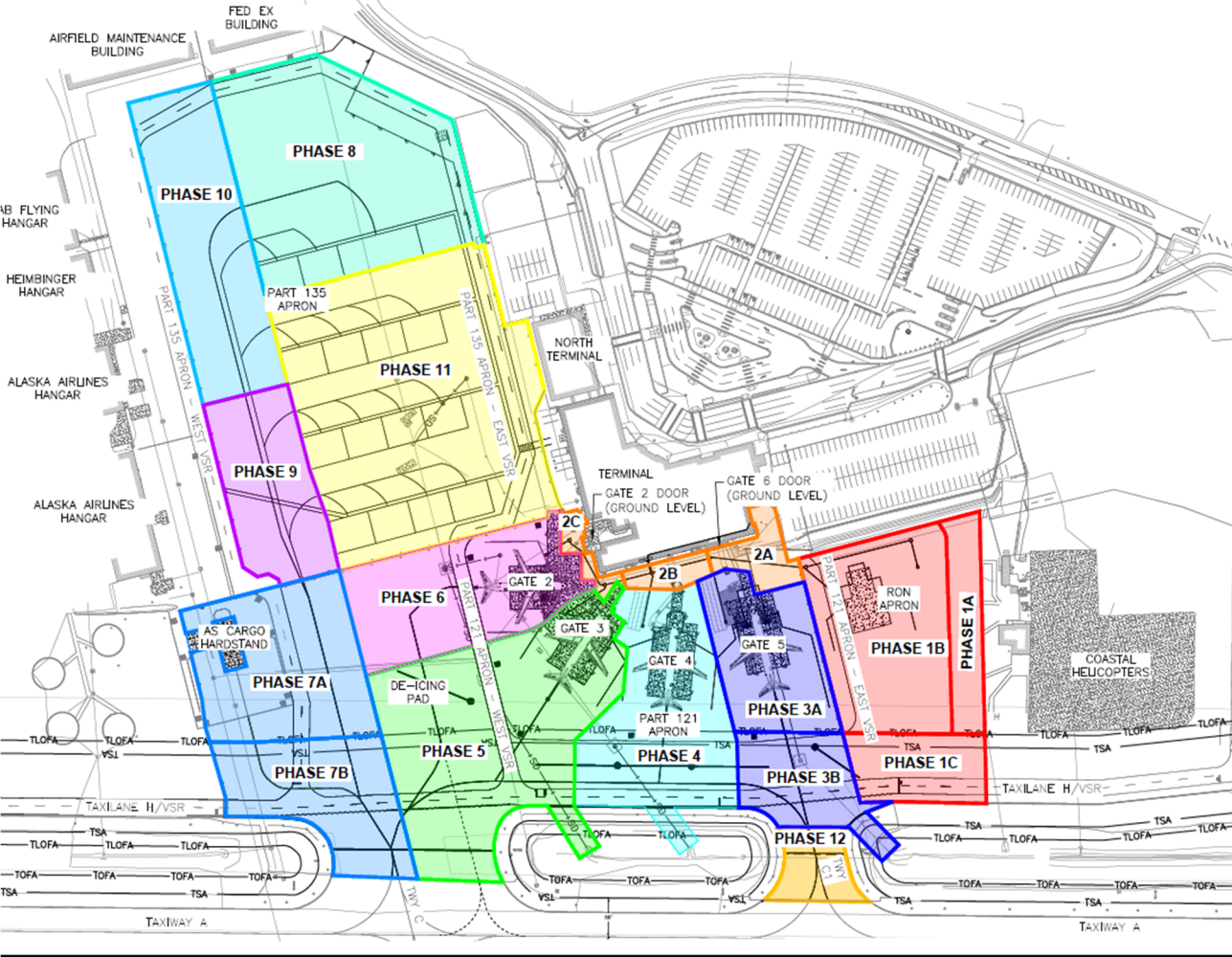
Task 5: The replacement flexible hoses for thirty (30) of the older heat pumps have been furnished to JNU Building Maintenance. The strainer baskets have not yet arrived in Juneau. Building Maintenance should receive their flush cart this coming week and will then begin work on the replacement of the new flexible hoses. This work remains incomplete.

Lighting Control Replacement: JNU has received Dawson Construction's revised proposal, in the amount of \$158,474.83, for RFP 183 – Lighting Control Replacement. This RFP will replace the failing lighting control equipment within the older portion of the terminal. This control equipment is no longer being supported by the manufacturer and the control of much of the interior and exterior lighting in this portion of the terminal is either being done manually or is being left on 24/7. JNU intends to accept this proposal pending receipt of the signed RFP from Dawson Construction.

Terminal Air Balancing (TAB): The final balancing of the terminal's new and old mechanical HVAC systems cannot be completed until the work associated with RFP 190R3 has been completed, and the known repairs to DOAS-1 (Dedicated Outside Air System) and five of the terminal heat pumps have also been completed. JNU continues to work with the Terminal project engineers (RESPEC) and with JNU Building Maintenance staff to address these continuing problems.

Rehabilitate Part 121/135 Apron & Remain Overnight (RON) Parking Apron. As of July 24, SECON has completed work on the placement of asphalt paving and new pavement markings within Phase 1A, Phase 1B, Phase 1C, Phase 2A, Phase 3A, Phase 3B, Phase 4, Phase 8, Phase 10 and Phase 12 work areas.

Work not yet completed in these work areas includes the installation of the aircraft tie-downs in the Phase 8 work area, and the installation of new light poles LP-4, LP-5 and LP-6 in the Phase 1B, Phase 3A and Phase 4 work areas. The tie-downs will be installed later this summer, and the new light poles and fixtures will be installed in September of this year.



As of July 24, the new passenger boarding bridge (PBB) at gate 5 is being used daily by Delta Air Lines and by Alaska Airlines. The new PBB at gate 4 and the existing PBB at Gate 2 are being used daily by Alaska Airlines. The PBB at Gate 3 has been removed by Alaska Airlines / Roger Hickel and the Gate 3 apron (Phase 5 work area) remains closed to all aircraft. The new RON (gate 6) remains available and is being used on an as-needed basis.

The temporary pedestrian corridor remains in place to guide/contain passengers between the Terminal's Gate 6 ground-loading door and the new RON. JNU's mobile boarding ramp and Alaska Airlines air-stair unit remain staged to facilitate ground loading operations.

SECON is currently working on milling the existing asphalt paving in the Phase 5 (Gate 3) area in preparation for the subsequent regrading and re-paving work. Work in this area includes the installation of new storm drain catch basins and culverts. The timing of the work in the Phase 5 work area has been coordinated with Alaska Airlines / Roger Hickel who are also now working on the replacement of the Gate 3

PBB. SECON's current schedule calls for the new paving and new lead-in / gate markings work in the Phase 5 work area to be completed on August 5. At that time, the Gate 3 apron will be used by Alaska Airlines for ground boarding.

Upon the completion of the work in the Phase 5 (Gate 3) work area, SECON will then move into the Phase 6 (Gate 2) work area to begin milling and re-paving work. During the anticipated 12-day work period, Alaska Airlines will continue to use the new Gate 4 PBB and the new Gate 5 PBB when it is not being used by Delta Air Lines. Alaska Airlines will also be able to hold short and ground-board at Gate 3 and ground-board at the new RON (Gate 6) if needed.

Once the Phase 6 / Gate 2 work has been completed and accepted by JNU (estimated to occur on August 20, 2024), SECON will move into the Phase 9 and Phase 11 work areas to begin milling and re-paving work. During the anticipated 20-day work period, Alaska Airlines will resume use of the Gate 2 PBB and will continue to use the new Gate 4 PBB and the new Gate 5 PBB when it is not being used by Delta Air Lines. Alaska Airlines will also be able to ground load at the new RON if needed. Alaska Seaplanes will move its apron operations to the north end of the 135 apron and U.S. Customs and Border Protection will continue to use the Aero Services ramp.

While SECON is working in the Phase 9 and Phase 11 work areas, Alaska Airlines / Roger Hickel will start work on the installation of the new PBB at Gate 3.

While the work continues in the Phase 5 (Gate 3) work area, the primary project impacts to tenants (Alaska Airlines, Delta Air Lines, Alaska Seaplanes and U.S. Customs and Border Protection) remain as follows:

- Alaska Airlines will continue to utilize the PBBs at Gate 2, Gate 4 and Gate 5. If needed, Alaska may continue to ground load at the new RON.
- Delta Air Lines will continue to utilize the new PBB at Gate 5. If needed, Delta may continue to ground load at the new RON.
- Alaska Seaplanes will continue to stage their flight operations on the north end of the 135 apron, using the new (permanent) aircraft parking boxes.
- U.S. Customs and Border Protection will continue to utilize the Aero Services ramp for their apron operations. They will return to the 135 apron as soon as SECON completes work in the Phase 9 and Phase 11 work areas.

At the writing of this report, JNU, DOWL and SECON are finalizing Construction Notice #18 which will be released to all affected airfield tenants and stakeholders. This notice will advise as to the current status of the work, will advise of the areas under construction, will identify barricaded work areas, will identify the location of detours, of any temporary closures of TWY H and the Vehicle Service Road (VSR) and of any need for aircraft under power and aircraft under tow to coordinate escort with Airfield Maintenance to utilize TWY A to detour around the work area. DOWL will continue to issue weekly Construction Notices to advise of upcoming construction activities and any schedule revisions.

JNU/DOWL has issued RFP 01 Ramp Lighting Modifications to SECON. This RFP asked for a deductive proposal to reduce the height of the six (6) new ramp light poles from 60 feet to 57 feet and to remove the obstruction lights from the contract scope of work. The engineers' estimate for this work was a deduct of \$15,325. JNU has subsequently received and accepted a revised proposal from SECON, which identifies a **credit** in the amount of \$12,677.00.

JNU/DOWL has issued RFP 02 Remove Low Strength Concrete to SECON. This RFP had asked for a deductive proposal to delete the contract requirement to slurry 67 feet of 24-inch culvert in the Phase 2A

work area. This culvert was to have been filled with grout and abandoned in place but must remain in use following changes made to the adjacent Parking Lot Improvement project. The engineers' estimate for this work was a deduct of \$6,200. This RFP has subsequently been rescinded.

JNU/DOWL has issued RFP 03 – Ramp Marking Reductions, which addressed the elimination of the project asphalt markings in the 135 Apron from the project scope of work because Additive Alternate 1 (mill and pave the 135 apron) had been awarded. The revised engineers estimate for this work was a deduct of \$158,400. JNU has subsequently received and accepted a proposal from SECON, which identifies a **credit** in the amount of \$158,400.

JNU/DOWL has issued RFP 04 – Additional Pipe Slurry to SECON. The scope changes include filling the existing storm drain culverts under the Gate 2 and Gate 3 hardstands with controlled low strength material. This change eliminates the requirement to remove these culverts and to remove and replace portions of the existing hardstands at Gate 3 and Gate 4. The engineer's estimate for this work was a deduct of \$224,930. JNU has subsequently received and accepted a proposal from SECON, which identifies a **credit** of \$231,130.00.

JNU/DOWL has issued RFP 05 – Hardstand Reinforcing to SECON. The scope changes include the addition of rebar within the cast-in-place concrete hardstands to resist cracking. JNU has accepted SECON's proposal (addition of \$45,432) to complete this work. This work was determined to NOT be Airport Improvement Program (AIP) eligible because it represented an Owner initiated betterment to the contract documents.

JNU/DOWL has issued RFP 06 – UTS Milling in 135 Apron to SECON. This RFP changed the asphalt milling method in the 135 apron from uniform milling to UTS (profile) milling. This change will better address the reduction of the ponding within the asphalt surface. The engineer's estimate for this work was \$400,000. JNU has accepted SECON's proposal (addition of \$403,754.00) to complete this work. This work was determined to be AIP eligible by the Federal Aviation Administration (FAA).

JNU/DOWL has issued RFP 07 – TWY C1 Culvert Replacement to SECON. This RFP asked for a proposal to remove 220 lineal feet of 24-inch culvert galvanized steel culvert at TWY C-1 with 24-inch corrugated plastic culvert. The engineer's estimate for this work was \$65,917.50. JNU has subsequently received and accepted a revised proposal (addition of \$64,760) from SECON. This work was determined to be AIP eligible by the FAA.

JNU/DOWL has issued RFP 08 – Patch Asphalt to SECON. This RFP asked for a proposal to mill and repave four small areas (approximately 100 square feet each) of asphalt paving within the surface of Runway 8-26. The initial engineer's estimate for this work is \$30,000. The FAA has provided a determination that this work will NOT be AIP eligible. JNU has not yet received SECON's proposal for this work.

JNU/DOWL has issued RFP 09 – Light Pole Bollards to SECON. This RFP asked for a proposal to install four (4) owner furnished bollards around each of the six (6) new light poles that are being installed in the 121 Apron and five (5) bollards around the new electrical panels / disconnects at the Gate 5 PBB. The initial engineer's estimate for this work is \$44,660. The FAA has provided an initial determination that this work WILL be AIP eligible. JNU has not yet received SECON's proposal for this work.

JNU/DOWL has issued RFP 10 – Conduit Removal in 135 Apron to SECON. This RFP asked for a proposal to remove one (1) abandoned 3-inch steel pipe conduit which was encountered in the 135 Apron. This pipe was found to have been placed directly under and within the asphalt paving, which was creating a large crack in the old asphalt surface. The initial engineer's estimate for this work is \$6,600. The FAA has not yet provided a determination as to whether this work will be AIP eligible or not.

JNU/DOWL has issued RFP 11 – Conduit Repair to SECON. This RFP asked SECON for a proposal to install a patch to seal a crack that was found in an old existing cementitious conduit that was encountered within the Phase 5 work area. The initial engineer's estimate for this work is \$550. The FAA has not yet provided a determination as to whether this work will be AIP eligible or not.

JNU/DOWL has issued RFP 12 – Vault Drain Repair. This RFP asked SECON for a proposal to re-route an existing 6-inch vault drainpipe and extend it to daylight into the infield. The initial engineer's estimate for this work is \$3,720. The FAA has not yet provided a determination as to whether this work will be AIP eligible or not.

JNU/DOWL are currently working on the development of RFP 13 – Additional Tie-Down Removal. This RFP will be asking SECON to provide a proposal to remove additional tie-downs that have been found below the existing asphalt in the 135 Apron area. JNU does not yet have an engineer's estimate for this work, and the FAA has not yet provided a determination as to whether this work will be AIP eligible or not.

Pending RFP's:

- RFP to address drainage improvements adjacent to the asphalt test strip.

Culvert Condition Survey – Jordan Creek @ Runway 8-26: No change since last report. JNU has contracted with proHNS engineering to perform a condition survey of the large half-arch metal culvert which allows Jordan Creek to pass beneath Runway 8-26. This culvert was installed in 2014-2015 as part of the Runway 8-26 Rehabilitation project (E14-259 / AIP 3-02-0133-60-2014). The survey was deemed necessary based on the continued concern that stray electrical current from the airfield lighting system is damaging in-ground metal assemblies through electrolysis. proHNS has completed the initial field work, and has reported that they did observe damage to the culvert and that the damage closely resembled what had been observed on the Jordan Creek culvert that had failed at Gate K. JNU has not yet received the final inspection report from proHNS.

JNU staff met with proHNS on February 14, 2024, and was advised that proHNS had identified a potential in-place repair for the existing culvert. This repair would consist of the application of a spray-on polymer / carbon fiber lining that would be applied to the entire inside face of the old culvert. This lining would harden and become a permanent load bearing and weatherproof installation. This lining would become the culvert in the eventuality that the old culvert fully deteriorated away. This lining option would allow the culvert to be repaired without having to close Runway 8-26 at any time and would avoid disruption to airfield operations.

JNU has asked proHNS to investigate this repair option with respect to environmental and application limitation, as well as estimated construction cost.

Safety Area Grading at Runway Shoulder and Navigational Aids (NAVAIDS): JNU has submitted the design grant application and HDR Engineering's revised fee proposal to the FAA for approval. Per this proposal, HDR Engineering will provide bid-ready construction documents by the first week of January 2025 so that the project can be released for bid early in 2025.

Sand/Chemical Building – Roof Warranty: Dawson Construction has reported that a representative from Carlisle SynTec Systems inspected the roof installation during the first week of July 2024, and that a small list of recommended corrections was generated from this inspection. Dawson Construction is currently working on these corrections. This work has not yet been completed and continues to be done at no cost to JNU. Carlisle/Dawson Construction has not yet furnished JNU with the manufacturer's roof warranty for this new installation. Dawson Construction has indicated that they do not yet know whether Carlisle will want to conduct a re-inspection or if they will accept photos of the new work in lieu of re-inspection.

Fuel Station Access Control/Fuel Monitoring/Tracking: No change since last report. In July 2022 JNU, working through CBJ Engineering - Contracts, released an RFP for design services under CBJ's term contract for design consultant services to develop design and construction documents for the introduction of an access control system for the airfield fuel station. The RFP had identified a scope of work that included the introduction of an access control / fuel theft-prevention system, fuel monitoring and usage tracking, and the introduction of a back-up generator to provide emergency stand-by power for the fuel station.

On September 1, 2022, CBJ Engineering - Contracts advised JNU that no responses to the RFP had been received. This indicated that, at that time, there was no interest (or availability) within the design community to work on this project. JNU is currently soliciting interest from local electrical engineers to provide a fee proposal for this project. This funding was previously approved for CARES funding by the Board.

End of Report



MEMORANDUM

TO: Patty Wahto, Airport Manager

FROM: Ke Mell, Airport Architect

DATE: July 24, 2024

RE: Airport Architect's Report

*Updates since last report in italics. Look ahead in **bold italics**.*

Gate 5 Passenger Boarding Bridge (PBB) Replacement: *The minor manufacturing defect that manifested on July 16 was repaired and the PBB restored to service on July 18.* The largest outstanding punch list item is insulation of the ducts on top of the PBB. Dawson will need three days of dry weather for this, which will require Gate 5 to be locked off and out of service.

Channel/Loken/Coastal Contamination: *(No change)* Cox Environmental submitted the Site Characterization Report for JNU property south of the Loken in-holding to DEC for review and comment. Our next steps will depend on their response.

Cox Environmental is under contract for JNU's Alaska Department of Environmental Conservation (ADEC) required Site Assessment Work Plan (SAWP), and under contract with Loken for their parallel SAWP. Drilling on both properties to assess the extent of below grade contamination was completed on May 9. Cox Environmental reported that "Based on field screening, contamination is likely present in soil borings ... located in the vicinity of the decommissioned waste oil burner. The contamination was present down to the water table which was encountered at a depth of 9-10 ft. below ground surface (bgs). The borings on the eastern portion of the Coastal/JIA properties did not indicate contamination is likely present. We will issue a full report after we complete sampling of the newly installed groundwater wells next week and have the results of the soil/groundwater samples from the lab."

Channel/Loken Land Acquisition Support: *One proposal, from Electric Power Systems (EPS), was received on July 17. Staff have asked EPS for additional information with regard to its qualifications.* JNU requested proposals from qualified consultants to provide land acquisition support services and coordination for a Federal Aviation Administration (FAA) funded acquisition of one parcel, currently owned by Channel Flying, Inc., and identified for acquisition on the Airport Layout Plan. The consultant will assist JNU and the City & Borough of Juneau (CBJ) Lands in navigating the FAA's airport land acquisition process. The parcel is currently listed for sale by the current owner, so this would be a willing sale. FAA funded land acquisition is extremely complicated, and JNU does not have current staff expertise in this.

Mendenhall Riverbank Stabilization: *(No change.)* Staff are working with CBJ Contracts to advertise bids for the repair work, with drawings prepared by proHNS engineers. ProHNS will be assisting w/permitting shortly, as soon as they receive their contract. JNU will seek reimbursement from the Federal Emergency Management Agency (FEMA) and the State of Alaska Department of Military and Veteran's Affairs (DMVA) for the work.

Masterplan Update: *Staff have received and are reviewing a revised scope of work, with proposed schedule and fee from Michael Baker International.* The current Airport Master Plan will be updated with regard to data and forecasts of aviation demands, expansion for future planning consideration Airport Layout Plan and related Exhibit "A". This update does not look to change the sustainability goals, environmental inventory, nor financial plan.

Departure Lounge Carpet: *(No change.)* Carpet in the TSA passenger screening area and the Departure Lounge need replacing; the work must include repair of underlying irregularities in the floor slab that are telegraphing through the carpet and accelerating wear. Mike Greene will run the work through Dawson's contract for the terminal, but it will be paid for with local match, not FAA funds.

Jordan Creek Greenbelt Lighting: *(No change.)* The \$150K appropriated by the CBJ Assembly appears to be the right order of magnitude to do something, but it will likely not be pretty. Staff have had a couple of conversations with Darrell Wetherall, transmission and distribution engineer for Alaska Electric Light & Power (AEL&P), as to where to draw power. He said AEL&P has programs that might be helpful, but it will be complicated to figure out. Andrés has asked for cameras, so we will try to incorporate some in the project.

Taxi/Ground Transportation Extended Canopy: *(No change.)* Something similar to the bus canopy (except shorter) would likely be quite expensive on account of the design wind loads. It might be possible to provide additional shelters similar to the one we have. Staff will explore options.

Alaska Seaplanes Cargo Facility: *Landscaping of JNU property along Shell Simmons at the north end of the terminal is complete. JNU staff thank Alaska Seaplanes and Dawson for their assistance. JNU has ordered fencing similar to that of the previous north Service Animal Relief Area (SARA), i.e., black metal, not chain link, which staff will install this summer.*

(No change.) Alaska Seaplanes has submitted a proposal for truck access to the cargo facility parking lot on lease Lot 2 through the former taxi staging area on the west side of Shell Simmons. Staff are working with them.