The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS regular meeting held Wednesday, September 26, 2018 in the Truckee Tahoe Airport District Community Room A, located at the Truckee Airport, 10356 Truckee Airport Road, Truckee, California.

CALL MEETING TO ORDER: 4:31 PM

PLEDGE OF ALLEGIANCE

DIRECTORS PRESENT: President Rick Stephens
Director Lisa Wallace
Director John B. Jones, Jr.
Director Teresa O'Dette

DIRECTORS ABSENT: Vice President Jim Morrison

STAFF PRESENT: Mr. Kevin Smith, General Manager
Mr. Hardy Bullock, Director of Aviation and Community Services
Mr. Dave Hoffman, Director of Operations and Maintenance
Ms. Sally Lyon, Director of Finance and Administration
Mr. Mike Cooke, Manager of Aviation and Community Services
Mr. Brent Collinson, District Legal Counsel
Mr. Marc Lamb, Community Relations Manager
Ms. Jill McClendon, Aviation and Community Services Program Coordinator

VISITORS PRESENT: 16

SPECIAL ORDERS OF BUSINESS:

Mr. Smith announced that Ms. Katie Greenwood, Pilot and Passenger Outreach Coordinator, has left the Airport and moved onto other professional aviation opportunities. Staff went through an internal recruitment process to fill the position. Mr. Mark Covey with the Operations and Maintenance team accepted the position and will be stepping into the Pilot and Passenger Outreach Coordinator roll in the coming months.

MODIFICATION OF AGENDA:

None.

PUBLIC COMMENT: Carmen Carr, candidate for Town of Truckee Town Council. Ms. Carr is a long-time local having lived in Truckee since 1986. She has seen change in the community and wants to a part of change and solutions in the community. Ms. Carr commended the Airport for supporting housing solutions. Ms. Carr is part of the Mountain Housing Council and wants to find solutions for people who want to live and work in the community. Ms. Carr is also passionate about alternative transportation and wants to work towards renewable energy solutions for the Town of Truckee. Ms. Carr is looking forward to being a part of the solution as a potential member of the Town Council.

Mr. Peter Van Peborgh, candidate for Truckee Tahoe Airport District, is running for the Airport Board because of transportation. The Airport is a transportation hub and he would like the District to use funds towards transportation initiatives. There is a plan to make bus transportation in the region free, but what is needed is money. Mr. Van Peborgh would like the Airport to put more money towards transportation so that people could fly in and go to their destination and not have to rely on cars.

CONSENT ITEMS

- Minutes: August 22, 2018 Special Meeting ---------- TAB 1
- Minutes: August 22, 2018 Regular Meeting ---------- TAB 2

- Monthly Service Bills and Fees ---------- TAB 3
- Economic Impact Study – Final Acceptance of Report ---------- TAB 4
- Internal Control Review – Quarterly ---------- TAB 5
- PMCD Update ---------- TAB 6

President Stephens pulled Tab 2 Minutes: August 22, 2018 Regular Meeting as a portion of those minutes need to be rewritten. This item will be brought back at the October Meeting for approval.

Mr. Hardy Bullock, Director of Aviation & Community Services, requested to pull Item 6 PMCD Update. Mr. Brent Collinson, District Legal Counsel has recommended minor language changes to this item.

PUBLIC COMMENT: None.

MOTION #1 SEPTEMBER-26-18: Director Jones motioned to approve Items 1, 3, 4, and 5. Director O'Dette seconded the motion. President Stephens, Director Jones, Wallace and O'Dette voted in favor. The motion passed.

Mr. Collinson has recommended minor language changes to the PMCD Update and informed the Board that they can choose to make a motion to pass the PMCD Update subject to the recommendations of the District's Legal Counsel.

PUBLIC COMMENT: None.

MOTION #2 SEPTEMBER-26-18: Director Jones motioned to accept Item 6 with minor language changes. Director O'Dette seconded the motion. President Stephens, Director Jones, Wallace and O'Dette voted in favor. The motion passed.

SPECIAL ACTION ITEM: ACAT Member Selection (Tab7)

Director Wallace discussed the value of ACAT and noted how the District has struggled with the volume of work and attendance of ACAT members over the last few years. Director Wallace understands that other airports also struggle with their advisory committees making progress. What Director Wallace would like to see from ACAT is more solutions understanding that the Board, ACAT and Staff will all have to work together to achieve those. Director Wallace supports all three candidates who have come forward and is optimistic about what ACAT can do going forward.

Mr. Bullock outlined the open positions – one incumbent and two new members. President Stephens appreciates the service of current ACAT member Kathryn Rohlf and is pleased that she has chosen to re-volunteer to be a member.

Lynne Larson, ACAT candidate not in attendance at the meeting submitted a letter expressing her interest in serving as a member of ACAT. The letter was read by Mr. Bullock.

Stacy Caldwell, CEO of the Tahoe Truckee Community Foundation, expressed her interest in offering her service as a member of ACAT. The District and the Community Foundation are involved in a lot of meetings and discussions together in the community and Ms. Caldwell looks forward to sharing resources, knowledge and expertise going forward. The Foundation's Board is supportive of Ms. Caldwell being a member of the committee. Ms. Caldwell noted that she sees the Airport as a key institution in the community and will commit to understanding the issues the Airport faces and finding solutions for those issues. Ms. Caldwell looks forward to tapping into the Foundation's depth of knowledge and exploring ways engagement can be increased.

PUBLIC COMMENT: None.

MOTION #3 SEPTEMBER-26-18: Director Jones motioned to approve the three members to ACAT. Director Wallace seconded the motion. President Stephens, Director Jones, Wallace and O'Dette voted in favor. The motion passed.

ACAT MEETING REPORT (TAB 8)

Mr. Leigh Golden reported a summary of the September 11, 2018 ACAT Meeting. At the meeting ACAT approved an expenditure of $35,000 to assist the Tahoe Truckee Soaring Association with the purchase of a training glider to support their youth programs. Additionally, ACAT discussed AWOS and that it may be more prudent to look at the option of an ATIS (Automatic Terminal Information Service) if it would be more accurate. Mr. Golden noted that the AWOS currently does not report smoke and this past summer that was a safety issue with the smoke the region experienced. ACAT discussed the Communications Master Plan and how to enhance communication to conduct more outreach to the community. ACAT also discussed notational flight procedure development. Director Jones asked staff to look into an instrument approach to Runway 20 and if the FAA changed the angle of approach to that procedure. Mr. Bullock indicated he would look into the issue.

PUBLIC COMMENT: None.

MONTHLY OPERATIONS AND COMMENTS REPORT (TAB 9)

Mr. Mike Cooke, Aviation & Community Services Manager, presented the Operations and Comments Report for August 2018. August was a very busy month and Friday, August 31 was one of the busiest days of the summer. Mr. Cooke noted that the Labor Day Holiday rivals the Fourth of July in operations and traffic. Mr. Cooke noted that in regards to noise comments, overall August was quiet. Mr. Bullock noted that he and other Staff members visited Olympic Heights and met with several of the frequent noise commenters from that neighborhood. This gave Airport Staff the chance to hear the biggest concerns of these residents and also to provide them with information on how the Airport addresses those concerns. Director Wallace asked about the process for ideas that were generated from the meeting. Mr. Bullock noted that land use and forest mitigation were discussed as well as discussing different times of day and different route options. President Stephens asked if there was any thought about doing the same thing for Martis Estates. Mr. Bullock noted that Staff has reached out to a number of the regular commenters and offered the same type of meeting, but there are no takers yet. Staff indicated that they will follow up with neighbors on the issues they raised.

PUBLIC COMMENT: None.

MONTHLY FINANCIAL REPORT (TAB 10)

Ms. Sally Lyon, Director of Finance & Administration, presented the financial statements ending July 31, 2018. Ms. Lyon noted that year-to-date sales continue to be strong compared to the budget as well as the previous year. Ms. Lyon noted that Operating Revenue is tracking higher than budget. Director Jones noted that he is trying to compare the increase in gas sales with the traffic numbers for each month i.e. jet traffic also up in July. Ms. Lyon noted that because we rely on outside parties to provide us with some of our data like tax and interest earned it would be difficult to have the monthly data for operations and sales finalized to report to the board in the same month. Director Jones wondered why gas sales are going up despite operations numbers being consistent. Mr. Smith noted that we are looking into that in more detail as the rate that the Airport is selling gas is not necessarily commensurate with operations. Ms. Lyon noted that we are now part of the Contract Fuel Program which may have an effect. Director Wallace requested that Staff assess this in further detail and bring back information to the January Board Meeting regarding fuel sales breakdowns and where that increase may be coming from. Mr. Smith noted that when the Airport looks at the Transient Use (TU) revenues those are tracking well above budget as well. Director Wallace said she appreciates the narrative that comes with the financial reports each month.

PUBLIC COMMENT: None.

DISTRICT CAMPS AND FIELDTRIPS REPORT (TAB 11)

Mr. Marc Lamb, Aviation & Community Services Manager, presented a summary of summer events and youth program support by the District. Mr. Lamb highlighted how the Airport supports youth aviation education and STEAM (Science, Technology, Engineering, Arts, and Math) programs throughout the District boundaries. These efforts include on-field school tours, Truckee Thursday outreach events, Aviation Academies, programs like Pathways to Aviation and events like the Airshow. Airport Staff is also present at local career fairs providing students with opportunities to learn about aviation and to fly the simulators. Through the Community Sponsorship program, the Airport contributes directly to youth programs and year to date a total of $21,300 has been provided to qualified youth groups. Staff estimates that approximately 53% of the total student population is reached through these various programs. Staff expects to see continued impact in the future with additional program support.

Mr. Ken Aronson, Civil Air Patrol Commander, presented on the three Mission to Mars summer camps that he coordinates and spearheads each summer. Mr. Aronson thanked the Airport Board for all the support and resources that are offered. Mr. Aronson noted that the goal of each camp is for the kids to go to Mars and failure is not an option. Mr. Aronson outlined the program and some of the 32 hands-on activities that the camp attendees complete throughout the week. Each summer the camps fill up and there is generally a wait list for additional spots. In the future, Mr. Aronson hopes to do a five month Mission to Mars space camp pilot program in one of the local fourth grade classrooms in addition to three more camps at the Airport next summer. Director Wallace is pleased to see the amount of support and funding that is being provided to these various programs and STEAM initiatives. Director Stephens thanked both Mr. Lamb and Mr. Aronson for their presentations and efforts.

PUBLIC COMMENT: None.

STAFF AND BOARD MEMBER CONFERENCE REPORT(S)

Mr. Bullock noted that he, Ms. Stacey Justesen and Ms. Jill McClendon attended the General Aviation Issues Conference in Fort Myers, Florida. Mr. Bullock presented at the conference on behalf of the District regarding airport owned FBO's (Fixed Based Operator) and the business offerings that airport owned FBO's contend with.

PUBLIC COMMENT: None.

CY 2019 PRELIMINARY BUDGET – PRESENTATION (TAB 12)

Mr. Smith highlighted some budget discussion bullet points. The draft budget has a lot of high-ticket items that the Board and Staff can discuss. The draft budget will be reviewed again in October and then adopted at the November Board meeting. If the budget is approved as proposed, the Airport will be left with a reserve of $2.5 million. The Airport is expecting to end the year with $11.8 million in reserves. Mr. Smith highlighted the projects in the current budget, the estimated costs, and how each one would impact the budget and noted that the discussion from the Board tonight will guide staff in developing the second draft of the budget that will be brought back to the Board in October. President Stephens stated that $2.5 million in reserves is not acceptable. Mr. Stephens thinks the H Row Hangar roof is necessary to complete, would like to see the Hangar 1 project move forward, but is not sold on Hangar 2 at this time. Director Jones noted that while something may be in the budget that does not necessarily mean that money will be spent. Many of the projects are still in initial phases and may not receive ultimate approval from the Board. Mr. Smith noted that a couple of the projects will be more refined in the October budget presentation and asked the Board if they are okay going into 2019 with flagged items. Director O'Dette stated that she is not willing to go that low in our reserves especially when we do not know what the economy is going to do. President Stephens does not like the idea of slimming down some projects in order to boost the reserves. Director O'Dette noted that she would be okay with the reserves if Hangar 2 is removed or postponed. Mr. Smith noted that the Board has approved a $650,000 expenditure for the design of Hangar 2. Director Wallace expressed that she is wary of approving ADS-B or implying that it will

be approved as a budget item and feels that we are ahead of the needed public process for that project. President Stephens wants to have an agenda item at a future meeting to discuss ADS-B and the pros and cons prior to a Board vote. Director O'Dette suggested postponing the budget line items for Hangar 2 and ADS-B and keep them in unrestricted assets. Director O'Dette would also like to see what Agency Partnerships have already been committed for upcoming budget cycles. Staff discussed current agency partnerships.

PUBLIC COMMENT: Ms. Mary Hetherington stated that during her tenure as a member of the Airport Board one of the projects that was discussed as helping with aircraft traffic in the community was the tower and she has not noticed a difference now that it is in operation. Ms. Hetherington was a proponent of the tower but now she experiences both arrivals and departures in her neighborhood. Ms. Hetherington has concerns about the money being spent on the tower. Ms. Hetherington has concerns about ADS-B and the three-legged stool and fears that it may open up the community to night flights. Ms. Hetherington thinks the board needs to be studious with the money they spend. Additionally, Ms. Hetherington has concerns about Martis Valley West and the 700 homes that will be built under a flight path as part of that project. Finally, Ms. Hetherington discussed transportation issues and how the Airport can be a driver of free transportation in the community.

Mr. Peter Van Peborgh complemented the overall budget in that it seems to be conservative and well thought out. Mr. Van Peborgh thinks transportation and the idea of free transportation would be a huge benefit to the community. Mr. Van Peborgh wants to get more people using busses and thinks the Airport can be a transportation hub in the community.

Ms. Lyon asked if the Board had any additional comments regarding the budget. Director Wallace asked about the Multi-Agency Land Use plan and if there is anything that needs to be in the 2019 budget regarding any projects that may come out of that committee/process.

ANNUAL PAVEMENT PROJECTS AND FAA ACIP REVIEW AND APPROVAL (TAB 13)

Mr. Smith announced that he is working towards securing the 10,000 enplanement numbers for 2019. Luis Loarte, Aviation Planning Specialist with the FAA, is calculating the final numbers. Surf Air did provide the information that was needed and the District is confident that the number is going to be where it needs to be to secure the additional funding. Mr. Smith outlined the projects that will be put forth to the FAA for approval. The resolution that is part of the agenda item, if approved by the Board, gives the General Manager permission to apply for the funds. Mr. Smith and Mr. Reinard Brandley, engineering consultant for the District, are scheduled to meet with the FAA in October to discuss the proposed pavement projects.

PUBLIC COMMENT: None.

RESOLUTION 2018-08 OF THE TRUCKEE TAHOE AIRPORT DISTRICT: President Stephens motioned to approve the Resolution 2018-08 of the Truckee Tahoe Airport District to acknowledge and approve the Airport Capital Improvement Project for 2018-2019 and waive the reading of the entire resolution. Director Jones seconded the motion. Director Jones – Yes, Director O'Dette – Yes, Director Wallace – Yes, President Stephens – Yes, Vice President Morrison – Absent. The motioned passed via roll call vote.

PUBLIC COMMENT: None.

WAREHOUSE PRO FORMA (TAB 14)

Mr. Bullock reminded the Board that at the beginning of summer they heard from two groups interested in the vacant warehouse space for non-profit use. The two groups that expressed interest in the space are Project MANA and the Truckee River United Football Club. At that meeting the Board asked staff to put together a Pro Forma for the warehouse so that Board members could see the current space allocations

within the building. Mr. Bullock noted that the warehouse was originally designed for storage use and discussed the various challenges with occupancy and improvements within the warehouse building.

President Stephens is a huge proponent of community benefit and for the vacant space being used by a local non-profit. Director Wallace agreed, but feels that we may need to have established criteria for how the space is filled. Mr. Smith noted that Staff could develop a policy whereby interested groups could apply and show their need for the space. Director O'Dette is in favor to allowing the space to be used for community benefit and agreed that a policy would be helpful in assigning non-profit tenants.

PUBLIC COMMENT: Diedre Ledford, Executive Director for Project MANA, expressed her continued interest in the warehouse space. Project MANA is the primary regional provider of hunger relief services in ensuring every member of our community has adequate food. Project MANA's space needs remain the same in that they need to relocate to a larger location in order to increase food storage capacity and to serve more members of the community. A functional space for food storage and volunteer contributions is critical in Project MANA meeting its mission. Project MANA is in negotiations to merge with the Family Resource Center of Truckee, the Tahoe Safe Alliance and through this would ultimately serve even more members of the community.

Tom Conk, member of the Project MANA board, wanted to complement the Board on agreeing that the space could be used for community benefit and hopes that Project MANA is the one chosen to use it. Mr. Conk reiterated the need for the space that Ms. Ledford discussed.

GENERAL MANAGER'S REPORT (TAB 15)

Mr. Smith highlighted the various upcoming training opportunities available to Board members. Mr. Smith noted that there is lots going on with the Non-Aeronautical Land Use Committee and there may be an agreement with TTSA that is close to having the first step completed. The Multi-Agency Site Planning Study is being drafted and being put together and will come before the ad-hoc committee. Mr. Smith outlined the Construction Management at Risk (CMAR) approach for the design of Hangar 2. Once the 30% design that Mead & Hunt is currently working on is completed, the Airport would put out a request for qualification (RFQ) for interested contractors. Mr. Smith sees benefit to this approach and how it may allow the Airport to control the value engineering and ultimate cost of the building. There was consensus to move forward with the CMAR process.

President Stephens provided an update on housing initiatives. Rick Lee is working with the Town of Truckee to submit a parcel map for his project and is also exploring modular housing options trying to solve some of the challenges he encountered in building the first two units. A Request for Proposal (RFP) for the Nahas Property has been posted and awaiting proposals to be submitted. A committee to review the proposals has been established

At the November Board Meeting, the Board will hear a presentation and Agency Partnership request for the environmental assessment of a multi-use trail from Emerald Bay to Stanford Rock. Mr. Smith would like to sign a Memorandum of Understanding with the Sustainable Energy & Economic Development (SEED) Fund about options for various solar projects around the Airport. SEED would do the full analytics of a solar project and would put out a bid with other projects in the region.

PUBLIC COMMENT: None.

BOARD MEMBER ANNOUNCEMENTS

None

PUBLIC COMMENT: None.

ADJOURN

PUBLIC COMMENT: None.

MOTION #4 SEPTEMBER-26-18: Director O'Dette motioned to adjourn the meeting. Director Jones seconded the motion. President Stephens, Director Wallace, O'Dette, and Jones voted in favor of the motion. The motion passed. At 7:50 p.m. the September 26, 2018 regular meeting of the Truckee Tahoe Airport Board of Directors adjourned.

THIS SET OF MINUTES IS A CONDENSED VERSION OF THE SEPTEMBER 26, 2018 REGULAR BOARD MEETING. TO WATCH THE MEETING IN ITS ENTIRETY, IT CAN BE FOUND HERE UNDER "BOARD MEETING ARCHIVES": http://ktrk-live.s3-website-us-west-2.amazonaws.com/

Rick Stephens, President of the Board

Kevin Smith, Secretary of the Board