

**SAN BERNARDINO COUNTY AIRPORTS COMMISSION MEETING
OCTOBER 26, 2017.**

The meeting of the San Bernardino County Airports Commission was called to order at 10:03 a.m. by Commissioner William Smith. Meeting location: Chino Airport, Threshold Aviation 8352 Kimball Ave. Chino, Ca 91710.

Commission Members Present:

William Smith
Jim Bagley
Ray Marquez
Roy Cox
Mark Taylor
Larry Asmus

Commission Members Absent:

Staff Present:

James E. Jenkins, Director of Airports
Maureen Snelgrove, Assistant Director
Cyle Woodruff, Airport Manager
Nicole Leyden, Secretary I
Agnes Cheng, Deputy County Council
Steve Mintle
Amanda Duncan
John Gomez

Department of Airports
Department of Airports
Department of Airports
Department of Airports
County Council
Real Estate Services
Real Estate Services
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Visitors Present:

Deana Olivares-Lambert
Steve Lambert
Bob Velker
Doug Crowther
Nicole Dilullo
Mark Dilullo
Chris Ladeau
Tom Bressan
Moshen Zangeneh
Chuck Stuewe
Terry Stover
Celso Palafox
Randy Jepson
Chuck McCormick
Ryan Hutchinson
Joe Alarcon

The 20/20 Network
The 20/20 Network
Chino Development League
Threshold Aviation
Threshold Aviation
Threshold Aviation
Threshold Aviation
Threshold Aviation
So Cal MRO
Chino Airport Tenant
Guest
Chino Development League
Chino Development League
Mead & Hunt
Guest
Encore

Pledge of Allegiance

Led by Commissioner Smith.

Report on Posting of Agenda:

Mr. Jenkins stated that the agenda had been posted.

Awards, Guest Introductions and Announcements:

Guests introduced themselves.

Action Item - Approval of Commission Meeting Minutes

A motion was carried by Commissioner Marquez, seconded by Commissioner Asmus and passed to approve the commission meeting minutes from September 28, 2017.

Commissioner Reports/Comments

Commissioner Taylor commented that Airport staff did a great job hosting the Apple Valley Airshow.

Commissioner Asmus shared that he was at the airshow also.

Public Comments

Mark Dilullo commented that he likes the direction that the airport is moving in and it seems that there is a lot more common ground between the tenants. The needs of Threshold Aviation are always met and met promptly. He said that his company is growing fast and they are working hard to deliver some nice products. He expressed his appreciation for all that the airport staff does.

He thinks it would be helpful if more weeds were trimmed on the airport. They would like to try to make the place look more like a corporate venue to encourage more traffic.

Information Item: Apple Valley Airshow

Cyle shared that the airshow was a success with a little over 10,000 people in attendance, which is about 1,000 more than last year. We had 16 food vendors, 9 retail vendors, 19 display vendors, 7 volunteer groups and 15 sponsors that donated to the airshow. There were 4 medical responses, with only one of which had a person transported to the hospital. We also had several new performers this year and have had great feed-back on them.

The FAA had some concerns about the pre-airshow briefing with the air boss not covering some specific items. The air boss has now retired, so we will be looking for a new one next year.

Information Item: Mooney International Update – Final and Closing

Mr. Jenkins stated that Mooney has departed the airport. They do have a sub-tenant, So Cal MRO, who is in Commercial Hangars #1 & #2. Mr. Jenkins said that we will be working more closely with Mr. Zangeneh's group (So Cal MRO) on the day to day items associated with the operations and maintenance care facility which was coordinated through Mooney before their departure.

We are disappointed that Mooney was not able to succeed here. They had a presence here from 2012 until 2017 and were able to get an aircraft off the ground. Mr. Dilullo's firm provided resources and personnel in building of the aircraft that actually flew. Hopefully the Mooney operations will continue in Texas.

Information Item: Appraisals – CNO and APV

Mr. Jenkins explained that many of our leases require that the property be appraised on years ending in 0 and 5. We were not able to accomplish that in 2015, but we were able to get the process underway to select a contractor to conduct those appraisals. Now that process is firmly underway and we will be executing a contract through Real Estate Services with a company who will be conducting the appraisals for Chino and Apple Valley. They will be modified appraisals in that we have all the baseline information and inventory information already so it won't have to be obtained by the appraisal firm. They will be determining what the rates for fees and charges and lease rates should be. We will be engaged in that process to make sure that we get the product that we are looking for. We don't expect that there will be great shifts in value. In most of the categories of our properties we will be adding specialized charges that we currently don't have the authority to charge. We expect that that process will be finished near

the end of February. We may have a draft before the holidays and we may have something to report before the next commission meeting in December.

Mr. Jenkins was asked if these appraisals will affect the possessory interest tax bills that are generated by the County Assessor's office. He said potentially it may affect them and there could be an adjustment to those rates.

Information Item: Fee Updates, 2018-19

Mr. Jenkins shared that the fee updates segue from the appraisal process. This is an annual review of our fee ordinance schedule in which we have on the order of 40 line items decreased from 120 items 4 years ago. These are charges and fees in our system for various uses of property and services that we provide. Most of the items are use of property fees and are rates established for our permit agreements, which are short term agreements including T-hangars and tiedowns.

The other component that is affected by the appraisal are the rates and charges associated with long term leases. The appraisal sets a baseline rate from which we can negotiate if the county receives a benefit, an improvement in the property, or some other tangible benefit that we can put a value to. We will put that in and consider that part of the compensation. The appraisal rates give us a starting point to negotiate with the party once they come onto the airfield to lease property and/or to develop property.

The fee ordinance has set rates that are established and approved by the Board of Supervisor and there is no negotiation. This includes the T-hangar and tiedown permits.

We won't have our fee updates until the middle of next month. So when the appraisal is complete we will decide whether or not to take an item to the Board outside of the normal cycle for approval or have it take effect in the next budget cycle. We will update the commission on this.

Mr. Jenkins pointed out that we wanted to add a couple of new charges in the fees and penalties. There is one which we were not able to get support for from County Council. That was for a fee to be assessed for the people who want to redeem a lease after it's gone into the unlawful detainer process. The reason County Council did not support it is because it crosses the line between what's intended for legal costs and the agreement stipulating the parties will pay for their legal costs independently associated with the actions of legal consequence. It would be cumbersome to enact the type of recovery that we were hoping to recover.

Another fee which we were successful in implementing is a fee associated with unlawful, unauthorized storage of aircraft. The County through its ordinances has a process in place that we will be able to affix a citation to items which are improperly stored. It is a progressive penalty process beginning at \$100 progressing to \$500 per day. This is already on the books that we have access to and we could implement right away. This will be effective between now and July 1, 2018. We will be doing some revisions in our Title VII associated with the rules and regulations of the airport first.

Information Item: Brown Act Updates

Hand out given to commissioners - most recently revised guidance on the Brown Act.

Mr. Jenkins informed us that he wanted to be responsive to a commissioner's request. There is a concern that sometimes we discuss matters that are not properly listed on the agenda.

We will be bringing County Council in to give a presentation to the commission in January.

In Mr. Jenkins review of the information what became apparent was how social media platforms can cause problems for us in the Brown Act. With one or more people commenting on a post or one or more reading the comments it can be considered a meeting. This will be a portion of the presentation in January.

Director's Reports

Capital Improvement Program

Ms. Snelgrove stated that the Project Management Division has assigned one project manager to all of our projects. This provides us with a high level of consistency. The project manager has airport experience and has a good grasp of all of our projects.

All of our projects are on track and moving forward timely. We have authorized some budget increases for some of the projects. We will see them moving forward in the next couple of months

Mr. Jenkins reminded us that regarding the grant project with the hot spots on the North West ramp we had to update our Disadvantaged Business Enterprise Program. He said that we are taking this to the Board of Supervisors in December or January and hopefully in the first calendar quarter of 2018 we will be accepting bids for that project.

Board of Supervisors Activity

Mr. Jenkins said that there was only one item that went before the Board of Supervisors. He explained that we are in the midst of the Chino plume mitigation process. We are approaching actual clean-up. Within the next two years we will be cleaning-up the ground water, but to do that we need to understand what the ground water is doing and what's available for pumping and how many gallons per hour the aquifer can sustain while we are undertaking our clean-up effort. An item went to the Board to advertise for bids to put in testing wells. There will be a system installed to determine what level of pumping rates the aquifer can sustain. Then we will determine what the ultimate remedy will be. There will be facilities on and off property to pump water, which will be filtered and returned.

We took an item to the Board that was considered and approved. Now we will be doing the testing which will give basic information to design the final remedy for the clean-up of ground water contamination.

Real Estate

Mr. Mintle shared that we have a parcel on Merrill Ave. for approximately 8 acres on the north side of the airfield that went to SOP a couple months ago. We are currently in the middle of finalizing that lease agreement which is a 30 year deal and it will go to the Board right after the first of the year. Next week an SOP is going out on the street for a 3 acre parcel on the north side of the airfield which we have received numerous interests in.

On the west side of the commercial hangars there is container storage. We have about 28 and we get a request of about 3 or 4 that want to go there. At some point there will be a limit of how many containers we can store there.

The port-a-ports on the north side, which are 62 units currently under a ground lease being managed by an operator out of San Diego, will be coming back to the county at the end of December. When we do retain them we will need to properly identify whether they were installed correctly or not and we will be working out if we can keep them there or relocate them elsewhere.

Mr. Mintle also pointed out that we have had numerous leases coming up for renewal.

Financial Report

Mr. Jenkins briefed us that in October the county instituted a new financial management program called SAP. He pointed out that unfortunately parts of the system don't yet function. The part of the system that we use to prepare our financial reports is not available to us. Mr. Jenkins informed us that through our monitoring that we have not gone outside of our parameters of normal spending at this time of year. By the next meeting we should have a report either through the SAP process or a manual report and a narrative to let you know where we are at that point. We haven't had any unusual expenses since our last meeting. We have received \$186,000 back from our insurance reimbursement process for the plume expenses. It should be showing on our books between now and the next meeting. It is held up in transfer due to the new financial system. We have concerns, but we are accustomed to managing our

expenses and revenues manually.

Monthly Reports

Ms. Snelgrove shared her monthly report. In October we hired a Maintenance Worker for Apple Valley Airport and pending a background check they will hopefully be on board by mid-November. She also attended the 7th Annual EOC Diversity Forum. This year the forum focused on disabilities that are not apparent.

She attended a meeting with Special Districts for water and sewer evaluation for Apple Valley and Chino. We are planning to install valves to better control the water. We will be revising the MOU for sewer and water services to be compliant with all California regulations.

She is working on 2 ongoing programs – the review of the department fees and structures and the SAP system.

Mr. Woodruff shared some of his monthly report. He also attended various meetings and trainings throughout the month, but most of his time was dedicated to the Apple Valley Airshow. He also attended the Equal Opportunity Commission Diversity Inclusion Forum. He thought it was great. The slogan was "See the able not the label". This helped to understand what some people with visible and invisible disabilities can do for you in your department.

He conducted the Maintenance Worker I interviews on October 3rd and followed up with a second round of interviews on two candidates in which one was offered the position.

Mr. Woodruff shared that staff attempted to change the code on pilot lounge door at Twentynine Palms Airport to the emergency frequency 1215, but the master code has a 15 in it and you can't use the same numbers which are in the master code. We will come up with another code when staff returns there in a week.

We are still looking at security cameras for Twentynine Palms Airport also. Prices will be submitted to Mr. Jenkins and then we will purchase them.

Chino Airport Operations

Mr. Jenkins pointed out that the numbers are up from last year principally due to weather and the flight school activity. With the increased traffic comes a number of operational errors in the air traffic control environment. This can be attributed to several things including the flight schools and the training environment. We also have many vehicle pedestrian deviations which we are responsible for preventing. Mr. Jenkins shared that it is his belief that a pilot should be subject to penalty for breaking aviation rules either in the air or on the ground.

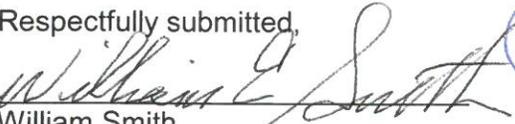
Another issue related to this is delivery trucks driving onto the airport and driving across runways and such. Mr. Woodruff shared that all these issues are being discussed at the Runway Safety Action Team meeting with the FAA. The next meeting is November 8th at Yanks Air Museum and he encouraged all to attend.

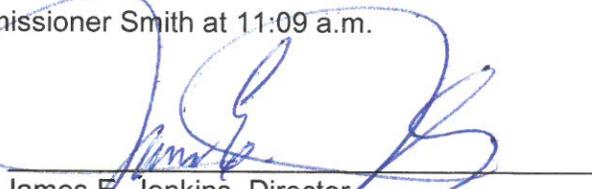
Date, Time and Place of Next Meeting

The next meeting will be held on Thursday, December 7, 2017 at 10:00 a.m. at Needles Airport, 711 Airport Road, Needles, Ca 92363

Adjournment: Meeting adjourned by Commissioner Smith at 11:09 a.m.

Respectfully submitted,


William Smith
Airports Commission


James E. Jenkins, Director
Department of Airports


Nicole Leyden, Secretary I
Department of Airports