

**SAN BERNARDINO COUNTY AIRPORTS COMMISSION MEETING
JANUARY 22, 2015.**

The meeting of the San Bernardino County Airports Commission was called to order at 10:05 a.m. by Chairman, Ray Marquez. Meeting location: Department of Airports: 777 E. Rialto Ave. San Bernardino, Ca 92415.

Commission Members Present:

Ray Marquez, Chair
William Smith
Roy C. Cox
Jim Bagley
Bob Cable
Larry Asmus

Commission Members Absent:

Mark Taylor, Vice Chair

Staff Present:

James E. Jenkins, Director of Airports	Department of Airports
Robert Cayce, Airport Operations Manager	Department of Airports
Nicole Leyden, Secretary I	Department of Airports
Jeff Laas and Steve Mintle	Real Estate Services
Bob Velker	Department of Airports

Visitors Present:

Chuck McCormick	Parsons Brinkerhoff
Bob Marlin	Retired Engineer

Pledge of Allegiance:

Led by Jim Bagley.

Report on Posting of Agenda:

Robert Cayce stated that the agenda had been posted.

Awards, Guest Introductions and Announcements:

Guests introduce themselves.

Action Item – Nominations and election of Airports Commission Chairman for 2015

A motion was carried by Commissioner Cox and seconded by Commissioner Asmus to nominate Mark Taylor for Chairman.

All Commissioners voted in favor of Commissioner Mark Taylor to hold the position of Chairman

Action Item - Nominations and election of Airports Commission Vice Chairman for 2015

A motion was carried by Commissioner Marquez and seconded by Commissioner Asmus to nominate Bob Cable for Vice Chairman.

All Commissioners voted in favor of Commissioner Bob Cable to hold the position of Vice Chairman

Commissioner Marquez turned the Airport Commission meeting over to newly elected Vice Chairman Bob Cable.

Action Item - Approval of Commission Meeting Minutes

A motion was carried by Commissioner Cable, seconded by Commissioner Smith and passed to approve the Commission Meeting Minutes from December 4, 2015

Commissioners Reports/Comments:

Commissioner Cable shared that they had an airshow at Cable Airport. He said although they got rained-out on Sunday it was such a success on Saturday that it made up for it.

Public Comments:

No public comments.

Information Item: Update on FAA Funded Airports Projects

Mr. Jenkins said that today Mr. Stover is meeting with the FAA in 29 Palms for an ALP update. On Tuesday he met at Needles Airport with the project manager and two weeks ago they met at Chino Airport regarding airport projects.

Yesterday Mr. Stover and Carrie Hyke met with C&S Engineers and discussed reconstruction of runway 18/36. The FAA has made this a higher priority so we may receive monies this cycle.

Chuck McCormick briefed us on Chino Airport. He said Parsons Brinckerhoff is working on route construction of the North West apron which includes some of the older pavement and pavement in front of the Yanks Air Museum.

He said that the FAA Grants will be available in July/August.

Information Item: Update on Chaffey College Aviation Program

Bob Velker updated us on the avionics class at Chaffey College. He said that seventeen students have graduated and out of that six of them were really inspired and are trying to get into the industry. Another class is now underway with thirty-two students. He relayed how they have learned from the first class how long it takes to get the students' skills built up, so they will therefor restructure. He said that Chaffey is committed to this program and is donating money and resources. In addition, now federal funding is available for employers subsidizing the student's pay by fifty percent for the first three months. He says the students are getting an education, tools provided to them and now this subsidized pay for their employers.

Director's Reports

Capital Improvement Program

Mr. Jenkins explained how managing the Chino plume project has been a cash flow issue. He states that the monies are coming from our Capital Improvement Fund. Fortunately, the insurance is now reimbursing timely.

James met with the county's administrative office senior finance people. He told them that the Department of Airports cannot afford this. The department can manage and coordinate efforts, but the monies need to be taken from the general fund to pay for it. It is a county problem, not an airport problem.

Mr. Jenkins provided us some background on how the Chino plume was inherited from 1989 and how in 1999 the plume resurfaced. He pointed out that we are now near completion of characterization and have presented an interim remediation option to the Water Board. He explains how a well owned by Desalter Authority located in the heart of plume will pump and treat the water. In December he gave a presentation and a characterization report to the Water Board. In March he will present the rest of the information.

The Water Board will determine either to give us nine months to a year to do a feasible analysis to see what the various options are for mitigation or give us sixty days to present a mitigation option and to start pumping treatment or whatever the option that we decide on. Fortunately,

there is nothing in the soil, so no costly soil clean-up is necessary.

In December Mr. Jenkins had a meeting with the Desalter Authority who said that they will pump and treat the water then re-introduce the water into the water stream without charge. We'll just be responsible for maintenance costs.

Mr. Jenkins explained that by using the monies for the plume we cannot use the money for anything else on airports. The grants are reimbursements, but we have to pay the vendor right away.

The estimated future costs are fifteen to twenty million dollars for life of the clean-up of the plume. The treatment effort will take fifteen to thirty-five years.

The insurer wants to buy out of this liability. After March when we accept what options there are we can accept a buy-out from the insurance. We are not reaching to the Superfund due to the fact that we have insurance. After the fact the insurance can attempt to get monies from the Superfund.

Mr. Jenkins was asked for a synopsis on the financial impact on the Department of Airports regarding the plume for commissioners to take to the Board of Supervisors to help explain the monetary hardship. James agreed to get that to commissioners.

Chino Airport Operations

Mr. Jenkins states that we will be getting December's numbers at the end of this month.

At the end of November we were at 165,000 and our average has been around 14,000, so our operations count will be slightly up this year. The operations count has not affected fuel flow as the fuel flow revenue has been relatively consistent. If fuel prices stay where they are we may see some additional activity.

Board of Supervisors Activity

Mr. Jenkins explains that there was an amendment to the contract with Yellow Jacket Drilling Services. There was an increase in the total amount toward drilling for increasing the depths of the monitoring wells as required by the Water Board.

Real Estate

Steve Mintle informed us that we have SOP's for four hangars at Chino Airport, A485, A497, A555 and A560 all consisting of ten thousand feet. We are offering 1, 2, 3 or all 4 as needed by tenant proposals. Also, Superior Sod closed an SOP on 5.7 acres of agriculture land.

There is an item to going to the Board of Supervisors for Yancy Enterprises who is relocating from Rialto Airport April 1st. We have to displace two tenants from hangars A480 and A485 who use it for aircraft storage. Dome hangar #4 was offered to them.

Hangar 1 and 2 are closing SOP's. They are two of our largest hangars. We received two proposals on them.

Jeff Laas informed us that an item will be going to Board soon regarding Mooney, a subtenant of Threshold who is in commercial hangar #4.

Mr. Jenkins said that Inland Valley Aviation failed to execute the lease agreement, so we will pursue on a default.

Mr. Jenkins updated us on Celso Palofox. He said he has sold his leasehold and paid us arrears and has brought all but one account current. We will be going after him on that one, which is Fox Nurseries.

There was a termination of lease for commercial hangar #1, held by an LLC, which took one year to get the property back. Also the lease termed out for building B350, held by the same tenant. The property is ours we just need to gain possession back. There is a leasehold on a fuel island which is also held by the tenant. The county is pursuing him on all evictions on all the leaseholds. He has a sub-leasehold on the airport that allows him to sell fuel. It's a ground leasehold that qualifies to sell fuel and he manages that as a fuel concession. If we are not able to collect money from him then we'll have a receiver there as fuel is collected or sold and we'll collect a few thousand dollars.

The scenario with Threshold is coming to a closure. The sublease between Mooney and Threshold will be going to the board for consideration on February 10th. There are two items which are still being worked on which are the hand-washing station for the restrooms and door issues including sealing and weather stripping. The matter is behind us as they are paying and fuel flow payments being made.

The cost was high. We put three hundred and sixty thousand dollars towards maintenance and other things for settlement. Forty thousand dollars was lost each month for three months, which was their rent, and the fuel flow lost was forty-five hundred per month for two months.

There were several parties interested in commercial hangars #1 and #2. Mooney was the successful candidate to receive the rights to negotiate terms with the county. Once agreed, then a lease is executed then presented to the board for consideration. They intend to make significant investments in the hangars. They will retain the sub leaseholders as tenants for now.

Mr. Jenkins mentioned, as Steve Mintle did, that we have an SOP on R& R Sod who procured a leasehold for an agricultural parcel on 5.9 acres. Mr. Jenkins points out that this is good for us as they have to remove a power line, structures and well equipment at no cost to us in exchange for the leasehold.

Financial Report

Mr. Jenkins shared that we are doing well at fifty-four percent of the year.

We are well balanced with our revenue at fifty-eight percent.

This is appraisal year for us by contracts years ending in zero and five. We didn't have any in 2010, only market surveys.

The next budget cycle we will be taking a look at fees. There will be no fee increases or fee adjustments this cycle.

We don't anticipate any major increases in fees. Although, we may have increases in revenue due to contracts having fixed increases built into leases and or consumer price index fee increases associated with the lease rate.

In sublease agreements previously done we do not have a share in the revenue.

Monthly Reports

Mr. Jenkins shared information about Mr. Stover and how he is negotiating with the Army and Marines Corp. regarding upcoming exercises at the Barstow/Daggett Airport.

Since November we've been engaged in ADA (American Disabilities Act) compliance. . Inspections have been done on all the airports involving structures and facilities accessible to the public including hangars. Some regulations have changed and some existing ones we haven't met. We are going to triage as to how we will be approaching compliance.

Hangars can be difficult to make ADA compliant, but if a pilot requires access we will make the facility accessible.

Commissioner Cable suggests having a full time, on-site manager live on the airport to qualify as an ADA compatibility person who can escort them on the airport.

The plan is to triage, prioritize and bring in County Counsel and see what will be doing first.

Mr. Cayce briefed us on how he escorted the ADA compliant people as they inspected each airport. He pointed out that the California building codes go beyond ADA codes.

The inspectors went through the airports with a fine tooth comb, inspecting doors, parking lots, and even the distance the mirrors have from the ground.

Along with risk management a Certified Access Specialist was brought in to do the inspections.

Mr. Cayce joined Mr. Stover on the project "kick off" meetings at the airports and shared that

they will progress quickly.

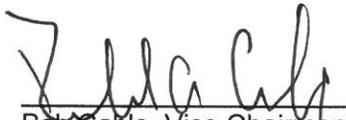
Mr. Cayce announced that the Chevron sign at Twentynine Palms Airport is now covered. He stated that it is not legal to have it showing since there is no Chevron product anymore. He said that they are working on getting it removed.

Date, Time and Place of Next Meeting

The next meeting will be held on Thursday, February 26, 2015 at 10:00 a.m. at Twentynine Palms Airport 78569 Twentynine Palms Hwy, Twentynine Palms, CA 92277.

Adjournment: Meeting adjourned by Bob Cable at 11:05 AM.

Respectfully submitted,



Bob Cable, Vice Chairman
Airports Commission



James E. Jenkins, Director
Department of Airports



Nicole Leyden, Secretary I
Department of Airports