

**SAN BERNARDINO COUNTY AIRPORTS COMMISSION MEETING
JUNE 23, 2016.**

The meeting of the San Bernardino County Airports Commission was called to order at 10:00 a.m. by Commissioner William Smith. Meeting location: Airports Administration: 777 E. Rialto Ave San Bernardino, Ca 92415

Commission Members Present:

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

Commission Members Absent:

Bob Cable

Staff Present:

James Jenkins, Director of Airports
Cyle Woodruff, Operations Manager
Thomas Toepfer
Nicole Leyden, Secretary

Department of Airports
Department of Airports
Real Estate Services
Department of Airports

Visitors Present:

Jeffrey Aryan
Carl Scholl
Chuck McCormick
Kristina Becker
Ariel Searcy
Terry Hansen
Justin Shadel
Henry Nickel
Doug Crowther

Chino Airport Tenant
Aero Trader
Mead & Hunt
USMC
USMC
USMC
20/20 Group
20/20 Group
Threshold Aviation

Pledge of Allegiance

Led by Commissioner Taylor.

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 Taylor, seconded by Commissioner Marquez and passed to approve the commission meeting minutes from May 26, 2016 with the correction stated by Commissioner Asmus.

Commissioner Reports/Comments

Commissioner Taylor asked about the two jets at Apple Valley Airport. Mr. Jenkins explained that the Gulfstream is being utilized for a training program happening once a month. It's for kids to become familiar with aircraft. The Lear jet is also owned by the same tenant.

Commissioner Cox pointed out that Mercy Air will be doing a hoist training at Twentynine Palms Airport around the first or the last part of July. When the dates are finalized Commissioner Cox will share them with Mr. Jenkins via e-mail. The aircraft needs recertification from the FAA to do hoist operations. This will take 3-4 hours of work over a couple of days. Mr. Jenkins stated that he will put them on the inactive runway. Commissioner Cox also offered to use the parking area. There will be further discussion once the dates are finalized.

Public Comments

Mr. Scholl thanked the commission and the Department of Airports for their help with the lease issues Aero Trader had with Chino Airport over the past year.

Mr. Jenkins introduced Henry Nickel with the 20/20 Group. This company will be conducting outreach for the Department of Airports. They were the successful candidate when the solicitation of proposal was done for outreach. Bob Velker was doing the outreach prior that. It took a year to get them under contract and they just started in mid-May.

Mr. Nickel said that he is happy to be working with us and he welcomes any ideas or suggestions. He also welcomes any information to provide to the public which they can promote for us.

Mr. McCormick briefed us on the new drone law. To operate commercially there is a couple of things you have to do. You have to hold a Section 333 Exemption and get a certificate of waiver of authorization from the FAA. This gives approval to fly over the United States with restrictions. One restriction is around an airport. To fly within 5 miles of an airport you must get an additional certificate of authorization. The new law is effective in about 60 days which is that a commercial drone operator must coordinate with the airport and if there is a control tower to coordinate with the control tower. Currently to operate a commercial drone you also need to have two people, one is a licensed pilot and one is an observer. In the new law the FAA is creating a test for people to take so that a non-licensed person can operate a drone and you will no longer need an observer.

Mr. McCormick also shared that Cal Poly Pomona is offering a program. They will have classes throughout the summer to provide training on the use of how to operate a drone commercially in the United States.

Information Item: 29 Palms SUA Airspace Proposal, Presented by Terry C. Hansen, Airspace Outreach SME Marstel-Day Environmental Consultants

Kristina Becker, External Affairs Director, and the contractor, Terry Hansen, gave a presentation regarding some airspace expansion proposals. A video was shown giving an overview of the type of training that will be done. Training will be in August in Johnson Valley with ground forces doing convoys. The land in Johnson Valley has been acquired and the airspace is going to be soon. Temporary airspace will be utilized for this exercise.

Mr. Hansen also brought us up to date on what is being done to secure the airspace they need. The three types of SUA proposals which are underway are permanent SUA, temporary SUA and controlled firing area. They are creating a flyer for pilots telling them when there is a large scale exercise planned. This will be sent to airports and FBO's with a map. They are also working on doing press releases and possibly having frequencies and telephone lines dedicated to giving this information. Riverside Airport and Big Bear Airport were also briefed, and they will do a briefing in Tahoe at the Association of California Airports event.

Mr. Hansen said that they are open to any suggestions on how to improve their outreach program or points of contact to pass on to minimize issues. They will be using airspace 40 days a year. Their training is planned for August 14-21, 2016 and with the new airspace August 1-30, 2017.

Information Item: Commercial Hangar Complex Updates

Mr. Jenkins explained that there is nothing new since last month. Mooney has paid their May rent and at the end of May they paid their June rent for Commercial Hangar 1. In October their payment for Commercial Hangar 2 will be due. We hear from others outside the organization that they are talking with Mooney about business deals for the hangars. We are hearing third party inquiries regarding becoming a sub-lease tenant. Any subleasing is required to go through the Department of Airports for approval.

Director's Reports**Capital Improvement Program**

Mr. Jenkins pointed out that the grant program was managed by Carrie Hyke, but she has since retired, so we will have to manage that internally now. We are hoping to get help from staff at Special Districts. Cyle Woodruff will also be tasked with more responsibilities on the capital side, specifically with grant management. We will likely task some of our on-call engineers with a few specific areas of responsibility for grant management also. It will be difficult because we don't have that much depth in the organization, but we'll keep things moving forward.

We have our approved capital listing from the county side, which is different than most other county departments. This is because most other departments put together a wish list of projects and they are looking to the county to fund them. We put together a list of projects that we qualify for a federal grant for or we're funding. The general fund does not fund any of our capital improvement projects. We just have to get it into the county system so if we need help from the project management division, previously the architecture engineering department, they will be able assist in managing those projects.

Mr. Jenkins explained that we currently have 17 projects listed for the upcoming cycle. We get the projects put in the books, each project gets a number assigned and during the fiscal year if we come to a point where we can fund a project we'll do it. Some we are planning on doing are buying 5 acres of property for Apple Valley Airport for a drainage basin and upgrading the perimeter fence. Baker Airport will get a modular restroom. At Chino we will be removing a couple buildings. Building A220 (in the quadrant behind Flo's) and a building in front of Flo's will be coming out. At Chino Airport Taxiway G we will be improving the safety area. We also will be replacing 1 or 2 compressors at the commercial hangar complex and doing door upgrades and pavement maintenance. The mail center at Chino Airport is in a building which will be in the demolition, so a new mail center will be built. We will also do roofing maintenance at Apple Valley, Twentynine Palms and Chino Airports. The first phase of the demolition of structures at Barstow-Daggett Airport will be done, which is the environmental assessment. Also Twentynine Palms Airport will get an ADA compliant modular restroom.

We currently have a placeholder with Project Management for \$75,000, so if a project arises that we would like their assistance in managing we have that project fund to use. We are in a better cash position now that we no longer have the obligation of the bond payment for the commercial hangar complex. We paid \$6,000,000 in the past seven years for that process. We have deferred maintenance and made significant cuts due to this. The manager positions for Chino and Apple Valley Airport were both cut, so Mr. Jenkins was responsible for Chino and Mr. Stover was responsible for Apple Valley. Work fell on Mr. Jenkins' desk and on the Staff Analyst's desk because of the Assistant Director working out of Apple Valley and not at the administrative office. Mr. Jenkins intends on bringing the Apple Valley and Chino Airport manager positions back in the next year. This will bring more depth to Mr. Jenkins because he will bring the assistant manager back to the administrative office and this will also help with other things they are currently trying to manage.

Board of Supervisors Activity

Mr. Jenkins informed us that one item went to the Board of Supervisors. This was to request that Special Districts continue to manage the sanitary sewer program at Chino Airport. This

was an amendment to an existing contract that's in place. There were no questions regarding that item.

Real Estate

Mr. Toepfer briefed us on real estate activity. We currently have 4 solicitation of proposals out. Three at Chino Airport and one at Apple Valley Airport. At Chino Airport there are two for agricultural property and one for Hangar B350. The proposal for Apple Valley Airport is for the former Where's the Fire Hangout Café. We are also awaiting Midfield to respond and execute their lease renewal at Apple Valley Airport. If they don't we may have to put out a solicitation of proposal for consideration.

Financial Report

Mr. Jenkins stated that as of June 13th we are at 95 percent of the year. We've expended 72 percent of our budget and we've earned 105 percent of our revenue. We remain balanced because if we don't make money then we don't spend money. We did make a bit more money than we had anticipated. We had settlements that came through for us this year which were legal matters that we were pursuing. We also had a bit more fuel flow than expected. We expected \$145,000, but we gained \$190,000. We expected \$4,000,000 for revenue for use of property and we ended up with \$4,000,100.

Mr. Jenkins stated that we have a county counsel expense for Barstow-Daggett Airport. This is for pursuing the army for payment on a use permit for last July. We expended 584 percent over what we expected, but we balance overall as a system. If we spend more money in a particular category at an airport then we pullback in another or move appropriations from reserves or from one area to another to balance the categories. Some of the airports don't make money, but there is value in having those airports in our system. When you have more airports you get more consideration for federal dollars. We may spend more dollars during the year on the airport because it's not making money, but having spent that \$20,000 could get us a \$1,000,000 grant for that airport in the future.

Mr. Jenkins was asked about the high expenditures for vehicles in the budget summary. Mr. Jenkins explained that the vehicle costs are not necessarily for vehicles. For example, our generator maintenance falls under the vehicle category because it is serviced by fleet management.

Mr. Jenkins informed us that Trona Airport is asking for help in managing and maintaining their airport. We will provide some materials and technical support. Mr. Jenkins is preparing a report for the First District Supervisor to see if they can come up with some finances for this. It was a county airport until 1983 and the Sheriff's Department frequently uses that facility. They are doing a good job with what little resources they have there, but since they do need some help we will be providing some assistance.

Mr. Jenkins briefed us on the Chino Plume. He said that we are at a crossroads. We have given the water board a proposal and are awaiting an acceptance letter for our proposal. Their executive director for Southern California has announced retirement, so they may wait until they appoint a new executive director before responding. In the meantime, we are compliant with continuing to submit our reports. Also the contract with our consulting company, Tetrattech, is due to expire in December, so we will take that before the Board of Supervisors for a new contract to continue to represent the county's interest.

Monthly Report

Mr. Woodruff highlighted a portion of his monthly report. He attended an exercise at March Air Reserve Base. Representatives from various emergency services from different counties discussed points of distribution, services, and how to manage things during a disaster situation

Mr. Woodruff also shared that he is working with the FAA. They are visiting some airports in Southern California and Hawaii, Chino being one of those airports. They want to do some filming of hot spots from an airplane view down runways and taxiways. They will show this on all the aviation sites to get word out of the hotspots so pilots can be aware of those situations. They want to see what the concerns are and come up with ideas how to mitigate that.

Chino Airport Operations

Mr. Jenkins briefed us on Chino Airport operations saying that we are tracking upwards from last year and the numbers remain relatively flat.

Mr. Jenkins shared that we had an employee retire from the department recently. He was an employee for 17 years, but was off work on extended medical leave for the past year. We also had another employee leave us to work in La Quinta. This leaves us with 2 openings, one for the Maintenance Worker 1 position and one for the Maintenance Worker II position. The Maintenance Worker I position is currently being advertised. The Maintenance Worker II position will be open in about 2 weeks. This will be an internal promotion opportunity which opens it up to all county employees that qualify.

Date, Time and Place of Next Meeting

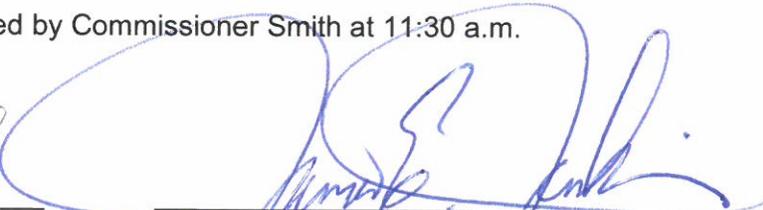
The next meeting will be held on Thursday, August 25, 2016 at 10:00 a.m. at Airports Administration, 777 E. Rialto Avenue, San Bernardino, Ca 92415.

Adjournment: Meeting adjourned by Commissioner Smith at 11:30 a.m.

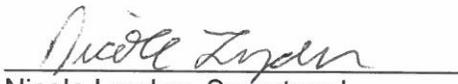
Respectfully submitted,



William Smith
Airports Commission



James E. Jenkins, Director
Department of Airports



Nicole Leyden, Secretary I
Department of Airports