

# CITY OF MERCED

*"Gateway to Yosemite"*



## **WELCOME TO YOUR REGIONAL AIRPORT AUTHORITY MEETING OF THE CITY OF MERCED**

### **AUTHORITY MEMBERS**

Larry Morelock-Chair, Alvin Osborn-Vice-chair, John Sundgren,  
Russ Cowperthwaite, Rodrigo Flores, Ryan Smith and Michael Bodine.

### **AGENDA**

**7:00 pm  
COUNCIL CHAMBERS  
678 WEST 18<sup>th</sup> STREET  
MERCED, CALIFORNIA**

**TUESDAY  
OCTOBER 21, 2014**

**([www.cityofmerced.org](http://www.cityofmerced.org))**

STAFF REPORTS OR OTHER WRITTEN DOCUMENTATION RELATING TO EACH ITEM OF BUSINESS REFERRED TO ON THE AGENDA ARE ON FILE IN THE AIRPORT ADMINISTRATION OFFICE OF THE AIRPORT MANAGER. ANY PERSON WHO HAS QUESTIONS CONCERNING ANY AGENDA ITEM MAY CALL THE AIRPORT MANAGER AT (209) 385-6873 TO MAKE INQUIRY REGARDING THE NATURE OF THE ITEM DESCRIBED ON THE AGENDA. PRIOR TO EACH REGULAR REGIONAL AIRPORT AUTHORITY MEETING, A COMPLETE AGENDA PACKET IS AVAILABLE FOR REVIEW IN THE FOYER OUTSIDE THE COUNCIL CHAMBERS AND ON THE CITY'S WEBSITE AT [WWW.CITYOFMERCED.ORG](http://WWW.CITYOFMERCED.ORG). ANY DOCUMENTS PROVIDED TO A MAJORITY OF THE COMMITTEE MEMBERS AFTER THIS AGENDA IS POSTED WILL BE AVAILABLE FOR PUBLIC INSPECTION IN THE CITY CLERK'S OFFICE DURING NORMAL BUSINESS HOURS.

FOR CITIZEN PARTICIPATION INSTRUCTIONS, PLEASE REFER TO THE CITY'S WEBSITE AT [WWW.CITYOFMERCED.ORG](http://WWW.CITYOFMERCED.ORG). A HANDOUT IS ALSO AVAILABLE AT THE MEETING ADJACENT TO THE AGENDA. INDIVIDUAL AGENDA ITEMS MAY BE HEARD IN AN ORDER THAT IS DIFFERENT THAN THEY APPEAR ON THE AGENDA TO ACCOMMODATE MEETING PARTICIPANTS.

**INFORMATION FOR INDIVIDUALS WITH DISABILITIES:**

Accommodation for individuals with disabilities may be arranged by contacting the City Clerk's Office at 209-388-7100.

Assisted Hearing Devices Available for Hearing Impaired  
Teletypewriter (TTY) 209-385-6816

THE PUBLIC HAS THE OPPORTUNITY TO ASK QUESTIONS OR COMMENT AT THE TIME SPECIFIC AGENDA ITEMS ARE CONSIDERED. NORMALLY, EACH AGENDA ITEM WILL HAVE A STAFF PRESENTATION, FOLLOWED BY COMMENTS OR QUESTIONS BY THE AIRPORT AUTHORITY MEMBERS. IF REQUESTED BY AN AUDIENCE MEMBER, THE CHAIRPERSON WILL THEN ALLOW THE PUBLIC TO MAKE COMMENTS OR ASK QUESTIONS. AFTER ANY PUBLIC INPUT, THE AUTHORITY MAY HAVE FURTHER DISCUSSION BEFORE TAKING ACTION TO THE NEXT AGENDA ITEM.

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. WRITTEN PETITIONS AND COMMUNICATIONS**
- D. ORAL COMMUNICATIONS**

AT THIS TIME, ANY MEMBER OF THE AUDIENCE MAY COMMENT ON ANY MATTER NOT LISTED ON THE AGENDA. PLEASE STAND AND STATE YOUR NAME AND ADDRESS FOR THE RECORD. THE AUTHORITY WILL NOT TAKE ACTION ON THE ITEM THAT IS BROUGHT TO THEIR ATTENTION THIS EVENING. IF IT REQUIRES ACTION, IT WILL BE REFERRED TO STAFF AND/OR LISTED ON THE NEXT AUTHORITY AGENDA.

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PLEASE BE BRIEF AND TO THE POINT. AVOID REPEATING WHAT PREVIOUS SPEAKERS HAVE SAID. IF TWO OR MORE INDIVIDUALS ARE HERE AS A GROUP AND WISH TO SPEAK ON ONE SIDE OF AN ISSUE, PLEASE SELECT A SINGLE SPOKESPERSON TO PRESENT YOUR VIEWS.

- E. CONSENT CALENDAR**
  - 1. AIRPORT AUTHORITY MINUTES FOR SEPTEMBER 23, 2014.**

*Recommendation: Adopt a motion to approve and file.*
- F. REPORTS**
  - 1. GRANT OF WAIVER REQUEST FOR CONTINUED ESSENTIAL AIR SERVICE (EAS) ELIGIBILITY**

*Recommendation: For information only.*

**2. ESSENTIAL AIR SERVICE (EAS)**

Recommendation: For information only.

**3. LEASE AGREEMENT FOR MAINTENANCE HANGAR 16**

Recommendation: For information only.

**4. PROPOSAL FOR PART 141 PILOT TRAINING SCHOOL –  
PRESENTATION**

Recommendation: For information only.

**5. FAA PART 139 INSPECTION**

Recommendation: For information only.

**6. AIRPORT MANAGER'S REPORT**

Recommendation: Discussion as desired by Authority members.

**G. AUTHORITY BUSINESS**

**1. POSSIBLE INCOMPATIBLE LAND USE ACTIVITY**

Recommendation: Discussion as desired by Authority members.

**2. OTHER BUSINESS FROM AUTHORITY MEMBERS**

Recommendation: Discussion as desired by Authority members.

**H. ADJOURNMENT:**

TO THE NEXT AIRPORT AUTHORITY MEETING, TUESDAY  
NOVEMBER 18, 2014 AT 7:00 PM IN THE CITY COUNCIL  
CHAMBERS, 678 WEST 18<sup>TH</sup> STREET MERCED, CA 95340.

**CITY OF MERCED  
REGIONAL AIRPORT AUTHORITY MINUTES**

**COUNCIL CHAMBERS  
MERCED CIVIC CENTER  
678 WEST 18<sup>TH</sup> STREET  
MERCED, CA**

**TUESDAY  
SEPTEMBER 23, 2014**

**A. CALL TO ORDER**

Chair Larry Morelock called the meeting to order at 7:00 P.M.

**B. ROLL CALL**

Members present: Larry Morelock, John Sundgren, Michael Bodine, Alvin Osborn, Ryan Smith and Russ Cowperthwaite.

Members absent: Rodrigo Flores, excused

Staff Present: Janet E. Young, Mike Wegley and Jessica Cortright

**C. WRITTEN PETITIONS AND COMMUNICATION**

None.

**D. ORAL COMMUNICATIONS**

None.

**E. CONSENT CALENDAR**

M/S/C – Cowperthwaite/Osborn motioned to approve and file the minutes of August 13, 2014 as submitted.

**F. REPORTS**

**1. STATUS OF WAIVER REQUEST FOR CONTINUED ESSENTIAL AIR SERVICE (EAS) ELIGIBILITY**

Ms. Young reported that no decision had been made by DOT.

**2. ESSENTIAL AIR SERVICE (EAS) PROPOSAL REVIEW AND RECOMMENDATION**

Ms. Young reviewed the bids and points of consideration for the airlines bidding to provide EAS service. Subcommittee members voiced their views and a general discussion followed.

M/S/C – Sundgren/Smith motioned that the Regional Airport Authority submit a comment letter to the Department of Transportation stating that Mokulele Airlines was the Authority’s first choice, with Great Lakes Airlines and Sea Port Airlines, Inc. both being viable alternative options.

**3. LEASE AGREEMENT FOR MAINTENANCE HANGAR #16**

The proposed lease with Martin Marchello Inc., dba Aviation Maintenance Technicians for a three year term with a provision granting the first right of refusal for an additional three year renewal was described.

M/S/C – Osborn/Bodine motioned to approve the lease for Maintenance Hangar #16 to Martin Marchello, Inc., dba, Aviation Maintenance Technicians, and to recommend approval of the lease to the Merced City Council.

**4. ACA CONFERENCE REVIEW FROM MR. WEGLEY**

Mr. Wegley attended the Association of California Airports (ACA) Annual Conference in South Lake Tahoe September 9-12, 2014. He described the sessions and topics that were covered.

**5. AIRPORT MANAGER’S REPORT**

Ms. Young gave a verbal review of the August monthly manager’s report.

**G. AUTHORITY BUSINESS**

**1. POSSIBLE INCOMPATIBLE LAND USE ACTIVITY**

Mr. Morelock asked for a Verizon Tower update. Ms. Young was not aware of any work underway, but will follow-up on this item.

**2. OTHER BUSINESS FROM AUTHORITY MEMBERS**

None.

**H. ADJOURNMENT**

Larry Morelock adjourned the meeting at 8:35 pm until the next Regional Airport Authority meeting on Tuesday, October 21, 2014 at 7:00 pm in the Council Chambers at 678 W 18<sup>th</sup> Street, in the Civic Center.

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Larry Morelock, Chair  
Regional Airport Authority

To: Regional Airport Authority

From: Janet E. Young, Interim Airport Manager

Date: October 21, 2014

**Re: Grant of Waiver Request for Continued Essential  
Air Service (EAS) Eligibility**

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### **Background**

The Department of Transportation (DOT) issued a tentative decision on April 24, 2014, terminating eligibility for Essential Air Service for 13 communities. The list included the City of Merced. The final order terminating the EAS eligibility was issued on June 24, 2014 by the DOT. The final order also established procedures through which cities on the list could file a petition for a waiver. The petition process enables a city on the list to seek an exemption from the 10 passenger daily minimum standard. The City was notified on September 26, 2014, that the waiver was granted. The Merced Regional Airport will be expected to enplane and average of 10 passengers per service day for federal FY 2015.

To: Regional Airport Authority  
From: Janet E. Young, Interim Airport Manager  
Date: October 21, 2014  
Re: **Essential Air Service (EAS)**

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### **Background**

The EAS contract for Merced Regional Airport expired September 30, 2014. In anticipation, the Department of Transportation (DOT) released a Request for Proposals (RFP) on May 21, 2014, for airlines interested in providing air carrier service at Merced Regional Airport. The RFP proposal submission deadline was July 11, 2014, and the original comment period on the proposals was to close on August 15, 2014.

Five air carriers, Great Lakes Airlines (currently under contract at Merced Regional Airport); Boutique Air; Mokulele Airlines; SeaPort Airlines Inc., and Schuman Aircraft Ltd., dba Wine Country Express submitted proposals. Great Lakes is a Part 121 carrier, the other airlines submitting proposals are Part 135 carriers.

A sub-committee comprised of three Airport Authority Commissioners, a member of public, the City Public Works Director of Water Resources and Airport, and the Interim Airport Manager met to review the proposals and interview airline executives. The sub-committee members offered their initial observations to the Airport Authority on August 13, 2014, and, following general discussion, the Airport Authority requested that the Airport seek an extension of the public comment period. In response to requests from the Merced Regional Airport and the Visalia Municipal Airport, an extension to September 29, 2014, was granted by the DOT. Additional discussion was held with members of the Airport Authority who served on the subcommittee and a letter was submitted to the DOT, signed by the City Manager and the Chair of the Airport Authority, on September 29, 2014. The letter was circulated to Airport Authority members. It expressed the City's preference for regional jet service between Merced and Denver to be offered by Great Lakes Airlines on an accelerated basis. The letter also stated that the Airport Authority believed that the City would be best served by Mokulele Airlines. The letter to DOT noted the favorable impression of Mokulele and that it would be the next best service provider if the regional jet service is not obtainable within a reasonable time frame. The DOT is expecting further conversation with the City of Merced in the near future regarding a contract award. On October 16,

2014, the DOT filed an Order extending Great Lakes Service for Merced and Visalia until a date no later than February 28, 2014, for transition purposes.



To: Regional Airport Authority  
From: Janet E. Young, Interim Airport Manager  
Date: October 21, 2014  
**Re: Lease Agreement for Maintenance Hangar 16**

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### **Background**

The proposed lease with Martin Marchello Inc., dba Aviation Maintenance Technicians, for Hangar 16 which was approved by the Airport Authority on September 23, 2014, was approved on October 6, 2014, by the Merced City Council. The lease is for a three year term with a provision granting the first right of refusal for an additional three year renewal. The monthly rent will be \$600 and a rent escalator provision is included. The maintenance services also will be available for aircraft not affiliated with the American Flight Academy.

To: Regional Airport Authority  
From: Janet E. Young, Interim Airport Manager  
Date: October 21, 2014  
**Re: Proposal for Part 141 Pilot Training School**

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**Background**

Martin Marchello Inc., dba American Flight Academy, is planning to launch a Part 141 pilot training school at the Merced Regional Airport. Martin Campbell, President of American Flight Academy, will provide a presentation on plans for the school which also will offer training to general aviation pilots.

To: Regional Airport Authority  
From: Janet E. Young, Interim Airport Manager  
Date: October 21, 2014  
**Re: FAA Part 139 Inspection**

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### **Background**

This inspection, regarding certification of the airport, will be conducted by the FAA and will begin on November 17, 2014. The inspection involves examination of records associated with the Airport Certification Manual that identifies regular airport operational procedures and procedures for addressing emergency situations. The inspection also will involve the provision of documentation of training for airport personnel, fire fighter response testing and training, fueler records and other data.



# Merced Regional Airport

Manager's Report September 2014

## OPERATIONS

Great Lakes Airlines enplaned 165 revenue passengers for the month of September 2014, compared to 202 revenue passengers in August. In comparison to September 2013, enplanements were down 25% percent. There were five cancellations this month out of the 56 scheduled departures. Four of the cancellations were due to maintenance issues and one resulted from lack of crew availability. The Federal Aviation Administration (FAA) instituted a new rule requiring First Officers to have a minimum of 1,500 flight hours to secure the ATP credential to fly for a commercial airline. The new rule created a shortage of pilots for the mid- and smaller level carriers. Since adoption of the new rule, Great Lakes Airlines has lost over 200 of its pilots. Great Lakes Airlines continues to hire and train pilots, and its schedule is starting to show the benefit.

The Department of Transportation (DOT) issued a "show cause" letter regarding Merced's Essential Air Service (EAS) to which the City responded. Based on criteria passed by Congress in the FAA Modernization and Reform Act of 2012 (Public Law No. 112.95), Merced did not meet the required minimum of an average of 10 enplanements per service day. In the fiscal year referenced, October 1, 2012 through September 30, 2013, Merced averaged 7.7 enplanements per day. The City Manager submitted a letter to DOT seeking a waiver from the requirement and addressing the importance of continued EAS service to the Merced Regional Airport. Additionally, Senators Boxer and Feinstein, along with Congressman Costa submitted letters of support. On September 26, 2014, the Department of Transportation issued an Order granting the waiver. The action will enable the DOT to award a contract for EAS service to the Merced Regional Airport. The Airport will be required to enplane an average of 10 passengers per service day for federal FY 2015 which begins on October 1, 2014.

The current contract with Great Lakes Airlines expired on September 30, 2014. The DOT has issued an Order on September 29, 2014, holding Great Lakes to the contract through February 28, 2015, for both MCE and Visalia. The City of Merced submitted a comment letter to DOT on September 29, 2014, expressing preference for regional jet service bid by Great Lakes Airlines but on an accelerated start of service basis. The letter was signed by City Manager John Bramble and Airport Authority Chair Larry D. Morelock. The letter expressed the Airport Authority view that service would be best provided by Mokulele Airlines. The DOT is considering the letter and will talk with Great Lakes and Mokulele Airlines, and the City of Merced during the course of the award process. The Airport Authority action at the meeting of September 16, 2014, was to endorse Mokulele as the panel's first choice and to identify Great Lakes and Seaport as options.

## CAPITAL PROJECTS AND CONSTRUCTION

Grant 21, Wildlife Hazard Assessment Study has been approved and funded by the FAA. A "kick-off" meeting was held in September 2013 to start the yearlong Wildlife Hazard Assessment. This item will remain open for the next 12 to 18 months. No additional information will be made available until the Airport Biologist completes his data collection.

The FAA has approved Grant 22 for pavement rehab to the west side of the FBO maintenance hangar. However, since only discretionary funds were available, the FAA approved only the design portion of the grant. Total funding available for design was \$87,000. Actual construction, using entitlement funds, will occur in 2014. The "design" scope of work has been approved and RSandH is currently working on the project. The pavement rehab design plans are complete and the project is out for bid. This grant will be closed in the next few months. In addition, work continues on Grant 23 application for pavement construction. This is the follow-on Grant for Grant 22 which covered the design work for this area. In April 2014, the project went out for bid and two companies, Rolfe Construction and George Reed Construction responded with bids. In May 2014, the City Council approved the Grant Application. The FAA Airports District Office authorized the City of Merced in late August to award the contract in the amount of \$326,835.00 to Rolfe Construction. An agenda item will be placed before the City Council on October 6, 2014, seeking authorization to award the contract. A preconstruction conference will take place on October 7, 2014, if the authorization is approved by the City Council. Work is expected to begin soon after that session.

**OTHER**

Legal and Airport management are working with Gateway Air Center on consolidating numerous lease amendments into one lease. Interim Manager Young has initiated discussions with Mr. Lopes who has indicated his interest in proceeding with the consolidation of the lease documents.

To: Regional Airport Authority  
From: Janet E. Young, Interim Airport Manager  
Date: October 21, 2014  
**Re: Possible Incompatible Land Use Activity**

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Discussion as desired by authority members.

To: Regional Airport Authority  
From: Janet E. Young, Interim Airport Manager  
Date: October 21, 2014  
**Re: Other Business from the Authority**

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Discussion as desired by authority members.