

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 SPECIAL MEETING

**7:00 pm
COUNCIL CHAMBERS
678 WEST 18th STREET
MERCED, CALIFORNIA**

**TUESDAY
SEPTEMBER 23, 2014**

(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 SUPERINTENDENT. ANY PERSON WHO HAS QUESTIONS CONCERNING ANY AGENDA ITEM MAY CALL THE AIRPORT SUPERINTENDENT 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. 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. 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.

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 AUGUST 13, 2014.**

Recommendation: *Adopt a motion to approve and file.*

F. REPORTS

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

Recommendation: For information only.

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

Recommendation: Adopt a motion.

3. LEASE AGREEMENT FOR MAINTENANCE HANGAR 16

Recommendation: Adopt a motion.

4. ACA CONFERENCE REVIEW FROM MR. WEGLEY

Recommendation: For information only.

5. 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
OCTOBER 21, 2014 AT 7:00 PM IN THE CITY COUNCIL
CHAMBERS, 678 WEST 18TH STREET MERCED, CA 95340.

**CITY OF MERCED
REGIONAL AIRPORT AUTHORITY MINUTES**

**COUNCIL CHAMBERS
MERCED CIVIC CENTER
678 WEST 18TH STREET
MERCED, CA**

**TUESDAY
AUGUST 13, 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

Mr. Michael Wegley, Director of Water Resources, Reclamation and Airport introduced and welcomed Ms. Janet E. Young, a former Regional Airport Authority Member and Chair who was most recently at UC Merced. Ms. Young was recently appointed to serve as the Interim Airport Manager and we are grateful to have her on board.

E. CONSENT CALENDAR

M/S/C – Osborn/Cowperthwaite motioned to approve and file the minutes of June 17, 2014 as submitted.

F. REPORTS

1. ESSENTIAL AIR SERVICE (EAS) PROPOSAL RECOMMENDATION

Ms. Young reported that on August 7, 2014 a subcommittee interviewed representatives of the five airlines which submitted proposals to provide air service at Merced Regional Airport through the EAS program. Ms. Young provided a brief

summary of each interview and the proposed service. Each subcommittee member then shared their views regarding the interviews. Open discussion followed. The board also discussed postponing the recommendation until further information can be gathered.

M/S/C – Bodine/Osborn motioned to postpone a recommendation and to request Airport management to seek a 30-45 day extension of the comment period from the Department of Transportation (DOT), with preference expressed for the 45 day extension.

2. STATUS OF WAIVER REQUEST FOR CONTINUED EAS ELIGIBILITY

Ms. Young reviewed that the 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 any city on the list could file a petition for a waiver, which, if granted, would enable a city to remain eligible to participate in the EAS program. The City of Merced has filed for a waiver. An update will be provided at the next meeting.

3. LEASE AGREEMENT FOR MAINTENANCE HANGAR #16

Ms. Janet Young explained that airport staff issued a Request for Proposals (RFP) to lease Hangar 16, known as the maintenance hangar, following the March 15, 2013, termination of the lease with Colimair Aviation. No responses were received by the May 31, 2013, RFP deadline.

Former Airport Manager, Ron Elliott, brought forward the attached lease proposal for use of the hangar for storage of personal aircraft by Mr. William Bulfer i.e., not for maintenance purposes. The monthly rent would be \$500.00, effective August 1, 2014. The lease would continue indefinitely on a month-to-month basis, subject to termination by either party upon 30-days written notice.

M/S/C – Sundgren/Smith motioned to approve the recommendation of Maintenance Hangar #16 as proposed to Mr. William Bulfer.

4. AIRPORT MANAGER'S REPORT

Ms. Young gave a verbal review of the June and July monthly manager's report. Authority members inquired about progress on the FBO lease consolidation and revision. Ms. Young explained that this item will be pursued.

G. AUTHORITY BUSINESS

1. POSSIBLE INCOMPATIBLE LAND USE ACTIVITY

None.

2. OTHER BUSINESS FROM AUTHORITY MEMBERS

John Sundgren, as the Economic Development Advisory Committee representative for the Regional Airport Authority Board, invited Ms. Young and Chair Morelock to attend the next Economic Development Advisory Committee meeting in an attempt to increase community involvement and awareness of the Merced Regional Airport and to give an update of airport operations.

H. ADJOURNMENT

Larry Morelock called the meeting adjourned at 8:19 pm until the next Regional Airport Authority meeting on Tuesday, August 19, 2014 at 7:00 pm in the Council Chambers at 678 W 18th Street, in the Civic Center.

Larry Morelock, Chair
Regional Airport Authority

To: Regional Airport Authority

From: Janet E. Young, Interim Airport Manager

Date: September 23, 2014

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

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 is seeking the waiver to the DOT finding. An update will be provided at the meeting.

To: Regional Airport Authority

From: Janet E. Young, Interim Airport Manager

Date: September 23, 2014

Re: Essential Air Service (EAS) Proposal Review and Recommendation

Background

The EAS contract for Merced Regional Airport expires 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 has 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. [It is also important to note that a contract will not be awarded for essential air service (EAS) for the Merced Regional Airport until after such time as a decision is made by the Secretary of Transportation on the waiver request to remain in the program. An award for the Visalia Municipal Airport would not be delayed since it remains eligible for EAS participation.]

The DOT will consider comments from an airport or a city, typically in the form of a letter of recommendation, but will make the final decision as to which airline is awarded the contract. Due to the timing of City Council meetings and the short suspense given to submit comments following the Airport Authority meeting, the

Merced Regional Airport Authority Chairperson will sign the letter of recommendation.

SUMMARY/RECOMMENDATION:

Adopt a motion approving the submission of a letter of recommendation for the Essential Air Service contract to the Department of Transportation to be signed by the Merced Regional Airport Authority Chairperson.

To: Regional Airport Authority
From: Janet E. Young, Interim Airport Manager
Date: September 23, 2014
Re: Lease Agreement for Maintenance Hangar 16

Background

The Airport issued a Request for Proposals (RFP) to lease Hangar 16, known as the maintenance hangar, following the March 15, 2013 termination of the lease with Colimair Aviation. No responses were received by the May 31, 2013, RFP deadline.

Former Airport Manager Elliott brought forward the attached lease proposal for use of the hangar for storage of personal aircraft by Mr. William Bulfer i.e., not for maintenance purposes. The monthly rent was to be \$500.00, effective August 1, 2014. The proposed lease was approved by the Airport Authority on August 13, 2014, with a recommendation for City Council approval. Subsequent to the Airport Authority meeting, the Airport administration office was approached by Martin Marchello, Inc., dba American Flight Academy, about availability of space in Hangar 16 for performance of maintenance work on aircraft. It was represented that Mr. Bulfer was in favor of an arrangement for shared use of the space. Upon further conversation with the parties, Mr. Bulfer expressed his willingness to move to a hangar in building 23 in order to make available Hangar 16 for maintenance purposes.

The proposed lease with Martin Marchello Inc., dba Aviation Maintenance Technicians 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 would be available for aircraft not affiliated with the American Flight Academy. The attached proposed lease is presented for consideration by the Airport Authority. Should the Airport Authority approve the lease, the document will be presented for action by the City Council.



Merced Regional Airport

Manager's Report August 2014

OPERATIONS

Great Lakes Airlines enplaned 202 revenue passengers for the month of August 2014, compared to 212 revenue passengers in July. In comparison to August 2013, enplanements were down 12.17 percent. There was one cancellation this month out of the 57 scheduled departures. Compared to previous months this continues to show a significant improvement. The Federal Aviation Administration (FAA) instituted a new rule requiring First Officers to have a minimum of 1,500 flight hours 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 minimum 10-enplanement per day criterion. 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 have submitted letters of support. We are currently awaiting a response.

The DOT has issued a Request for Proposal (RFP) for a new contract through which to provide Essential Air Service at Merced Regional Airport. The current contract with Great Lakes Airlines expires on September 30, 2014. Five proposals were submitted and discussed by the Airport Authority during a special meeting on August 13, 2014. At the request of the Merced Regional Airport and Visalia Municipal Airport, the DOT extended the comment period until September 29, 2014. The City of Merced will have the opportunity to recommend which commercial service provider is preferred, but the Department of Transportation will make the final selection.

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 RS&H 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 in September or October seeking authorization to award the contract. A preconstruction conference will be scheduled by the City and work is expected to begin soon after that session.

OTHER

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

Interim Manager Young and Director Wegley briefed the City's Economic Development Advisory Board on August 29, 2014, concerning the status of the EAS waiver request and the review of bids submitted by the five airline companies

Visit the Merced Regional Airport website at www.flymercedairport.com

which have indicated interest in providing the EAS service to the Merced Regional Airport.

To: Regional Airport Authority
From: Janet E. Young, Interim Airport Manager
Date: September 23, 2014
Re: Possible Incompatible Land Use Activity

No activity this month.

To: Regional Airport Authority
From: Janet E. Young, Interim Airport Manager
Date: September 23, 2014
Re: Other Business from the Authority

Discussion as desired by authority members.