
June 16, 2011

The Board of Commissioners of the Arapahoe County Public Airport Authority, Arapahoe County, Colorado, held a regular meeting open to the public at Centennial Airport, Control Tower / Administration Complex, 7800 South Peoria St., Englewood, Colorado, located within the County, on June 16, 2011 at 3:30 p.m.

The following members were present:

Commissioner Beckman, Chair
Commissioner Bockenfeld
Commissioner Doubek
Commissioner Neukirch
Commissioner Seiber
Commissioner Wells

The following members were absent, but excused:

Commissioner Hilbert
Commissioner Sharpe

Each Commissioner was notified of the date, time and place of the meeting and the purpose to which it was called. At least three (3) days prior to the date of the meeting, there were posted written notices of Public Meetings at the Administration Buildings of Arapahoe County, Douglas County, Greenwood Village, City of Centennial; the courthouses in Arapahoe County and Douglas County; and at least three places on the Airport. At least 24 hours prior to the meeting there was posted an agenda of the meeting in the window of the door at the base of the Control Tower/Administration Complex at 7800 South Peoria Street.

Call to Order & Pledge of Allegiance

Chair Beckman called the meeting to order at 3:30 p.m. and then recited the Pledge of Allegiance.

Public Comment

None

Amendments to the Agenda

Consent Agenda:

- Consent Agenda Item #3 – EE's Group Insurance Renewals – Final Motion is on the Dais.
- Consent Agenda Item #6 – The form of the Consent to Sublease with conditions is on the Dais.

A motion to approve the amendments to the agenda passed unanimously (4-0) upon a motion by Commissioner Neukirch and a second by Commissioner Doubek.

Next Meetings

- July 6, 2011 – 7:00 p.m. Noise Roundtable meeting – Ramada Hotel and Suites
- August 11, 2011 @ 3:30 p.m. – Regular Board meeting - Wright Brother's Room.

CONSENT AGENDA

1. Approve Minutes of May 12, 2011

Gwen Balk

Recommendation: Motion to approve the minutes of May 12, 2011 and authorize the Chair to sign.

2. Willowbrook Park Leasing, LLC – Consent to Sublease on Parcel 63-2

Scott Storie

Recommendation: Motion to approve the Consent to Sublease on Parcel 63-2 and authorize Chair and Clerk to sign.

3. Employees' Group Insurance Renewals for Medical, Dental, Vision, Life and LTD Insurance

Gwen Balk

Recommendation: Motion to approve the following for the group insurance plan year from 8/1/2011 through 7/31/2012:

1. Maintain dental coverage with Delta Dental at the quoted renewal premiums.
2. Maintain Life/LTD coverage with Lincoln National at the quoted renewal premiums.
3. Maintain medical coverage with carrier Kaiser Permanente but change the medical benefits plan from HMO 30 to two new options: HMO 40 or HMO500D.
4. Approve the ACPAA (Employer) Allowances as listed on the Monthly Premiums Rate Worksheet.
5. Authorize Group Administrator Gwen Balk to sign the associated renewal contract documents and amend the Handbook and other related materials.

4. **April 2011 Financial Reports** **Roxana Hahn**
Recommendation: Advisory
5. **Qwest Corporation & Colorado Aviation Business Association – Consent to Release and Indemnification Agreement** **Gwen Balk**
Recommendation: Motion to Consent to the Release and Indemnification Agreement and ratify the Executive Director's signing of said document.
6. **Consent to Sublease between Denver jetCenter, Inc. and Rare Air Limited, LLC** **Gwen Balk**
Recommendation: Motion to approve the Consent to the Sublease between Denver jetCenter and Rare Air and authorize Chair and Clerk to sign.
7. **Amendment No. Fourteen to the Contract between CH2M Hill, Inc. and the Arapahoe County Public Airport Authority** **Lorie Hinton**
Recommendation: Motion to approve Amendment No. Fourteen to the 2/21/08 Contract with CH2M Hill, Inc. and authorize the Chair and Clerk to sign.

BUSINESS AGENDA

8. **Approval of Consent Agenda** **Susan Beckman**
Recommendation: Approval of the Consent Agenda as amended passed unanimously (4-0) on a motion by Commissioner Neukirch and second by Commissioner Doubek.
9. **Items moved from Consent to Business Agenda** **Susan Beckman**
None.
10. **Audit of the ACPAA Financial Statements for the years ending December 31, 2010 & 2009** **Roxana Hahn**
Recommendation: Motion to accept the ACPAA Financial Statements for the years ending December 31, 2010 and 2009.

Ms. Hahn announced that the 2010 Audit was complete and a report has been issued which has been included in the Board Packet. She then introduced representatives of BKD who would be presenting the Audit. Marcie Ardan, Manager, presented the financial statements followed by Jodie Cates, Senior Manager, who presented the Letter to Governance.

Commissioner Neukirch asked Ms. Ardan if he took the Authority's cash and cash equivalents at end of year and subtracted the current liabilities if that would equal that amount the Authority would actually have as far as available cash. Ms. Ardan replied yes it would. Mr. Neukirch went on to inquire whether in BKD's professional opinion one million dollars is a good number to have for this kind of operation. Ms. Ardan explained that yes it is a good number and that he should also factor in the Authority's unrestricted net assets of 4.7 million dollars because they are available.

Commissioner Neukirch wanted to congratulate Ms. Hahn and Mr. Olislagers for their outstanding efforts and that he is happy to know the Authority is in good financial shape. Ms. Cates also commended the staff on such terrific cooperation, being so well prepared, and always making BKD a priority when they come in.

A motion to accept the 2010 Audit passed unanimously (4-0) upon a motion by Commissioner Beckman and a second by Commissioner Neukirch.

11. **Establish Jurisdiction to Proceed with Public Hearings** **Brian Magoon**
Recommendation: Advisory

Mr. Magoon advised that the Board has jurisdiction to proceed with public hearings for the following: 1) Epic Aviation, which was continued from the May meeting and was already properly noticed; and 2) Dagmar Aerobatics which appeared in both The Villager and the Douglas County News-Press on June 2, 2011; and 3) Rare Air Limited, LLC Development Plan which appeared in both The Villager and the Douglas County News Press on June 2, 2011; and in which the notice on the property was posted on May 19, 2011.

12. Continuation of Public Hearing on application from Epic Aviation Services, LLC to conduct Aircraft Sales activities under Part 3 Section (8) of Centennial Airports Minimum Standards for Commercial Aeronautical Activities **Scott Storie**

Recommendation: Motion to accept Epic Aviation Services, LLC request to withdraw its application

Mr. Storie explained that since the May 12th meeting, the Authority received a request from Epic Aviation to withdraw its application.

A motion to accept Epic Aviation's request to withdraw their application passed unanimously (4-0) upon a motion by Commissioner Bockenfeld and a second by Commissioner Neukirch.

13. Public Hearing on Application from Dagmar Aerobatics, Inc. to conduct Flight Training Activities under Part 3 Section (9) of Centennial Airport's Minimum Standards for Commercial Aeronautical Activities

Scott Storie

Recommendation: Motion to approve the Dagmar Aerobatics, Inc. application and authorize the Chair and Clerk to sign the associated Agreement Under Standards

Mr. Storie summarized the application from Dagmar Aerobatics, Inc., advised that it meets the requirements then introduced the applicant, Dagmar Bassett.

Commissioner Neukirch addressed Ms. Bassett and explained that the Airport Board is concerned about noise coming out the Airport and wanted to know where the aerobatic training/flying would be taking place. Ms. Bassett responded by explaining it would be south of Centennial at Kelly Air Park. She further explained that she will be flying above 12,000 feet and therefore no surrounding communities to Centennial Airport will be affected by noise.

Mr. Olislagers added that Ms. Bassett is a former member of the German National Aerobatic Flight Teams and has some significant credentials to her name, so the Airport is glad to have her here. Ms. Bassett stated that she did not win the world championship but did participate and plans on doing it again in two years.

Bette Todd of Greenwood Village City Counsel wanted to confirm that none of the aerobatic activities would be taking place over the City of Greenwood Village not only for the noise factor but also safety. Mr. Olislagers explained that 1) much of Greenwood Village is under controlled air space; 2) Greenwood Village is a populated area, which means aircraft are required to stay above a certain minimum altitudes. Ms. Bassett added that it is illegal to perform aerobatics over densely populated areas or in controlled air space.

A motion to approve the Dagmar Aerobatics, Inc. application and authorize the Chair and Clerk to sign the associated Agreement Under Standards passed unanimously (4-0) upon a motion by Commissioner Bockenfeld and a second by Commissioner Doubek.

14. Report of the Executive Committee

Rod Bockenfeld/ Robert Olislagers

Recommendation: Advisory, as specified in the Minutes and Report of the Executive Committee.

Mr. Olislagers presented and read the following minutes of the Executive Committee meeting that was held at 2:00 p.m. on June 16, 2011 in the Wright Brothers Room:

Present: Rod Bockenfeld, Jack Hilbert, John Seiber, and Ray Wells
Absent and Excused: Susan Beckman and Nancy Sharpe

Michael Fronapfel Presented the Rare Air Hangar Development Plan project to the Executive Committee.

Staff recommended that the Executive Committee recommend to forward the Rare Air Hangar Development Plan to the Airport Board for its review with the conditions outlined by staff.

John Seiber moved and Jack Hilbert seconded and it was voted unanimously (4-0) to forward the Rare Air Hangar Development Plan to the Airport Board.

15. Rare Air Hangar Development Plan

Mike Fronapfel

Recommendation: Motion to conditionally approve the Rare Air Hangar Development Plan and authorize the Chair and Clerk to sign subject to the following conditions:

1. Amend the applicable leases and Access Agreements to allow for fueling from the south fuel farm and provide access via Aviator Lane for airport staff, and tenants of the Rare Air Hangar only for the duration of the lease including renewal options if exercised:
 - a. Ensure compatibility with FAA "through the fence" requirements.
 - b. Provide that Airport access via Aviator Lane is restricted to the Rare Air Hangar and will not be extended under any circumstances to any future projects;
 - c. In the event Rare Air, DJC or their successors or assigns wish to change the hangar use form private non-commercial to include commercial aeronautical activity, such activity is subject to and defined in, the Minimum Standards and cannot commence until DJC reconstructs Aviator Lane or constructs an alternate access road to the hangar following Douglas County standards for a public roadway.
 - d. DJC will defend and hold the Authority harmless and add the Authority as additional insured for Aviator Lane.
2. Provide a letter from South Metro Fire Rescue Authority specifically approving the ramp side turnaround for equipment.
3. Final approval from Douglas County.
4. FAA approval of 7460-1.
5. Finalize consent to the Rare Air sublease.

Mr. Fronapfel summarized Rare Air's proposed Development Plan for a 30,000 square foot corporate hangar that will have an additional 9,961 square feet of office and support space. He further advised that the hangar would be located at the north end of Aviator Lane on Parcel 100 which is currently being leased by Denver jetCenter. Mr. Fronapfel recommended conditional approval of the Development Plan and stated that each of the five conditions must be met prior to the start of construction.

Commissioner Neukirch inquired as to where exactly Aviator Lane ends and if there would be improvements made to the road. Mr. Fronapfel explained that Staff is not requiring it at this time unless the facility is utilized for commercial use based on the definition in our minimum standards. Commissioner Neukirch asked that "commercial use" be defined to which Mr. Olislagers responded that this hangar is proposed to be used for private purposes. He further explained that should they go into commercial operations meaning holding themselves out for hire as, for example, a charter firm or aircraft management company, then that would constitute a commercial activity. Mr. Fronapfel added that if it ever did become a commercial facility there would be both road improvements and hangar facility improvements required to which Denver jetCenter agreed to.

Commissioner Doubek wanted to know how many aircraft the hangar will hold and where they are located at this particular point. Mr. Fronapfel replied that some would be new aircraft and some are based down the road. The applicant then stated that the hangar would hold 6 aircraft total.

Chair Beckman then opened the Public Hearing. Mr. Joseph Ryan addressed the Board with two questions: 1) at a 100% build-out, how many aircraft will this master plan accommodate; and 2) what is being built to handle storm water runoff in this particular area. Mr. Fronapfel explained that it was an extremely rough estimate, however, it is projected at 100% build out for the DJC Master Plan, which is in 50 years or so, with all hangars fully loaded and all tie downs fully occupied, it could be around 300 aircraft. He went on to state that storm water runoff is handled through the review process of Douglas County and the storm water jurisdiction is on the south side of the Airport.

Commissioner Doubek wanted to comment that he had read an article in The Denver Post about a new facility on the south end of the Airport called Poly Strand, which plans to hire 240 people. He stated that this speaks very well for the development on the south end of Centennial Airport. He further commented that perhaps instead of waiting, maybe Douglas County would want to build the road now to encourage development. Mr. Olislagers reiterated that in this case we are dealing with private property and therefore it is not required. It would be entirely up to the developer if they wanted to add the road.

A motion to conditionally approve the Rare Air Hangar Development Plan with the five aforementioned conditions passed unanimously (4-0) upon a motion by Commissioner Doubek and a second by Commissioner Neukirch.

16. Fuel and Operations Report for May
Recommendation: Advisory

Sean Settle

Mr. Settle provided a summary of the operations and fuel sales for the month of May.

- YTD Operations: Down 2.5% from 2010 at 109,016
- YTD Fuel Totals: Up 15.6% from 2010 at 4,642,730
- YTD Jet Fuel Totals: Up 16.8% from 2010 at 4,452,877
- YTD Av Gas Totals: Down 6.8% from 2010 at 189,853
- Monthly Operations: Down 7.6% from 2010 at 23,880
- Monthly Jet Fuel Sales: Up 23.9% from 2010 at 903,640
- Monthly Av Gas Sales: Down 13.4% from 2010 at 40,659
- Monthly Market Share for AvGas and Jet Fuel Combined: DjC: 47.4%; TAC Air: 21.8%; Signature: 18.8%; X-Jet: 11.8%; Heliplex: 0.17%.

17. Noise Report/ Roundtable Update
Recommendation: Advisory

Todd Green

Mr. Green provided a summary of the noise statistics for the month of May 2011 and YTD totals. He advised that there were 308 total logged noise complaints with 46 households reporting the following:

- Complaints by Household (HH): HH #1 = 26%; HH #2 = 11%; HH #3 = 7%; HH #4 = 7%; HH #5 = 4%; and the remaining households consisted of 45% of the complaints.
- The top 5 households totaled 55% of all complaints.
- YTD 2011 there has been a total of 2,226 complaints from 86 households.

Mr. Green summarized the June 1st Roundtable Meeting where the main topic was touch and go training traffic and the large amount of complaints being generated from this activity. He stated after research, there was no direct correlation between complaints and touch and go training traffic. He also stated that Dennis Fria of the FAA gave a presentation on nighttime statistics - - Centennial Airport averages 30-40 flights per night between the hours of 10:00pm and 6:00am. Mr. Green then summarized the items to be discussed at the July 6th Roundtable Meeting which will consist of D.I.A.'s WebTrak, reviewing the Airports master plan and the forecasted growth, and the Airports influence areas.

18. Noise Monitoring System Agreement Between the Authority and Brüel & Kjær (B&K)

Todd Green

Recommendation: Motion to conditionally approve the Agreement for Purchase of Centennial Airport Noise Monitoring System and authorize Chair and Clerk to sign subject to review and approval of the final documents by staff and Airport Counsel.

Mr. Green announced that Centennial Airport is moving forward with the Noise Monitoring System. He explained that an RFP was published September 10, 2010 to develop and install a Noise Monitoring System here at Centennial Airport and then on November 4, 2010 the RFP was amended to extend the final date by a week. With that RFP, the Airport received one proposal from Brüel & Kjær (B&K). A selection committee was formed from Airport Staff, Noise Roundtable Members, and a Member of this Board, Commissioner Doubek. The committee did decide that the proposal was satisfactory and to move forward with contract negotiations. Mr. Green explained that at this point, we are now working through contract negotiations and expect to approve the contract prior to the next Board Meeting.

Commissioner Doubek wanted to know if the Noise Monitoring System cost, set at \$1,176,603, included the Consultants fee. Mr. Green replied that, no it did not include the consultants cost of right around \$300,000; however, the total grant amount was 1.5 million dollars which means the Airport is coming in under budget.

A motion to conditionally approve the Agreement for Purchase of Centennial Airport Noise Monitoring System passed unanimously (4-0) upon a motion by Commissioner Doubek and a second by Commissioner Bockenfeld.

19. Legislative Update

Robert Olislagers

Recommendation: Advisory

Mr. Olislagers reported that there has not been anything done besides a continuing resolution through the end of this month and that they would have to contemplate an additional continuing resolution through the end of the fiscal year. There has been no movement on the conference committee to get together; therefore we have seen zero activity on this.

Public Comment

Susan Beckman

Dan Bryant, manager of TAC Air, stated; on the issue of noise and the Airport Influence Area, that this Airport has been here for 40 years and people bought homes in this area knowing the Airport was here, so how can they complain. Mr. Bryant explained that he thinks the resources going towards noise monitoring system equipment could be spent better elsewhere.

Bette Todd of Greenwood Village City Council responded that many people in Greenwood Village have lived here for 30 years and the Airport Traffic in general over the years has increased tremendously affecting the quality of life for many residents. Councilmember Todd exclaimed that she hopes we can all find a way to live well together because Greenwood Village realizes the value of the economic impact and the value of the Airport to the business community but it does impact the residential lifestyles. Councilmember Todd also singled out military airplanes.

Commissioner Seiber commented that when he hears military jets it is a sign of freedom.

Larry Ulrich of Denver jetCenter, then added that you can count on 3 things in this business; airplanes are getting a little bit bigger, much quieter, and more expensive.

Commissioner Neukirch stated that the intent of this Board is to find solutions and allow the Airport to continue to grow but at the same time take every measure we possibly can to improve the noise levels around the airport now and in the future.

Comments from Board Staff

Susan Beckman

Adjournment

The meeting adjourned at 4:36 p.m.

Susan Beckman

Execution of Documents

Gwen Balk

Approved:



Susan Beckman, Chair