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REGIONAL AIRPORT BOARD OF THE COLUMBIA GORGE REGIONAL AIRPORT

(Established cooperatively between the City of The Dalles, Oregon and Klickitat County, Washington)

Friday, May 20, 2014 @ 7:00am

Meeting to be Held at the Airport Terminal in Dallesport, WA

- I. Call to Order**
- II. Roll Call**
- III. Approval of the Agenda**
- IV. Approval of Minutes: May 16, 2014**
- V. Public Comments (items not on the Agenda)**
- VI. Board Member Comments (items not on the Agenda)**
- VII. Discussion Items**
 - A. Business Park Update**
 - B. Flex Space Hangar Architect RFP status and results**
 - C. U.S. Dept. of Commerce, Economic Development Administration grant/loan application**

VIII. Action Items

AMI presented the draft of the FIRST AMENDMENT FOR AGREEMENT TO CONSTRUCT WATER STORAGE AND PUMPING IMPROVEMENTS. These revisions were made after discussions with the Dallesport Water District to update the term of the Agreement now that the construction of the improvements is nearly complete. AMI recommends that the Board adopt a resolution recommending adoption of this Amendment by Klickitat County Commission and the city of The Dalles Council.

AMI presented the draft of the FIRST AMENDMENT FOR WATER SUPPLY AGREEMENT. These revisions were made after discussions with the Dallesport Water District to update the term of the Agreement now that the construction of the improvements is nearly complete. AMI recommends that the Board adopt a resolution recommending adoption of this Amendment by Klickitat County Commission and the city of The Dalles Council.

- IX. Manager Report - Aeronautical Management, Inc.**
 - A. May Budget Report**
 - B. Additional Topics**

X. Next Meeting Date: July 18, 2014

XI. Adjournment

Minutes of the Board of Directors
Regional Airport Authority
May 16, 2014
Airport Terminal – Dallesport, Washington

CALL TO ORDER

Chairman Jim Wilcox called the meeting to order at 7:04 a.m.

ROLL CALL

Members present: Dave Griffith, Dave Sauter, Norm Deo, Jim Wilcox, Terry Trapp and Tim McGlothlin. Absent: Debra Turner.

Staff members present: Rolf Anderson and Chuck Covert of AMI, Denny Newell of Klickitat County and Nolan Young of the City of The Dalles.

APPROVAL OF AGENDA

The discussion of the CERB proposal was moved to the Action Items. With that Amendment the Agenda was approved unanimously.

APPROVAL OF MINUTES

It was noted that Norm Deo was listed as Present and Absent on the draft of the Minutes. With the change indicating that he was Present, the April 18, 2014, minutes were unanimously approved as corrected.

PUBLIC COMMENTS

None.

BOARD MEMBER COMMENTS

Dave Griffith suggested that the Airport look into the possibility of obtaining a decommissioned military aircraft for use as an airport sign. Mr. Griffith suggested if we could obtain an aircraft then we could investigate placing it on a stand at the intersection of Dallesport Road and Highway 197. This aircraft would be an effective way of drawing people's attention and letting people know where the Airport is located. A general discussion ensued concerning the idea and AMI was requested to look into these possibilities.

DISCUSSION ITEMS

Business Park Update: AMI reported the project is proceeding on schedule with the plan to pave the roads in early June. Klickitat County reported that to date the Project is still on schedule and on or below budget. AMI presented a marketing plan for promoting the

Business Park and is working on updates to the web site. AMI is working with aviation organizations as well as with local Ports and public agencies to promote the new Business Park.

Runway Improvement Project: AMI reported that Granite Construction has completed all of the paving work. Granite will be hydro-seeding on May 20, 2014, and that work will complete the last of the construction work on the runway and taxiways for this year.

Water District: The Water District is progressing on schedule and the pumps and much of the equipment has been installed in the new building.

ACTION ITEMS

CERB Report: Klickitat County reported that at the May 15, 2014, meeting **CERB** withdrew the Grant offer and replaced it with an offer for a Grant/Loan combination for the Flexible space building. One of the reasons stated by **CERB** for the denial of the Grant was their position that the investment in aircraft by Life Flight was not a capital investment but operational expenses. It was suggested that Denny Newell work with AMI to pursue other grant and loan opportunities as well as continuing to work with CERB. After thorough discussion and upon a motion duly made and seconded, the Board unanimously authorized Denny Newell to make a counter offer to CERB for a grant/loan package for the Flex-space project and simultaneously pursue other financing opportunities from other agencies. Simultaneously with the search for other grant and loan opportunities it was suggested that the County consider appealing the decision of **CERB** denying the grant application. After thorough discussion and upon a motion duly made and seconded, the Board unanimously authorized Klickitat County to explore appealing the CERB denial of the grant application.

The Board recommended that AMI work with the City and the County concerning a potential response to the public comments submitted to CERB regarding the grant application.

AMI reported it is working with Klickitat County Public Works to prepare and issue a Request for Proposals for architectural services to design the Flex-space building. It is hoped that RFP can be issued around May 19, 2014, with a submission time of early June 2014.

MANAGER REPORT AMI

March 2014 Budget Report: The budget report for April 2014 was presented. The electric expense is well above budget. Part of the increase is due to the two rate increases during this fiscal year and the assumption of the hangar previously leased by AAE, however, AMI will request reports from the PUD showing expenditures for each meter and comparing those to last year. It was also noted that the tax and Insurance categories are higher than expected. AMI is continuing to work with the Klickitat County Assessor about the tax assessment. The budget as a whole remains below the projected expenditures. After

thorough discussion and upon a motion duly made and seconded, the Board unanimously accepted the April financial report.

NEXT REGULAR MEETING

June 20, 2014

ADJOURNMENT

Chairman Jim Wilcox adjourned the meeting at 8:08 a.m.

Jim Wilcox, Chairman

FIRST AMENDMENT FOR
WATER SUPPLY AGREEMENT

WHEREAS, a Water Supply Agreement was entered into on the 16th day of August 2011, between the City of The Dalles, a municipal corporation of the State of Oregon, hereinafter referred to as “City”; Klickitat County, a municipal corporation of the State of Washington, hereinafter referred to as “County”; and the Dallesport Water District, a State of Washington municipal corporation organized and existing under the provisions of RCW Title 57; and

WHEREAS, pursuant to the Water Supply Agreement, District agreed to operate the water system for the Columbia Gorge Regional Airport and to deliver water to the Airport, including all current and future water users at the Airport properties, which properties were described in Exhibit A attached to the Water Supply Agreement; and

WHEREAS, pursuant to Section 2(b)(ii) of the Water Supply Agreement, the District agreed to charge the Airport Properties with System Development Charges (“SDC’s) based upon rates in effect at the time of connection for all connections, growth, expansions or development occurring after the date of the Water Supply Agreement, and remit to the City and County the amount thereof, upon receipt, for such SDC’s actually collected by the District with respect thereto for up to thirty (30) equivalent residential units (“ERU’s) or the sum of \$500,000, whichever amount was collected first; and

WHEREAS, Section 2(b)(ii) also provided that these amounts were to be considered to be a reimbursement of the City’s and County’s costs in developing the Well and Water Right defined in the Water Supply Agreement, which costs were determined to be reimbursable under RCW 57.22.010 et. seq.; and

WHEREAS, Section 2(b)(ii) also included a provision that in the event the District has not completely made reimbursement to the City and County in accordance with the provisions of this section within 15 years from the date of the Water Supply Agreement, the District agrees that the term of the reimbursement shall be extended for a period of ten (10) years in accordance with the provisions of RCW 57.22.020(2)(a); and

WHEREAS, upon further review of the provisions of Section 2(b)(ii), the parties have determined that the provision providing for an extension of the period of reimbursement by the District to the City and County is inconsistent with the provisions in RCW 57.22.020(2)(a) allowing for an extension of the period for reimbursement; and

WHEREAS, the City, County, and District have mutually agreed that the provisions of Section 2(b)(ii) of the Water Supply Agreement should be amended to be consistent with the provisions of RCW 57.22.020(2)(a);

NOW THEREFORE, in consideration of the mutual provisions set forth herein, it is mutually agreed as follows:

1. On page 3 of the August 16, 2011 Water Supply Agreement, Section 2(b)(ii) shall be amended by revising the last sentence in the Section to read as follows:

The fifteen (15) year reimbursement period provided for in RCW 57.22.020 may be extended only upon approval by the District, pursuant to RCW 57.22.020(2)(a) for a period of time not to exceed the duration of any moratorium, phasing ordinance, concurrency designation, or other governmental action that prevents making applications for, or the approval of, any new development for a period of six months or more within the benefit area of the system extensions authorized by Chapter 57 of the Revised Code of Washington.

2. Except as provided herein, the terms and provisions of the August 16, 2011 Water Supply Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Water Supply Agreement on the ____ day of _____, 2014.

CITY OF THE DALLES, OREGON

DALLESPORT WATER DISTRICT

Nolan K. Young, City Manager

Chairman/Commissioner

Julie Krueger, MMC, City Clerk

Secretary/Commissioner

Approved as to form:

Attest:

Gene E. Parker, City Attorney

Dallesport Water District Clerk

KLICKITAT COUNTY
BOARD OF COMMISSIONERS

Approved as to form:

Chairman

Richard Jonson, DWD Attorney

Commissioner

Commissioner

Attest:

Clerk of the Board

Approved as to form:

Prosecuting Attorney

FUND	061 AIRPORT FUND	ACCOUNT	DESCRIPTION	DEPT/DIV 6100 AIRPORT FUND/		CURRENT*****		YEAR-TO-DATE*****		ANNUAL BUDGET	UNENCUMB. BALANCE	%
				BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP			
61	AIRPORT	02	MATERIALS & SERVICES	0	20.00	0	0	355.00	0	0	355.00-	0
		31	CONTRACTUAL SERV-OTHER	9083	8571.41	94	99913	85714.10	86	109000	23285.90	79
		34	ENGINEERING SERVICES	0	.00	0	0	.00	0	0	.00	0
		50	SPECIAL STUDIES & REPORTS	0	.00	0	0	.00	0	0	.00	0
		41	WATER & SEWER	375	520.00	139	4125	2811.83	68	4500	1688.17	63
		20	GARBAGE SERVICES	83	54.19	65	913	618.04	68	1000	381.96	62
		40	ELECTRICITY	600	336.61	56	6600	9149.51	139	7200	1949.51-	127
		43	BUILDINGS AND GROUNDS	292	499.54	171	23210	20304.27	88	23500	3195.73	86
		45	JOINT USE OF LABOR/EQUIP	133	.00	0	1463	263.77	18	1600	1336.27	17
		50	VEHICLES	500	39.49	8	5500	2129.26	39	6000	3970.74	36
		51	GAS/OIL/DIESEL/LUBRICANTS	133	31.38	24	1463	1544.90	106	1600	55.10	97
		46	PROPERTY TAXES	29	.00	0	319	10117.61	121	350	9767.61-	2891
		52	LIABILITY	750	.00	0	8250	10011.00	109	9000	1011.00-	111
		30	PROPERTY	443	.00	0	4873	5328.84	109	5322	6.84-	100
		53	POSTAGE	25	.00	0	275	428.07	155	300	125.07-	142
		30	TELEPHONE	333	167.64	50	3663	3204.93	88	4000	795.07	80
		40	LEGAL NOTICES	62	.00	0	682	78.13	12	750	671.87	10
		54	ADVERTISING	1250	775.64	62	13750	1555.64	11	15000	13444.36	10
		57	PERMITS	83	.00	0	913	.00	0	1000	1000.00	0
		58	TRAVEL, FOOD & LODGING	708	.00	0	7788	46.80	1	8500	8453.20	1
		50	TRAINING AND CONFERENCES	333	.00	0	3663	870.00	24	4000	3130.00	22
		70	MEMBERSHIPS/DUES/SUBSCRIP	83	.00	0	913	545.00	60	1000	455.00	55
		60	OFFICE SUPPLIES	100	24.77	25	1100	201.67	18	1200	998.33	17
		69	MISCELLANEOUS EXPENSES	83	.00	0	913	239.99	9	1000	1000.00	0
		80	ASSETS < \$5000	250	.00	0	2750	239.99	9	3000	2760.01	8
		02	MATERIALS & SERVICES	15731	11040.67	70	193039	155515.32	81	208822	53306.68	75
03	CAPITAL OUTLAY	72	BUILDINGS	8333	.00	0	91663	.00	0	100000	100000.00	0
		30	BUILDINGS - HANGER	0	.00	0	0	.00	0	0	.00	0
		73	IMPRVTS OTHER THAN BLDGS	285580	53019.16	19	2285396	1750874.02	77	2570983	449749.43-	118
		74	MACHINERY	0	.00	0	0	.00	0	0	.00	0
		78	FIXD ASSET RECLASS ACCT	0	.00	0	0	.00	0	0	.00	0
		03	CAPITAL OUTLAY	293913	53019.16	18	2377059	1750874.02	74	2670983	349749.43-	113
610	AIRPORT			309644	64059.83	21	2570098	1906389.34	74	2879805	296442.75-	110
61	AIRPORT			309644	64059.83	21	2570098	1906389.34	74	2879805	296442.75-	110
DIV	6100 TOTAL			309644	64059.83	21	2570098	1906389.34	74	2879805	296442.75-	110
DEPT	61 TOTAL			309644	64059.83	21	2570098	1906389.34	74	2879805	296442.75-	110

FUND 061 AIRPORT FUND		*****									
ACCOUNT	DESCRIPTION	ESTIMATED	CURRENT ACTUAL	%REV	ESTIMATED	YEAR-TO-DATE ACTUAL	%REV	ANNUAL ESTIMATE	UNREALIZED BALANCE		
300	BEGINNING BALANCE	20,631	.00		278,169	298,804.81	107	298,805	.19		
300	**	20,631	.00		278,169	298,804.81	107	298,805	.19		
300	*** BEGINNING BALANCE	20,631	.00		278,169	298,804.81		298,805	.19		
330	INTERGOVERNMENTAL REVENUE										
330	00 00 OTHER WA	5,416	.00		59,576	65,000.00	109	65,000	.00		
330	10 00 OTHER OR	0	.00		0	.00		0	.00		
330	15 00 OTHER OR	8,333	.00		91,663	.00		100,000	.00		
330	**	13,749	.00		151,239	65,000.00	43	165,000	100,000.00		
331	FEDERAL REVENUES										
331	20 00 FEDERAL GRANTS-FAA	239,999	.00		1,214,991	1,406,211.40	73	2,155,000	748,788.60		
331	90 00 FEDERAL GRANTS-MISC	0	.00		0	.00		0	.00		
331	** FEDERAL REVENUES	239,999	.00		1,214,991	1,406,211.40	73	2,155,000	748,788.60		
334	STATE GRANTS										
334	80 00 WASHINGTON STATE GRANTS	0	.00		0	.00		0	.00		
334	90 00 STATE GRANTS, OTHER	0	.00		0	.00		0	.00		
334	** STATE GRANTS	0	.00		0	.00		0	.00		
330	*** INTERGOVERNMENTAL REVENUE	253,748	.00		2,066,230	1,471,211.40		2,320,000	848,788.60		
340	CHARGES FOR SERVICES										
340	GENERAL GOVERNMENT	166	.00		1,826	9,000.00	493	2,000	7,000.00-		
341	MISC SALES AND SERVICES	166	.00		1,826	9,000.00	493	2,000	7,000.00-		
341	** GENERAL GOVERNMENT	166	.00		1,826	9,000.00	493	2,000	7,000.00-		
347	AVIATION FUEL SALES	666	528.92	79	7,326	6,099.51	83	8,000	1,900.49		
347	** AVIATION FUEL SALES	666	528.92	79	7,326	6,099.51	83	8,000	1,900.49		
340	*** CHARGES FOR SERVICES	832	528.92		9,152	15,099.51		10,000	5,099.51-		
360	OTHER REVENUES										
360	INTEREST REVENUES	93	136.98	165	913	1,148.58	126	1,000	148.58-		
361	INTEREST REVENUES	93	136.98	165	913	1,148.58	126	1,000	148.58-		
361	** INTEREST REVENUES	93	136.98	165	913	1,148.58	126	1,000	148.58-		

FUND 061 AIRPORT FUND		*****		*****		*****		*****	
ACCOUNT	DESCRIPTION	ESTIMATED	CURRENT ACTUAL	ESTIMATED	YEAR-TO-DATE ACTUAL	ESTIMATED	ANNUAL ESTIMATE	UNREALIZED BALANCE	
			\$REV		\$REV				
363	50 00 RENTAL REVENUES	10,333	8,072.06	78	113,663	97,471.02	86	124,000	26,528.98
	PROPERTY RENTALS								
363	** RENTAL REVENUES	10,333	8,072.06	78	113,663	97,471.02	86	124,000	26,528.98
369	00 00 OTHER MISC REVENUES	10,083	.00	50,913	60,837.50	120	61,000	162.50	
	OTHER MISC REVENUES								
369	** OTHER MISC REVENUES	10,083	.00	50,913	60,837.50	120	61,000	162.50	
360	*** OTHER REVENUES	20,499	8,209.04	165,489	159,457.10		186,000	26,542.90	
390	01 00 OTHER FINANCING SOURCES	5,416	5,909.09	109	59,576	64,999.99	109	65,000	.01
	OPERATING TRANSFERS IN								
391	** OPERATING TRANSFERS IN	5,416	5,909.09	109	59,576	64,999.99	109	65,000	.01
392	00 00 SALE OF FIXED ASSETS	0	.00	0	0	.00	0	0	.00
	SALE OF FIXED ASSETS								
392	** SALE OF FIXED ASSETS	0	.00	0	0	.00	0	0	.00
393	10 00 PROCEEDS- LT LIABILITIES	0	.00	0	0	.00	0	0	.00
	LOAN/BOND PROCEEDS								
393	** PROCEEDS- LT LIABILITIES	0	.00	0	0	.00	0	0	.00
390	*** OTHER FINANCING SOURCES	5,416	5,909.09	59,576	64,999.99		65,000	.00	
FUND TOTAL AIRPORT FUND		301,126	14,647.05	2,578,616	2,009,572.81		2,879,805	870,232.19	.01

**FIRST AMENDMENT FOR AGREEMENT TO
CONSTRUCT WATER STORAGE AND
PUMPING IMPROVEMENTS**

WHEREAS, An Agreement to Construct Water Storage and Pumping Improvements (hereinafter referred to as “Agreement”) was entered into on the 24th day of March, 2012, between the City of The Dalles, a municipal corporation of the State of Oregon, hereinafter referred to as “City”; Klickitat County, a municipal corporation of the State of Washington, hereinafter referred to as “County”; and the Dallesport Water District, a State of Washington municipal corporation organized and existing under the provisions of RCW Title 57; and

WHEREAS, pursuant to the Agreement, the City and County desired that the District provide water service including fire flow protection to a Business Park to be developed by the City and District upon property located at the Columbia Gorge Regional Airport;

WHEREAS, District was agreeable to provide the services requested by the City and County on the basis that the City and County pay for their share of the cost of the Water Storage and Pumping Improvements and perform other work as described in the Agreement; and

WHEREAS, Section 4(d) of the Agreement provided the District may, to the extent authorized by law, structure its System Development Charge (“SDC”) rates to include the full cost of the Water Storage and Pumping Improvements or alternatively, it may treat the City and County’s payments towards such costs as a donation which would result in lower SDC rates; and

WHEREAS, Section 4(d) also included a provision that if the full costs are utilized, the District shall develop an equitable credit to its SDC rates applicable only to the Airport Properties in order to reflect the City and County’s payment of the costs, and that the City and County acknowledged that usage of the credit will be contingent upon development of parcels within the Business Park; and

WHEREAS, Section 4(d) also included a provision that notwithstanding the previously cited language in Section 4(d), the potential SDC Credit provided for in Section 4(d) shall expire ten (10) years from the date of execution of the Agreement at which time no further such credit will be issued unless the parties unanimously agree in writing to extend such expiration date; and

WHEREAS, Section 4(e) of the Agreement included provisions providing for reimbursement to the City and County relating to the cost of installing a Transmission Main (if applicable); and

WHEREAS, Section 4(e) of the Agreement also provided that District shall develop a SDC reimbursement formula which shall include a calculation containing a reimbursement amount payable to the City and County or their assigns, of an allocated cost amount based upon the benefit attributable to the District; and

WHEREAS, Section 4(e) of the Agreement further provided that the District will adopt a local facilities or similar element of its SDC which shall be the source of reimbursement under the Agreement, and that the source of reimbursement shall be the SDC's received with respect to all parcels within the District's retail service area including the proposed Business Park, and that the SDC methodology will be provided to the City and County for comment no less than sixty (60) days prior to adoption; and

WHEREAS, Section 4(e) also included a provision that notwithstanding the previously cited language in Section 4(e), the SDC reimbursement provided for in Section 4(e) shall expire ten (10) years from the date of execution of the Agreement at which time no further such credit will be issued unless the parties unanimously agree in writing to extend such expiration date; and

WHEREAS, upon further review of the provisions of Section 4(d) and 4(e), the parties have determined that the provisions providing for an extension of the period of reimbursement by the District to the City and County beyond the ten (10) year period stated in these sections of the Agreement are inconsistent with the provisions in RCW 57.22.020(2)(a) allowing for an extension of the period for reimbursement; and

WHEREAS, the City, County, and District have mutually agreed that the provisions of Section 4(d) and 4(e) of the Agreement should be amended to be consistent with the provisions of RCW 57.22.020(2)(a);

NOW THEREFORE, in consideration of the mutual provisions set forth herein, it is mutually agreed as follows:

1. On page 6 of the Agreement, Section 4(d) shall be amended by revising the last sentence in the Section to read as follows:

Notwithstanding the foregoing, the potential SDC credit provided herein shall expire within the fifteen (15) year reimbursement period, including any extension period provided for in RCWS 57.22.020(2)(a).

2. On Page 6 of the Agreement, Section 4 (e) shall be amended by revising the last sentence in the Section to read as follows:

Notwithstanding the foregoing, the SDC reimbursement provided herein shall expire within the fifteen (15) year reimbursement period, including any extension period provided for in RCWS 57.22.020(2)(a).

3. Except as provided herein, the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to the Agreement to Construct Water Storage and Pumping Improvements on the ____ day of _____, 2014.

CITY OF THE DALLES, OREGON

DALLESPORT WATER DISTRICT

Nolan K. Young, City Manager

Chairman/Commissioner

Julie Krueger, MMC, City Clerk

Secretary/Commissioner

Approved as to form:

Attest:

Gene E. Parker, City Attorney

Dallesport Water District Clerk

KLICKITAT COUNTY
BOARD OF COMMISSIONERS

Approved as to form:

Chairman

Richard Jonson, DWD Attorney

Commissioner

Commissioner

Attest:

Clerk of the Board

Approved as to form:

Prosecuting Attorney