

Montana Aeronautics Board
Montana Department of Transportation; Auditorium
2701 Prospect Avenue, Helena, MT
Wednesday, January 16, 2019

Aeronautics Board

Tricia McKenna, Board Chair
Chris Edwards, Vice-Chair
Robert Buckles
Dan Hargrove
Bill Hunt, Jr
Fred Lark
Roger Lincoln
Walt McNutt
Jeff Wadekamper

Department of Transportation

Tim Conway, MDT Aeronautics
Wade Cebulski, MDT Aeronautics
Matt Lindberg, MDT Aeronautics
Effie Benoit, MDT Aeronautics
Carol Grell-Morris, MDT Legal

Guests

Lance Bowser, Robert, Peccia, & Associates
Scott Eaton, Federal Aviation Administration
(FAA)

Kevin Myhre, Century Companies
Joe Nye, Federal Aviation Administration
(FAA)

Call to Order / Approval of Minutes

- Chairperson McKenna called the meeting to order at 12:30 p.m., opening with the Pledge of Allegiance.

Bill Hunt made a motion to approve the June 12, 2018 board minutes as presented. Walt McNutt seconded the motion, which passed unanimously.

Aeronautics Update - Tim Conway, Aeronautics Division Administrator

- **Staff Updates** - Jeremy Gouley is the new Safety & Education Bureau Chief, Matt Lindberg is the new Aviation Support Officer and Derrick Olheiser is the new Aircraft Mechanic.
- **House Bill 81 Update** - MDT put forward House Bill 81 and it is being carried by Representative Curdy. The bill has three parts to it: 1) sunsets the \$0.02 per gallon rebate to the airlines, which is about \$500,000 that will stay in the grant fund which the Aeronautics Board awards as Airport Improvement Grants; 2) sunsets the Pavement Preservation Program which is split between the primary airports and is usually around \$140,000 and right now there are nine primary airports, so it is about \$10,000 to \$15,000 per primary airport. Those funds will stay with Aeronautics Operations; 3) changes in the distribution of the aircraft registration fees from 90% to the General Fund and 10% to Aeronautics Operations to 30% to the General Fund and 70% to Aeronautics Operations, generating about \$300,000. In summary, the bill would increase Aeronautics Operations by a little less than \$500,000 and increase the Aeronautics Grant fund by a little more than \$500,000.

- **LC 1526 Update** - LC 1526 was brought forward by a working group, Pilots for Montana Airports. LC 1526 has the same three components to it as HB 81 with an additional \$0.10 per gallon increase on aviation fuel with all the additional funds going to the Aeronautics Grant program, which is estimated to be about \$4.2 million. There is Administrative Rule that requires the Board to give lower priority to awarding grant funds to primary airports, it's planned to change the Administrative Rule to give equal priority to primary airports since the Pavement Preservation funds would be eliminated. There could be an additional component to the bill that provides an Aeronautics Education Grant fund providing funding for pilot and aircraft mechanic programs which would also be administered by the Aeronautics Board.
- **Yellowstone Airport Update** -
 - **Deed Restrictions** - The airport was granted about 700 acres by the Department of the Interior which came with deed restrictions. Some of the restrictions were very restrictive pertaining to non-aviation development on the land. The Department has been successful at having the restrictions lifted on about 135 acres of the land. This will allow the Department to explore opportunities to develop the property for non-aviation related revenue generating uses.
 - **Primary Airport Status** - Airports must reach 10,000 enplanements to be considered a primary airport. The Yellowstone Airport had 8,500 enplanements in 2018. Congress passed legislation that states that seasonal airports with over 8,000 enplanements are considered a primary airport. This increases the \$200,000 per year allotment for terminal improvements to a lifetime \$20 million allotment for terminal improvements. Additionally, the airport now receives an annual \$1 million federal share opposed to the \$150,000 per year federal share.
 - **State Share Match** - Congress also passed Federal Lands Exception legislation which changes an airport's state match when the airport is in proximity to another state that has federal lands meeting specific criteria. Effective with all new grants, Yellowstone Airport's match is now at 8.12% state funds and 91.88% federal funds. This makes a big difference when it comes to big projects.
 - **New Terminal** - The Yellowstone Airport has been working on the Terminal Area Narrative Report (TANR) which has been on hold awaiting determination on the primary status and the state share match issues. The airport is now proceeding with the TANR and is expecting to have both the TANR and the Environmental Assessment done by the end of this year to begin working on the design of a new terminal. The airport has looked at remodeling the existing terminal but has determined that it will be more cost effective to build a new terminal. The cost is around \$15 million for the new terminal. It is likely that the new terminal will be built south of the existing terminal, demolishing the existing terminal and connecting to the city sewer system and moving away from the existing septic system.
 - **Commercial Service Season** - Congress also passed legislation that lifted the limitations on seasonal Essential Air Service. Consequently, SkyWest has changed their season from June 1 to September 30 to May 9 to October 13 for commercial seasonal service at the Yellowstone Airport. Winter testing is still happening beginning in November with the Nevada Automotive Testing Center. The expanded season will not infringe on the winter testing as they need to have quite a bit of snow pack to do the testing.

- **Hangar Development** - The first hangar at the airport has been built. AirMethods, an air ambulance service, moved into the hangar last summer. AirMethods has been operating air ambulance service since last summer and have been busy with snowmobile and Yellowstone Park emergencies. There is another party that is interested in constructing a hangar and the Department will continue to work with them toward getting it in place.
- **Internship Program** - The airport does plan to hire an intern for 2019.
- **Campground Compliance Project** - The airport attempted to tie the campground utilities into the existing underground septic. When applying for permits with the county, the county was unaware that there was a campground at the airport. The Department has been working with the county and installed port-a-potties in mid-July to get through the season. The Department is planning to submit a permit to the county to request a vaulted toilet to be placed at the campground. The Department does not know how the county will receive the application since the campground is near a working septic system. However, the septic system is a private system and the campground is for public use.
- **Choice Aviation** - Choice Aviation has replaced long-time tenant Yellowstone Aviation as the Fixed Base Operator at the airport. Choice began operations as of last May and may construct a hangar at the airport. Choice would like to expand the season as much as possible, however there are challenges with an expanded season. Currently the Airport receives \$0.09 per gallon in fuel flowage fees. It is MDT's intention to charge large quantity purchasers \$0.06 per gallon to encourage fuel purchases at the airport. The Department intends to make the rate retroactive to the beginning of last season.
- **Federal Legislative Funding** - The FAA Reauthorization Act of 2018 was signed into law on October 5, 2018 which provides the country with stable funding and secures the expected federal funding for some of the projects that the Board will see on applications.
- **Upcoming Events**
 - **AMAA Convention** - The AMAA Convention will be in Great Falls on January 14-15, 2019.
 - **Flight Refresher Instructor Clinic** - The FIRC will be in Helena on February 8-9, 2019.
 - **Montana Aviation Conference** - The 2019 Aviation Conference will be held at the Fairmont Hot Springs in Butte on February 28 through March 2, 2019.

Aeronautics Update - Wade Cebulski, Airports & Airways Bureau Chief

- **Loan Rate** - The loan rate this year is 2.75% which is half of the prime rate.
- **2019 Airport Audits** - Yellowstone, Columbus and Forsyth were selected this year. The Audit Department is behind schedule and are just starting on the audits therefore there are no results yet. Aeronautics will give the Board an update at the June meeting.
- **Airway Beacons** - The Department has transferred five beacons to private owners and are in the process of transferring more at this time which will be all the beacons that are on privately owned land. Two towers will be transferred to MDT Communications since the Department already has communication systems on the towers. One will be transferred to Cascade county and one to Broadwater county as the county's Department of Emergency Services uses it for their 911 systems. The Department of Natural Resources and Conservation is also interested in retaining a beacon and that transfer should be completed soon. The Idaho Heritage Museum wants to take over the remaining six beacons. They want to refurbish and operate them in place if possible and will move the ones that have to be moved. Three beacons (MacDonald Pass, Spokane, and Strawberry) are

still being maintained by Aeronautics. There may be about six of the beacons that may stay lit through the private landowners or the Idaho Heritage Museum, however there is no obligation on the private owners to keep them lit regardless of what they tell the Department they will do with them.

Board Introductions

- Each board member provided a brief introduction stating what organization they represent and where they are located.

Review of Loan/Grant Applications

- **Anaconda (Bowman Field) Airport** applied for a \$25,899 grant to rehabilitate the taxiway and runway, and to install/rehabilitate airport beacons. FAA projects.
- **Baker Municipal Airport** applied for a \$87,150 grant and a \$25,000 loan to expand the apron. FAA project.
- **Big Sandy Airport** withdrew their application.
- **Big Timber Airport** applied for a \$15,550 grant and a \$15,550 loan to rehabilitate the runway, taxiway, and apron and to relocate perimeter fencing. FAA projects.
- **Bridger Municipal Airport** applied for a \$15,000 grant to install a PAPI system. Nonfederal airport. MDT corrected the application to show the correct project, it was originally indicated as a sweeper purchase.
- **Conrad Airport** applied for a \$13,500 grant and a \$13,500 loan to install a new fuel farm. FAA project.
- **Cut Bank Airport** withdrew their application.
- **Deer Lodge City-County Airport** applied for a \$9,232 grant and a \$9,232 loan to rehabilitate the runway, taxiway and apron. FAA projects.
- **Dillon Airport** applied for a \$18,000 grant and a \$18,000 loan to rehabilitate the apron, runway, and taxiway, and to construct an access road. FAA projects.
- **Dutton Airport** applied for a \$2,500 grant to rehabilitate the runway. Not an FAA project.
- **Fairfield Airport** applied for a \$4,500 grant to rehabilitate the runway. Not an FAA project.
- **Fort Benton Airport** applied for a \$65,000 grant and a \$65,000 loan to construct an apron and taxiway. FAA projects.
- **Glendive (Dawson Community) Airport** applied for a \$25,015 grant to rehabilitate the runway, taxiway, and apron. If the airport uses NonPrimary Entitlements (NPE), the FAA will support the project.
- **Hamilton (Ravalli County) Airport** applied for a \$275,450 grant to rehabilitate the apron and taxiway, expand an apron, acquire land/easement for development/relocation, to relocate a runway and a taxiway, and to construct/expand/improve/modify/rehabilitate an access road. Not FAA projects now, but eligible for supplemental funding.
- **Hysham Airport** applied for a \$39,020 grant and a \$6,886 loan to rehabilitate the runway, taxiway and apron. Not FAA projects.
- **Jordan Airport** applied for a \$6,750 grant and \$6,750 loan to rehabilitate the runway, apron, and taxiway. FAA projects.

- **Kalispell City Airport** applied for a \$298,036 grant and a \$298,036 loan to rehabilitate the taxiway, construct an apron and taxiway, extend a taxiway, and to install runway lighting. Nonfederal airport.
- **Laurel Airport** applied for a \$75,840 grant and \$75,840 loan to rehabilitate the runway, taxiway, and apron and rebuild one taxiway. FAA projects.
- **Lewistown Airport** applied for a \$40,000 grant and a \$10,000 loan to acquire security perimeter fencing and rehabilitate a runway. The taxiway is an FAA project, the fencing is not an FAA project.
- **Livingston (Mission Field) Airport** applied for a \$7,500 grant to widen a taxiway. FAA project.
- **Plentywood (Sher-wood) Airport** applied for a \$18,445 grant and a \$18,445 loan to install miscellaneous NAVAIDS and to acquire snow removal equipment. FAA projects.
- **Roundup Airport** applied for a \$12,497 grant and a \$12,497 loan to rehabilitate the runway, taxiway, apron and to construct a taxiway. FAA projects.
- **Sidney (Sidney-Richland Municipal) Airport** applied for a \$42,405 grant to rehabilitate the runway, taxiway, and apron, install runway vertical guidance system, and an access road project. Sidney is in a new level of funding with \$600,000 of federal funding because they have over 8,000 enplanements and is considered a commercial service, nonprimary airport. FAA projects.
- **Terry Airport** applied for a \$12,790 grant and a \$12,790 loan to rehabilitate the runway, taxiway, and apron. FAA projects.
- **Thompson Falls Airport** applied for a \$6,749 grant and \$6,749 loan to design the rehabilitation of the runway, apron, and taxiway. FAA projects.
- **Three Forks (Pogreba Field) Airport** applied for a \$5,555 grant to design the rehabilitation of the runway, apron, and taxiway. FAA projects.
- **Turner Airport** applied for a \$23,286 grant and \$23,286 loan to rehabilitate a runway. FAA project.
- **Twin Bridges Airport** applied for a \$10,500 grant to install weather reporting equipment. FAA project.
- **Wolf Point (L.M. Clayton) Airport** applied for a \$2,587 grant and a \$2,500 loan to rehabilitate the taxiway, apron, and runway and administrative fees. Administrative fees are not eligible for FAA funding, other projects are FAA projects.

Pavement Preservation Grant Allocations

- \$86,500 is available for pavement preservation grants to be equally distributed between the seven primary airports for a total of \$12,357.14 per airport.

Jeff Wadkamper recused himself as he is the Helena Airport Manager. Bill Hunt made a motion to approve allocation of \$86,500 in pavement preservation grants to the primary airports. Chris Edwards seconded the motion. The motion passed unanimously.

Next Meeting

- The June Extension meeting is tentatively set for 6/11/19 at 9:00 a.m. via teleconference.
- The Annual Board meeting is tentatively set for 1/15-16/20 at 1:00 p.m. in Helena.

Tricia McKenna, Chairperson

Roger Lincoln, Secretary