

**South Dakota Aeronautics Commission  
Meeting Minutes  
Pierre, South Dakota  
September 27, 2016 @ 1:00 PM**

**MEMBERS:** Skip VanDerhule, Chairman  
Arnie Hauge, Member  
Chris Funk, Member  
Travis Lantis, Member  
Eric Odenbach, via phone

**STAFF:** Joel Jundt, Jon Becker, Jennifer Boehm, Tom Koch, Karla Engle, Bonnie Olson, and Dustin DeBoer (via phone)

**OTHERS:** Steve Hamilton, Wayne Nelson, Jim Anderson, Steve Nafus, and Shane Steiner

**AGENDA ITEMS:**

- Call to Order
- Discussion & Consideration of Conflict of Interest
- Approve Minutes from August 23, 2016 meeting
- Secretary's Report
- Consideration of Fuel System Funding- Guideline
- Consideration of financial assistance agreements
- Consideration of Custer County Fuel Tax Request
- Consideration of Sturgis Fuel Tax Request
- Consideration of 2017 International Aviation Art Contest
- Consideration of 2017 ACE Camp
- Consideration to publish 2017-2018 Aeronautical Chart and Airport Directory

Chairman VanDerhule called the regular meeting of the South Dakota Aeronautics Commission (the "Commission") to order at 1:00 PM. A roll call was taken and a quorum was determined.

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**Skip Vanderhule, Chairman**

Discussion & Consideration of Conflict of Interest

Chairman Vanderhule opened the floor to Commission members to disclose potential conflicts of interest and to present requests for waivers pursuant to South Dakota Codified Law (SDCL) chapter 3-23.

Dave Luers submitted a written disclosure requesting a waiver from the Commission. Luers leases a portion of land at the Pierre Regional Airport for use as a hangar. Luers will abstain from any discussion and voting in regard to the Pierre Regional Airport items.

Motion by Lantis, second by Hauge, to approve the waiver request submitted by Luers as the Commission has determined that the matter underlying the conflict is fair, reasonable, and not contrary to the public interest. A roll call vote was taken and all voted aye, except Luers, who was absent from the meeting. The motion carried.

Travis Lantis made a verbal disclosure requesting a waiver from the Commission. Lantis leases a portion of land in Spearfish for use as a hangar from Eagle Aviation. Upon further discussion, the Commission determined there was no conflict because the hangar space is owned by Eagle Aviation and not a municipality. No action was needed.

Eric Odenbach made a verbal disclosure requesting a waiver from the Commission. Odenbach leases a portion of land from the city of Eureka, South Dakota for use as a hangar space. Odenbach will abstain from any discussion and voting in regard to the city of Eureka, South Dakota.

Motion by Hauge, second by Lantis, to approve the waiver request submitted by Odenbach as the Commission has determined that the matter underlying the conflict is fair, reasonable, and not contrary to the public interest. A roll call vote was taken and all voted aye, except for Odenbach, who abstained in the Commission discussion and vote. The motion carried.

### **Skip Vanderhule, Chairman**

Approve Minutes from August 23, 2016, meeting.

Motion by Funk, second by Lantis, to approve the August 23, 2016, meeting minutes. A roll call vote was taken and all voted aye. The motion carried.

### **Joel Jundt, SDDOT Deputy Secretary**

Secretary's Report

a. Federal funding status. The FAA funding extension bill was approved and signed into law on July 15, 2016. The bill extension provides rules and requirements for the US aviation systems across the nation thru September 30, 2017. In addition to an aviation bill, an appropriations bill must be passed by Congress to allocate funding for the federal government and the recipients of the funds. The current appropriations bill is set to expire September 30, 2016. Therefore, a continuing resolution will need to be passed by Congress before this date to avoid a shutdown.

b. Commission information: There was discussion on having staff provide the Commission regular scheduled presentations on various topics to see if these would be helpful in keeping the Commission abreast of the pertinent rules, processes and procedures. The Commission was agreeable with Aeronautic staff providing these presentations on

Commission selected topics starting with the next scheduled meeting. It was agreed the first presentation would be on funding.

c. FAA airport improvement program (AIP) project approval: Clarification was provided to the Commission regarding the Commission's authority over FAA grant projects. After communications with FAA staff and review of state law, it was determined that when grant projects come before the Commission, the Commission is only deciding whether to allocate state funds to the project, *i.e.* a state funding match for the project. If the Commission decides not to approve the allocation of state funds, the project can still move forward if the sponsor elects to pay the entire required match.

#### Consideration of Fuel System Funding- Guideline

The Commission members discussed requests received for assistance in purchasing fuel systems with funding from the State Aeronautics Fund and the possibility of establishing a guideline for approval of similar funding requests. The Commission also discussed utilizing a loan program similar to one used by the South Dakota State Railroad Board.

The Commission requested assistance from the Department to conduct research into what the Commission would need to do to establish a loan program.

Motion by Lantis, second by Funk, to allow federally funded fuel system projects that are revenue producing to be eligible for state funded airport match under the airport improvement program (AIP) funding in accordance with the updated Aeronautics Manual. A roll call vote was taken. 3 aye, 2 nay (Hauge, Odenbach). The motion carried.

#### **Jon Becker, Office of Aeronautics**

##### Consideration of financial assistance agreements

The Commission requested the funding requests for Custer County 3-46-0011-012-2016, Huron 3-46-022-034-2016, Parkston 3-46-0042-011-2016, and Watertown 3-46-0058-030-2016, be considered as a group.

The Office of Aeronautics is requesting funding from the State Aeronautics Fund for the following AIP projects:

#### **Custer County 3-46-0011-012-2016**

Design and bid apron (1700' x 60').

Federal Share	\$	60,000.00
State Share	\$	3,334.00
Local Share	\$	3,333.00
Total	\$	66,667.00

The Department recommends approval of state assistance in the amount of \$3,334.00.

**Huron 3-46-0022-034-2016**

Master Plan with ALP update and airport airspace analysis survey.

Federal Share	\$ 261,000.00
State Share	\$ 14,500.00
Local Share	\$ 14,500.00
Total	\$ 290,000.00

The Department recommends approval of state assistance in the amount of \$14,500.00.

**Parkston 3-46-0042-011-2016**

Design and construct hangar expansion area grading and partial taxiway.

Federal Share	\$ 479,079.00
State Share	\$ 26,616.00
Local Share	\$ 26,615.00
Total	\$ 532,310.00

The Department recommends approval of state assistance in the amount of \$26,616.00.

**Watertown 3-46-0058-030-2016**

Design and construct runway 12/30, taxiway A1, A2, A3, A4, including construction engineering and testing services.

Federal Share	\$7,875,000.00
State Share	\$ 437,500.00
Local Share	\$ 437,500.00
Total	\$8,750,000.00

The Department recommends approval of state assistance in the amount of \$437,500.00.

Motion by Lantis, second by Funk, to approve the recommended state funding for the FAA funded projects as follows: Custer County 3-46-0011-012-2016, Huron 3-46-022-034-2016, Parkston 3-46-0042-011-2016, and Watertown 3-46-0058-030-2016. A roll call vote was taken and all voted aye. The motion carried.

**Reconsideration of Belle Fourche & Faith Airport Fuel Systems according to new guidelines.**

Chairman VanDerhule requested the funding request for Belle Fourche 3-46-0072-011-2016 be considered individually from the remaining projects.

Steve Nafus and Jim Anderson, representatives from the city of Belle Fourche, presented information to the Commission on their request for funding assistance for the new fuel system.

**Belle Fourche 3-46-0072-011-2016**

Design and construct new fuel system with card reader, pumps, 20' x 30' concrete pad, system piping, and electrical.

Federal Share	\$ 381,774.50
State Share	\$ 21,209.70
Local Share	\$ 21,209.69
Total	\$ 424,193.89

The Department recommends approval of state assistance in the amount of \$21,209.70.

Motion by Lantis, second by Funk, to approve state assistance for the Belle Fourche 3-46-0072-011-2016 project in the amount of \$21,209.70. A roll call vote was taken and all voted aye. The motion carried.

Shane Steiner, representative of KLJ, presented information to the Commission on behalf of the city of Faith regarding the city of Faith's request for funding assistance for an upgrade to the fuel system and a card reader.

**Faith 3-46-0076-008-2016**

Upgrade fuel system and card reader.

Federal Share	\$ 289,800.00
State Share	\$ 16,100.00
Local Share	\$ 16,100.00
Total	\$ 322,000.00

The Department recommends approval of state assistance in the amount of \$16,100.00.

Motion by Funk, second by Lantis, to approve state assistance for the Faith 3-46-0076-008-2016 project in the amount of \$16,100.00. A roll call vote was taken. 3 aye, 2 nay (Hauge, VanDerhule). The motion carried.

**Tom Koch, SDDOT, Office of Aeronautics**

### **Consideration of Howard Fuel Tax Request and State Financial Assistance**

Koch informed the Commission that the city of Howard submitted a letter requesting to use the balance of the city's fuel tax account and funds from the Aeronautics general fund to reimburse the city of Howard for costs incurred in purchasing a new runway lighting radio controller in the amount of \$3,335.00. The total cost would be paid from the balance of the city's fuel tax account in the amount of \$1,320.17 and the remaining \$2,014.83 from the Aeronautics general fund.

Motion by Lantis, second by Odenbach, to approve of the city of Howard's request for reimbursement of the runway lighting radio controller in the total amount of \$3,335.00. \$1,320.17 would be reimbursed from the city of Howard's remaining balance in its fuel tax account and \$2,014.83 would be paid from the Aeronautics general fund. A roll call vote was taken and all voted aye. The motion carried.

### **Jennifer Boehm, SDDOT, Office of Aeronautics**

### **Consideration of Custer County Fuel Tax Request**

The Custer County Airport is requesting the use of \$2,223.12 of its fuel tax funds for the purchase of a new Unicom Radio and Runway Lighting Parts. The current fuel tax fund balance is \$2,494.72.

The Department recommends approval of fuel tax funding in the amount of \$2,223.12.

Motion by Funk, second by Lantis, to approve the use of \$2,223.12 of Custer County Airport's fuel tax funds for the purchase of a new Unicom Radio and Runway Lighting Parts. A roll call vote was taken and all voted aye. The motion carried.

### **Consideration of Sturgis Fuel Tax Request**

The Sturgis Municipal Airport is requesting the use of \$16,433.54 of its fuel tax funds for the purchase of a new truck and snow plow. The current fuel tax fund balance is \$16,433.54.

The Department recommends approval of fuel tax funds in the amount of \$16,433.54.

Motion by Lantis, second by Hauge, to approve the use of \$16,433.54 of Sturgis Municipal Airport's fuel tax funds for the purchase of a new truck and snow plow. A roll call vote was taken and all voted aye. The motion carried.

### **Consideration of 2017 International Aviation Art Contest**

Boehm presented the Commission with a request for approval from the Commission to allow the Department to spend \$700 from the Aeronautics fund to participate in and promote the 2017 International Art Contest in South Dakota.

Motion by Hauge, second by Odenbach, to approve spending \$700 to participate in and promote the 2017 International Art Contest in South Dakota. A roll call vote was taken and all voted aye. The motion carried.

Funk recused himself from discussion of the 2017 ACE Camp funding request.

### **Consideration of 2017 ACE Camp**

The South Dakota State University (SDSU) Aviation Program submitted a request to the Commission for funding in the amount of \$5,000.00 to assist with oversight, transportation while at camp, activities, and food for the Aerospace Career and Education Camp (ACE Camp) on July 9 – 12, 2017 on the SDSU campus.

Motion by Lantis, second by Odenbach, to approve funds for the 2017 Aerospace Career and Education Camp (ACE Camp) in the amount of \$5,000.00. A roll call vote was taken and all voted aye, except Funk who abstained from the discussion and vote. The motion was carried.

### **Consideration to publish 2017-2018 Aeronautical Chart and Airport Directory**

The Office of Aeronautics is requesting approval to put publication of the 2017-2018 Aeronautical Chart and Airport Directory out for bid.

Motion by Funk, second by Hauge, to authorize the Office of Aeronautics to put publication of the 2017-2018 Aeronautical Chart and Airport Directory out for bid. A roll call vote was taken and all voted aye. The motion carried.

### **Adjourn**

Motion by Funk, second by Lantis, to adjourn. The motion carried. Meeting adjourned at 3:35 PM.

Next meeting to be held October 25, 2016.