

**AERONAUTICS COMMISSION MEETING MINUTES
SEPTEMBER 26, 2017 – 1:00 P.M.
BECKER-HANSEN BUILDING – 700 EAST BROADWAY
PIERRE, SOUTH DAKOTA**

COMMISSIONERS PRESENT: Eric Odenbach, Chairman
Arnie Hauge, Vice Chairman
Dave Luers, Member
Skip VanDerhule, Member

DOT STAFF PRESENT: Darin Bergquist, Karla Engle, Bonnie Olson, Jack Dokken,
Jennifer Boehm, Jon Becker, Tom Koch, Colton Stahl, Kellie
Beck, and Tessa Wenner

**OTHERS PRESENT
VIA CONFERENCE CALL:** Corey Helms and Todd Syhre

OTHERS PRESENT: Steve Hamilton, Bob Babcock, Rod Senn, and Mike Isaacs

Chairman Odenbach called the meeting of the South Dakota Aeronautics Commission meeting to order at 1:10 p.m. Roll call was taken and a quorum was determined.

Karla Engle, Office of Legal Counsel provided additional information to the Commission members as a follow-up from the last teleconference meeting to address questions she received from Commission members relating to the new conflict of interest laws.

Chairman Odenbach 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.

Odenbach turned the meeting over to Vice Chairman Hauge.

Eric Odenbach submitted a written annual disclosure and a waiver request (attached to and incorporated into these minutes as **Exhibit A**) concerning a land lease entered into between Odenbach, as owner of a hangar, and the city of Eureka, South Dakota. The lease allows Odenbach to maintain his hangar and house his aircraft on the city-owned land. Odenbach will abstain from any discussion and voting in regard to items with the city of Eureka, South Dakota.

A MOTION WAS MADE by Luers and seconded by VanDerhule 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 public interest. All present voted aye by roll call vote, except Odenbach, who abstained from the Commission discussion and vote. The motion carried.

Vice Chairman Hauge turned the meeting back over to Chair Odenbach.

Arlen Hauge submitted a written annual disclosure and a waiver request (attached to and incorporated into these minutes as **Exhibit B**) concerning a land lease entered into between Arlen Hauge, as owner of a hangar, and Lincoln County Airport. The lease allows Hauge to maintain his hangar and house his aircraft on the county-owned land. Hauge will abstain from any discussion and voting in regard to items with Lincoln County, South Dakota.

A MOTION WAS MADE by Odenbach and seconded by Luers to approve the waiver request submitted by Hauge as the Commission has determined that the matter underlying the conflict is fair, reasonable, and not contrary to public interest. All present voted aye by roll call vote, except Hauge, who abstained from the Commission discussion and vote. The motion carried.

Dave Luers submitted a written annual disclosure and a waiver request (attached to and incorporated into these minutes as **Exhibit C**) concerning a land lease entered into between Luers and Jim Peitz, as co-owners of a hangar, and the city of Pierre, South Dakota. The lease allows Luers and Peitz to maintain their hangar and house their aircraft on the city-owned land. Luers will abstain from any discussion and voting in regard to items with the city of Pierre, South Dakota.

A MOTION WAS MADE by Odenbach and seconded by VanDerhule 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 public interest. All present voted aye by roll call vote, except Luers, who abstained from the Commission discussion and vote. The motion carried.

The Commission acknowledged receipt of VanDerhule's annual disclosure of potential conflict of interest form, which will be filed with the required state agencies. The disclosure concerns VanDerhule's lease of a hangar from the City of Yankton. VanDerhule had previously submitted a waiver request concerning this potential conflict of interest, and the waiver request was approved at the August 22, 2017, meeting. A copy of the written annual disclosure form is attached to and incorporated into these minutes as **Exhibit D**.

Chairman Odenbach asked for a motion to approve the minutes of August 22, 2017.

A MOTION WAS MADE by VanDerhule and seconded by Hauge to approve the August 22, 2017, meeting minutes. All present voted aye by roll call vote. The motion carried.

Secretary Bergquist recognized and congratulated Commissioner VanDerhule's on his upcoming retirement from serving on the Commission. This Commission meeting is his last meeting as a Commission member.

Bergquist informed the Commission that the current Federal Aviation Administration (FAA) funding expires on September 30, 2017. Congress has been struggling with legislation for reauthorization of that funding. A bill to extend the funding for an additional six months was filed in the U.S. House of Representatives and failed to pass. It is believed it will be filed again under a different rule with a majority vote, rather than a two thirds vote.

Hauge requested information regarding Senate Bill 1320 (Flight Act). Bergquist will check into that and get back to Hauge.

Jack Dokken, Program Manager for the Office of Air, Rail, and Transit, presented the Commission with the trust fund statement that was requested by the Commission at the previous meeting.

Martin 3-46-0030-013-2017

Airport Master Plan study, airport layout plan, exhibit A and Aeronautical Study.

Federal Share	\$ 285,000.00
State Share	\$ 15,833.33
Local Share	\$ 15,833.34
 Total	 \$ 316,666.67

The Department recommends approval of state assistance in the amount of \$15,833.33.

Pierre 3-46-0044-038-2017

Passenger boarding bridge procurement and GA taxiway design to include provisions for aeronautical agricultural operations, access road, utility corridors and drainage issues.

Federal Share	\$ 800,000.00
State Share	\$ 44,444.44
Local Share	\$ 44,444.45
 Total	 \$ 888,888.89

The Department recommends approval of state assistance in the amount of \$44,444.44.

Redfield 3-46-0049-011-2017

Construction of runway 17/35, including bidding, construction administration, engineering, wetland mitigation, easement acquisition, tribal & archeological monitoring, Precision Approach Path Indicator flight check.

Federal Share	\$ 3,528,000.00
State Share	\$ 196,000.00
Local Share	\$ 196,000.00

Total	\$ 3,920,000.00
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The Department recommends approval of state assistance in the amount of \$196,000.00.

Rosebud 3-46-0082-010-2017

Acquisition of snow removal equipment.

Federal Share	\$ 205,200.00
State Share	\$ 11,400.00
Local Share	\$ 11,400.00
Total	\$ 228,000.00

The Department recommends approval of state assistance in the amount of \$11,400.00.

Sisseton 3-46-0051-013-2017

Design and bidding for runway 16/34 reconstruction (3,400' X 60'), turnarounds, connector taxiway, and lighting upgrades.

Federal Share	\$ 153,000.00
State Share	\$ 8,500.00
Local Share	\$ 8,500.00
Total	\$ 170,000.00

The Department recommends approval of state assistance in the amount of \$8,500.00.

Watertown 3-46-0058-032-2017

Construction of hangar taxilane expansion, including design, bidding, construction admin, engineering.

Federal Share	\$ 805,500.00
State Share	\$ 44,750.00
Local Share	\$ 44,750.00
Total	\$ 895,000.00

The Department recommends approval of state assistance in the amount of \$44,750.00.

A MOTION WAS MADE by VanDerhule and seconded by Luers to approve the following grant applications:

Martin 3-46-0030-013-2017, state assistance in the amount of \$15,833.33.
 Redfield 3-46-0049-011-2017, state assistance in the amount of \$196,000.00.
 Rosebud 3-46-0082-010-2017, state assistance in the amount of \$11,400.00.
 Sisseton 3-46-0051-013-2017, state assistance in the amount of \$8,500.00.

Watertown 3-46-0058-032-2017, state assistance in the amount of \$44,750.00.

All present voted aye by roll call vote. The motion carried.

A MOTION WAS MADE by VanDerhule and seconded by Hauge to approve the grant application for Pierre 3-46-0044-038-2017 with state assistance in the amount of \$44,444.44. All present voted aye by roll call vote, except Luers, who abstained from the Commission discussion and vote. The motion carried.

Mike Isaacs, Manager of the Pierre Regional Airport, presented the Commission with a request for up to \$40,000.00 from the Pierre Regional Airport fuel tax account to purchase various items to complete the Aircraft Rescue and Fire Fighting (ARFF) building project.

A MOTION WAS MADE by Odenbach and seconded by Hauge to approve the request by the Pierre Regional Airport to use up to \$40,000.00 from the Pierre Regional Airport fuel tax account to purchase various items to complete the ARFF building project. All present voted aye by roll call vote, except Luers, who abstained from the Commission discussion and vote. The motion carried.

The Department presented the Commission with the below informational item.

The FAA Airports District Office has suggested that the State of South Dakota secure a 2018 grant for a state aviation system plan update. It has been about eight years since the completion of the State's current system plan and FAA guidance provides for an update every ten years.

This system plan is used to guide the State through airport projects so work is done systemically, rather than piecemeal. Factors to consider might be storage of large aircraft, turf runways, fuel systems, and weather reporting. The Department will issue a request for proposal this fall, with a consultant being selected sometime in the spring. Commission participation will be crucial at that time.

In 2018, another pavement condition index (PCI) survey will be conducted. PCI surveys are conducted every three years. The last one was completed in 2015. These surveys along with subsurface surveys provide important information regarding the condition and remaining life of airport surfaces. They are normally included in the engineering reports provided to FAA to justify and guide pavement rehabilitation and reconstruction.

No action was taken.

Chairman Odenbach turned the meeting over to Vice Chairman Hauge.

The Department is requesting approval from the Commission to purchase airport marker cones for use at multiple general aviation airports. In 2015, the Department was authorized to purchase 400 new plastic marker cones costing \$37.52 each for a total cost of \$15,008.00. The Department has received a quote from LeTourneau Plastics Inc. for 400 plastic marker cones costing \$35.75 each for a total cost of \$14,300.00.

A MOTION WAS MADE by VanDerhule and seconded by Luers to authorize the Department to secure the purchase of 400 airport marker cones for use at multiple general aviation airports in the amount of \$14,300.00 and for the purchase of a segmented circle. The Department is authorized to distribute airport marker cones and segmented circle out to the airports that are in need and as available. All present voted aye by roll call vote, except Odenbach, who abstained from the Commission discussion and vote. The motion carried.

Vice Chairman Hauge turned the meeting back over to Chairman Odenbach.

With no other business to come before the Commission, the meeting was adjourned at 2:20 p.m.

DRAFT

Exhibit A

STATE OF SOUTH DAKOTA
AERONAUTICS COMMISSION

REQUEST FOR STATE BOARD WAIVER
PURSUANT TO SDCL 3-23-3

Date: 9-26-17

Name of Board Member or Former Board Member: ERIC ODENBACH

Brief explanation of contract for which a waiver is requested:

a) Parties to the contract
ERIC ODENBACH AND CITY OF EUREKA

b) Board Member's role in the contract
HANGER LAND LEASE

c) Purpose and objective of the contract
LEASE LAND

d) Consideration or benefit conferred or agreed to be conferred upon each party
\$.10 PER SQUARE FOOT

e) Duration of the contract
THROUGH 2025

Signature of Requesting Party:  Date 9-26-17

ANNUAL DISCLOSURE FOR AUTHORITY/BOARD/COMMISSION MEMBER
PURSUANT TO SDCL CHAPTER 3-23

THIS IS A PUBLIC DOCUMENT

Name of Member: Eric Odenbach

Name of Board, Authority or Commission: AgroNautics

The Member shall disclose below any contract in which the Member has an interest or from which the Member derives a direct benefit if the contract is:

- 1) With the state agency to which the Member's board, authority or commission is attached for reporting or oversight purposes and which contract requires the expenditure of government funds;
- 2) With the state and which contract requires the approval of the Member's board, authority or commission and the expenditure of government funds; or
- 3) With a political subdivision of the state if the political subdivision approves the contract and:
 - a. Is under the regulatory oversight of the authority, board, or commission, or
 - b. Is under the regulatory oversight of the agency to which the Member's board, authority or commission is attached.

The Member shall disclose the contract even though no additional authorization is needed from the Member's board, authority or commission to have an interest or derive a benefit from the contract.

The Member shall also identify every entity in which the Member possesses an ownership interest of five percent or greater if:

- 1) The entity receives grant money from the State, either directly or by a pass-through grant or
- 2) The entity contracts with the State or any political subdivision for services.

1. Contracts in which you have an interest pursuant to SDCL Chapter 3-23 and which do not violate any other provision of law - Provide the following for each contract in which you have, or will have, an interest. For further information see SDCL 3-23-2.1 and 3-23-3.1.

Description of the contract	Parties	Description of your interest/role in the contract	Date contract was previously disclosed, if applicable

Attach additional pages, if necessary.

2. Contracts in which you have a direct benefit pursuant to SDCL Chapter 3-23 - Provide the following for each contract from which you derive, or will derive, a direct benefit. For more information see SDCL 3-23-2, 3-23-2.2 and 3-23-3.1.

Description of the contract	Parties	Description of the direct benefit	Date contract was authorized
LAND LEASE OF AIRPORT PROPERTY UNDER OWNED HANGAR	CITY OF EMBUDA EMIL DRENSACH	LEASE UNDER HANGAR	2005

Attach additional pages, if necessary.

3. Entities in which you possess an ownership interest of five percent or more that receive grant money from the State, either directly or by a pass-through grant, or that contract with the State or any political subdivision for services – Provide the following for each such entity. See SDCL 3-23-3.1.

Description of the contract or grant	Party in which you possess the interest	State agency or subdivision

Attach additional pages, if necessary.

The member shall complete a separate authorization request for any contract identified above that requires authorization from the Member's board, authority or commission in order for the Member to legally derive a direct benefit.

Signature of Member: *E. Cook* Date: 9-26-17

Exhibit B

STATE OF SOUTH DAKOTA

(insert name of board/commission/authority)

REQUEST FOR STATE BOARD WAIVER
PURSUANT TO SDCL CHAPTER 3-23

THIS IS A PUBLIC DOCUMENT

Date: 9-26-17

Name of Board Member or Former Board Member: ARLEN HAUGE

Name of Board, Authority or Commission: SOUTH DAKOTA AERONAUTICS COMMISSION

Brief explanation of contract for which a waiver is requested:

a) Parties to the contract

LINCOLN COUNTY AIRPORT
ARLEN HAUGE

b) Board Member's role in the contract

OWNER OF HANGAR BUILDING ON LEASED LAND

c) Purpose and objective of the contract

LEASE LAND UNDER HANGAR BUILDING AT LINCOLN COUNTY
AIRPORT

d) Consideration or benefit conferred or agreed to be conferred upon each party

LEASE IS \$510.00/YR

e) Duration of the contract

2017-ON GOING

Signature of Requesting Party:  Date 9/25/17

ANNUAL DISCLOSURE FOR AUTHORITY/BOARD/COMMISSION MEMBER
PURSUANT TO SDCL CHAPTER 3-23

THIS IS A PUBLIC DOCUMENT

Name of Member: ARLEN HAUGE

Name of Board, Authority or Commission: SOUTH DAKOTA AERONAUTICS COMMISSION

The Member shall disclose below any contract in which the Member has an interest or from which the Member derives a direct benefit if the contract is:

- 1) With the state agency to which the Member's board, authority or commission is attached for reporting or oversight purposes and which contract requires the expenditure of government funds;
- 2) With the state and which contract requires the approval of the Member's board, authority or commission and the expenditure of government funds; or
- 3) With a political subdivision of the state if the political subdivision approves the contract and:
 - a. Is under the regulatory oversight of the authority, board, or commission, or
 - b. Is under the regulatory oversight of the agency to which the Member's board, authority or commission is attached.

The Member shall disclose the contract even though no additional authorization is needed from the Member's board, authority or commission to have an interest or derive a benefit from the contract.

The Member shall also identify every entity in which the Member possesses an ownership interest of five percent or greater if:

- 1) The entity receives grant money from the State, either directly or by a pass-through grant or
- 2) The entity contracts with the State or any political subdivision for services.

1. **Contracts in which you have an interest pursuant to SDCL Chapter 3-23 and which do not violate any other provision of law** - Provide the following for each contract in which you have, or will have, an interest. For further information see SDCL 3-23-2.1 and 3-23-3.1.

Description of the contract	Parties	Description of your interest/role in the contract	Date contract was previously disclosed, if applicable

Attach additional pages, if necessary.

2. **Contracts in which you have a direct benefit pursuant to SDCL Chapter 3-23** - Provide the following for each contract from which you derive, or will derive, a direct benefit. For more information see SDCL 3-23-2, 3-23-2.2 and 3-23-3.1.

Description of the contract	Parties	Description of the direct benefit	Date contract was authorized
LAND LEASE	LINCOLN COUNTY AIRPORT ARLEN HAUGE	3,400 SQ FT LAND LEASE	2017

Attach additional pages, if necessary.

3. Entities in which you possess an ownership interest of five percent or more that receive grant money from the State, either directly or by a pass-through grant, or that contract with the State or any political subdivision for services. -- Provide the following for each such entity. See SDCL 3-23-3.1.

Description of the contract or grant	Party in which you possess the interest	State agency or subdivision

Attach additional pages, if necessary.

The member shall complete a separate authorization request for any contract identified above that requires authorization from the Member's board, authority or commission in order for the Member to legally derive a direct benefit.

Signature of Member:  Date: 9/29/17

Exhibit C

STATE OF SOUTH DAKOTA

(insert name of board/commission/authority)

REQUEST FOR STATE BOARD WAIVER
PURSUANT TO SDCL CHAPTER 3-23

THIS IS A PUBLIC DOCUMENT

Date: 9-26-17

Name of Board Member or Former Board Member: DAVE LUERS

Name of Board, Authority or Commission: SOUTH DAKOTA AERONAUTICS COMMISSION

Brief explanation of contract for which a waiver is requested:

a) Parties to the contract

CITY OF PIERRE, SD

DAVE LUERS & JIM PEITZ, CO-OWNERS HANGAR BUILDING
LEASE LAND UNDER HANGAR AT PIERRE AIRPORT

b) Board Member's role in the contract

JOINT OWNER OF HANGAR BUILDING ON LEASED LAND

c) Purpose and objective of the contract

LEASE LAND UNDER HANGAR AT PIERRE AIRPORT

d) Consideration or benefit conferred or agreed to be conferred upon each party

YEARLY LEASE IS \$738.00
COMMISSIONER LUERS IS RESPONSIBLE FOR 50%, EQUALING \$369.00/YR

e) Duration of the contract

2016-ON GOING

Signature of Requesting Party:  Date 9-26-17

ANNUAL DISCLOSURE FOR AUTHORITY/BOARD/COMMISSION MEMBER
PURSUANT TO SDCL CHAPTER 3-23

THIS IS A PUBLIC DOCUMENT

Name of Member: DAVE LUERS

Name of Board, Authority or Commission: SOUTH DAKOTA AERONAUTICS COMMISSION

The Member shall disclose below any contract in which the Member has an interest or from which the Member derives a direct benefit if the contract is:

- 1) With the state agency to which the Member's board, authority or commission is attached for reporting or oversight purposes and which contract requires the expenditure of government funds;
- 2) With the state and which contract requires the approval of the Member's board, authority or commission and the expenditure of government funds; or
- 3) With a political subdivision of the state if the political subdivision approves the contract and:
 - a. Is under the regulatory oversight of the authority, board, or commission, or
 - b. Is under the regulatory oversight of the agency to which the Member's board, authority or commission is attached.

The Member shall disclose the contract even though no additional authorization is needed from the Member's board, authority or commission to have an interest or derive a benefit from the contract.

The Member shall also identify every entity in which the Member possesses an ownership interest of five percent or greater if:

- 1) The entity receives grant money from the State, either directly or by a pass-through grant or
- 2) The entity contracts with the State or any political subdivision for services.

1. **Contracts in which you have an interest pursuant to SDCL Chapter 3-23 and which do not violate any other provision of law.** - Provide the following for each contract in which you have, or will have, an interest. For further information see SDCL 3-23-2.1 and 3-23-3.1.

Description of the contract	Parties	Description of your interest/role in the contract	Date contract was previously disclosed, if applicable

Attach additional pages, if necessary.

2. **Contracts in which you have a direct benefit pursuant to SDCL Chapter 3-23.** - Provide the following for each contract from which you derive, or will derive, a direct benefit. For more information see SDCL 3-23-2, 3-23-2.2 and 3-23-3.1.

Description of the contract	Parties	Description of the direct benefit	Date contract was authorized
LAND LEASE OF AIRPORT PROPERTY UNDER OWNED HANGAR	CITY OF PIERRE, SD DAVE LUERS & JIM PEITZ JOINT OWNERS OF HANGAR BUILDING	LEASE LAND UNDER HANGAR	2016

Attach additional pages, if necessary.

3. Entities in which you possess an ownership interest of five percent or more that receive grant money from the State, either directly or by a pass-through grant, or that contract with the State or any political subdivision for services - Provide the following for each such entity. See SDCL 3-23-3.1.

Description of the contract or grant	Party in which you possess the interest	State agency or subdivision

Attach additional pages, if necessary.

The member shall complete a separate authorization request for any contract identified above that requires authorization from the Member's board, authority or commission in order for the Member to legally derive a direct benefit.

Signature of Member: Dave Green Date: 9-26-17

ANNUAL DISCLOSURE FOR AUTHORITY/BOARD/COMMISSION MEMBER
PURSUANT TO SDCL CHAPTER 3-23

THIS IS A PUBLIC DOCUMENT

Name of Member: Vernon C VanDerhule

Name of Board, Authority or Commission: South Dakota Aeronautics Commission

The Member shall disclose below any contract in which the Member has an interest or from which the Member derives a direct benefit if the contract is:

- 1) With the state agency to which the Member's board, authority or commission is attached for reporting or oversight purposes and which contract requires the expenditure of government funds;
- 2) With the state and which contract requires the approval of the Member's board, authority or commission and the expenditure of government funds; or
- 3) With a political subdivision of the state if the political subdivision approves the contract and:
 - a. Is under the regulatory oversight of the authority, board, or commission, or
 - b. Is under the regulatory oversight of the agency to which the Member's board, authority or commission is attached.

The Member shall disclose the contract even though no additional authorization is needed from the Member's board, authority or commission to have an interest or derive a benefit from the contract.

The Member shall also identify every entity in which the Member possesses an ownership interest of five percent or greater if:

- 1) The entity receives grant money from the State, either directly or by a pass-through grant or
- 2) The entity contracts with the State or any political subdivision for services.

1. Contracts in which you have an interest pursuant to SDCL Chapter 3-23 and which do not violate any other provision of law - Provide the following for each contract in which you have, or will have, an interest. For further information see SDCL 3-23-2.1 and 3-23-3.1.

Description of the contract	Parties	Description of your interest/role in the contract	Date contract was previously disclosed, if applicable
<p>Annual lease on -1- T-Hangar. The City has -6- T-Hangars for rent. Undersigned, with a partner, rents -1- of them. The Other -5- are rented to parties unrelated to the undersigned. Each tenant pays exactly the same annual rent and each has exactly the same terms.</p>	<p>City of Yankton, Landlord Vernon C. VanDerhule & James G Cox, joint tenants</p>	<p>In partnership with Mr. Cox, we jointly rent a hangar from the City in which we keep our jointly owned aircraft.</p>	<p>2016</p>

Attach additional pages, if necessary.

2. Contracts in which you have a direct benefit pursuant to SDCL Chapter 3-23 - Provide the following for each contract from which you derive, or will derive, a direct benefit. For more information see SDCL 3-23-2, 3-23-2.2 and 3-23-3.1.

Description of the contract	Parties	Description of the direct benefit	Date contract was authorized
<p>Annual lease on -1- T-Hangar. The City has -6- T-Hangars for rent. Undersigned, with a partner, rents -1- of them. The Other -5- are rented to parties unrelated to the undersigned. Each tenant pays exactly the same annual rent and each has exactly the same terms.</p>	<p>City of Yankton, Landlord Vernon C. VanDerhule & James G Cox, joint tenants</p>	<p>In partnership with Mr. Cox, we jointly rent a hangar from the City in which we keep our jointly owned aircraft. The benefit is that we can keep our aircraft out of the weather, don't have to construct our own hangar, and have a place to store aviation related supplies.</p>	<p>2016 and again on 08/22/2017.</p>

Attach additional pages, if necessary.

3. Entities in which you possess an ownership interest of five percent or more that receive grant money from the State, either directly or by a pass-through grant, or that contract with the State or any political subdivision for services – Provide the following for each such entity. See SDCL 3-23-3.1.

Description of the contract or grant	Party in which you possess the interest	State agency or subdivision
>> None <<		

Attach additional pages, if necessary.

The member shall complete a separate authorization request for any contract identified above that requires authorization from the Member's board, authority or commission in order for the Member to legally derive a direct benefit.

Signature of Member:  Date: AUG 26 2017