

**AERONAUTICS COMMISSION MEETING MINUTES
JANUARY 23, 2018 – 1:00 P.M.
BECKER-HANSEN BUILDING – 700 EAST BROADWAY
PIERRE, SOUTH DAKOTA**

COMMISSIONERS PRESENT: Eric Odenbach, Chairman
Arnie Hauge, Vice Chairman
Robert Huggins, Member
Christopher Funk, Member

DOT STAFF PRESENT: Joel Jundt, Karla Engle, Bonnie Olson, Jack Dokken,
Jennifer Boehm, Jon Becker, Colton Stahl, Rip Ray, Tom
Koch, and Patricia Saukel

OTHERS PRESENT: Representative David Johnson – District 33, Rapid City;
Steve Hamilton – SD Pilots Association (via conference
call)

Chairman Odenbach called the meeting of the South Dakota Aeronautics Commission (the “Commission”) to order at 1:00 p.m.

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.

Commissioner Christopher Funk 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 Christopher Funk, as owner of a hangar, and the city of Brookings, South Dakota (Brookings SD (KBXX) Airport). The lease allows Funk to maintain his hangar and house his aircraft on the city-owned land. Funk will abstain from any discussion and voting regarding items with the city of Brookings, South Dakota.

A MOTION WAS MADE by Hauge and seconded by Huggins to approve the waiver request submitted by Funk 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 Funk, who abstained from the Commission discussion and vote. The motion carried.

Chairman Odenbach asked for a motion to approve the minutes of November 28, 2017.

A MOTION WAS MADE by Funk and seconded by Hauge to approve the November 28, 2017, meeting minutes. All present voted aye by roll call vote. The motion carried.

Deputy Secretary Joel Jundt of the Department of Transportation (the "Department") had two items for the Secretary's Report. Jundt discussed the federal government shutdown that had occurred over the past weekend. Jundt informed the Commission that Congress had passed a federal continuing resolution bill ending the shutdown and extending funding through February 8, 2018.

Jundt brought the next item to the Commission's attention regarding South Dakota Codified Law (SDCL) Chapter 50 and indicated that representatives of the Department (Jon Becker of the Office of Air, Rail & Transit and Bill Nevin with the Legal Office) have been working with Representative David Johnson from Rapid City regarding a clean-up of SDCL Title 50. Jundt introduced State Representative Johnson to the Commission. Johnson discussed his background and a bill that he is ready to introduce to the state legislature.

Johnson requested the Commission review his current draft bill before he presents it to the State House Transportation Committee. Johnson expected the bill to be filed on January 22.

It was decided that the Aeronautic Commission would hold a special teleconference meeting on Monday, January 29, 2018, to discuss the contents of Representative Johnson's proposed bill.

Tom Koch of the Office of Air, Rail & Transit, presented to the Commission for their consideration the following Tall Structure/Aeronautical Hazard Application:

Permit #'s 2017-13607-13614 Sioux Falls, SD
 FAA Aeronautical Study 2017-AGL-13607- 13614-OE

The City of Sioux Falls is rebuilding an existing electric transmission line with new laminated wood structures (Structure #'s T1-T8). It is being rebuilt generally in the existing alignment with the closest structure being approximately 1,650 feet southeast of the Sioux Falls airport.

The Federal Aviation Administration (FAA) has determined:

- ◆ This proposal does not exceed FAA obstruction standards and would not be a hazard to air navigation.
- ◆ Aeronautical studies 13608 thru 13612 must be marked/lighted as per FAA requirements.

The Department recommended Commission approval.

A MOTION WAS MADE by Hauge and seconded by Funk to approve Permit #'s 2017-13607-13614 Sioux Falls, SD. All present voted aye by roll call vote. The motion carried.

Jon Becker of the Office of Air, Rail & Transit, presented to the Commission for its consideration a request received from the South Dakota State University (SDSU) Aviation Program for funding for the 2018 Aerospace Career and Education (ACE) Camp.

A MOTION WAS MADE by Huggins and seconded by Hauge to approve funds in the amount of \$5,000.00 to assist with oversight, transportation while at camp, activities, and food for the ACE

Camp tentatively scheduled for July 8-11, 2018, on the SDSU campus. All present voted aye by roll call vote, except for Funk, who abstained. The motion carried.

Jon Becker of the Office of Air, Rail & Transit presented to the Commission the 2018 Capital Improvement Plan (CIP) Proposed Airport Projects for consideration. The CIP proposal is as follows:

2018 Proposed Airport Projects					
Airport	Project Description	Federal Funds (90%)	State Funds (5%)	Local Funds (5%)	Total Funds
Aberdeen - 38	Master Plan w/AGIS and exhibit A (taxiway geometry & ag ops relo; boarding bridge	\$1,125,000	\$62,500	\$62,500	\$1,250,000
Belle Fourche - 13	Rehab asphalt mill/overlay public access road and parking lot	\$225,000	\$12,500	\$12,500	\$250,000
Bison - 10	Rehab and pave access road and construct new parking area	\$191,700	\$10,650	\$10,650	\$213,000
Britton - 13	Land acquisition and appraisals	\$171,000	\$9,500	\$9,500	\$190,000
Brookings - 30	Design of apron reconstruction and geotech exploration	\$81,000	\$4,500	\$4,500	\$90,000
Buffalo-Harding Co 07	Specs and acquire SRE skid loader with attachments	\$180,000	\$10,000	\$10,000	\$200,000
Canton -	NO PROJECT	\$0	\$0	\$0	\$0
Chamberlain -	NO PROJECT	\$0	\$0	\$0	\$0
Clark County - 12	Design and geotech for 12/30 runway, apron, taxiway reconstruction	\$117,000	\$6,500	\$6,500	\$130,000
Custer County - 14	Acquire 26 RPZ;	\$420,300	\$23,350	\$23,350	\$467,000
Custer County - 15	master plan study	\$90,000	\$5,000	\$5,000	\$100,000
DeSmet - 12	Hangar taxilane expansion and concrete hardstand	\$630,000	\$35,000	\$35,000	\$700,000
Eagle Butte - 10	GA apron reconstruction	\$540,000	\$30,000	\$30,000	\$600,000
Edgemont	NO PROJECT	\$0	\$0	\$0	\$0
Eureka - 09	Install tilt-down beacon bole	\$64,800	\$3,600	\$3,600	\$72,000
Faith - 09	Rehab and pave access road and parking area	\$391,500	\$21,750	\$21,750	\$435,000
Faulkton - 11	Land acquisition; design runway rehab/extension; geotech; approach survey	\$616,500	\$34,250	\$34,250	\$685,000
Flandreau - 10	Environmental for runway geometry and land acquisition	\$112,500	\$6,250	\$6,250	\$125,000
Gettysburg - 10	Install new fuel system; pavement maintenance	\$343,080	\$19,060	\$19,060	\$381,200

Gregory - 15	Design hangar taxilane expansion - phase I (widen to 35', extend 180')	\$27,000	\$1,500	\$1,500	\$30,000
Highmore -	NO PROJECT	\$0	\$0	\$0	\$0
Hot Springs -	NO PROJECT	\$0	\$0	\$0	\$0
Hoven - 10	Design, geotech survey, reconstruct GA apron	\$360,000	\$20,000	\$20,000	\$400,000
Howard	NO PROJECT	\$0	\$0	\$0	\$0
Huron - 36	Repair commercial apron; wildlife study and hazard mitigation plan	\$149,999	\$8,333	\$8,333	\$166,666
Lemmon - 14	Runway 12/30 reconstruction; MIRL, PAPIs, RSA grading, runway edge drains	\$2,542,500	\$141,250	\$141,250	\$2,825,000
Madison - 16	Construct parallel taxiway - south phase	\$1,126,800	\$62,600	\$62,600	\$1,252,000
Madison - 17	Construct parallel taxiway - North phase - State apportionment	\$2,124,000	\$118,000	\$118,000	\$2,360,000
Martin -	NO PROJECT	\$0	\$0	\$0	\$0
McLaughlin - 09	Reimburse land for RPZ and departure surfaces	\$180,000	\$10,000	\$10,000	\$200,000
Milbank - 16	appraisal for RPZ & departure; wildlife site visit & MP	\$540,000	\$30,000	\$30,000	\$600,000
Miller -	NO PROJECT	\$0	\$0	\$0	\$0
Mitchell -	PM - NO PROJECT	\$0	\$0	\$0	\$0
Mobridge - 14	Design/Construction of 12-30 and connector, grade RSA, lighting, turnaround expansion, testing; replace edge lights and PAPIs	\$3,737,624	\$207,646	\$207,646	\$4,152,915
Murdo - 11	Land acquisition for 14/32 RPZ	\$135,000	\$7,500	\$7,500	\$150,000
Onida - 10	design/construct 6 unit T hangar and taxilane	\$495,000	\$27,500	\$27,500	\$550,000
Parkston - 13	Design/construct perimeter fence improvements (4-wire barbed)	\$147,150	\$8,175	\$8,175	\$163,500
Philip - 11	Acquire 12/30 RPZ; legal/exhibit A map; rev hangar design; GA apron reconstruction design	\$144,000	\$8,000	\$8,000	\$160,000
Pierre - 39	GA hangar taxilane; ag area taxiway const; design twy B reconst	\$1,350,000	\$75,000	\$75,000	\$1,500,000
Pine Ridge - 15	Snow removal equipment with attachments	\$216,000	\$12,000	\$12,000	\$240,000
Platte - 10	Design/install card/reader for existing fuel; design for hangar/GA terminal	\$67,500	\$3,750	\$3,750	\$75,000
Rapid City - 50	EA for sewage lagoon; replace terminal baggage claim	\$585,000	\$32,500	\$32,500	\$650,000
Redfield - 12	Design/construct AWOS III	\$247,500	\$13,750	\$13,750	\$275,000

Rosebud - 11	Design/construct AWOS III	\$270,000	\$15,000	\$15,000	\$300,000
Sioux Falls - 53	replace perimeter fence; remove obstruction; expand west GA apron; design term apron expansion/deicing pad; move ANG blast fence; SRE	\$3,026,958	\$168,164	\$168,164	\$3,363,287
Sisseton - 14	Master Plan with Airport Layout Plan	\$180,000	\$10,000	\$10,000	\$200,000
Spearfish-BH - 24	EA for runway 5-23 constr & land; wildlife hazard site visit and mgmt plan	\$171,000	\$9,500	\$9,500	\$190,000
Springfield - 007	Replace runway lights	\$349,200	\$19,400	\$19,400	\$388,000
Sturgis - 14	Environmental, design, construct Rev-producing fuel system	\$234,000	\$13,000	\$13,000	\$260,000
Tea - 14	Obstruction removal; wind cone relocation; threshold lighting	\$112,500	\$6,250	\$6,250	\$125,000
Vermillion -	NO PROJECT	\$0	\$0	\$0	\$0
Wagner - 13	Design for Revenue producing T-hangars	\$31,500	\$1,750	\$1,750	\$35,000
Wall -	NO PROJECT	\$0	\$0	\$0	\$0
Watertown - 33	Design/construct perimeter fence modifications	\$126,000	\$7,000	\$7,000	\$140,000
Webster - 10	Land appraisals and acquisition; wildlife hazard site visit and mgmt plan	\$135,000	\$7,500	\$7,500	\$150,000
Wess Sprgs - 10	Design runway 12/30 reconstruction; engineering report	\$117,000	\$6,500	\$6,500	\$130,000
Winner -	NO PROJECT	\$0	\$0	\$0	\$0
Yankton - 27	Design apron expansion; remove hangar, relo two hangars	\$69,300	\$3,850	\$3,850	\$77,000
SDDOT - 26	Pavement Condition Index Survey	\$189,000	\$21,000	\$0	\$210,000
SDDOT - 24	Aviation system plan	\$360,000	\$40,000	\$0	\$400,000
SDDOT - 25	Statewide pavement maintenance	\$360,000	\$20,000	\$20,000	\$400,000
Totals	Totals	\$24,296,911	\$1,349,828	\$1,349,828	\$28,006,568
		Total Federal funds	State Funds (5%)	Local Funds (5%)	Total Funds

A MOTION WAS MADE by Hauge and seconded by Funk to approve the 2108 Capital Improvement Plan. All present voted aye by roll call vote. The motion carried.

Becker provided a handout of the State Aviation System Plan (SASP) to the Commission as an informational item. The SASP needs to be updated and a Request for Proposals is planned for advertisement in February 2018.

Jack Dokken, Program Manager of the Office of Air, Rail & Transit introduced Rip Ray with the Office of Audits, Internal Services Division, to the Commission. Ray provided a PowerPoint presentation to the Commission on the process for review of airport contracts and computing of overhead, capital cost of money, and mileage rates. This presentation was additional follow-up to Commissioner Hauge's questions from a prior meeting.

With no other business to come before the Commission, the meeting was adjourned at 2:57 p.m.

DRAFT

Exhibit A

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

THIS IS A PUBLIC DOCUMENT

Name of Member: Christopher Funk

Name of Board, Authority or Commission: SD 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 3-23.1 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	Brookings SD Airport Christopher Funk	4096 Q FT Land Lease	2014
Employee of SDSU	SDSU Christopher Funk	Employed by SDSU	September 2011 - present

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:

11-28-2017

STATE OF SOUTH DAKOTA

South Dakota Aeronautics Commission

REQUEST FOR STATE BOARD WAIVER
PURSUANT TO SDCL CHAPTER 3-23
THIS IS A PUBLIC DOCUMENT

Date: 11/28/2017

Name of Board Member or Former Board Member: Christopher Funk

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:

Brookings SD (KBKX) Airport
Christopher Funk

b) Board Member's role in the contract:

Owner of Hangar on Leased land

c) Purpose and objective of the contract:

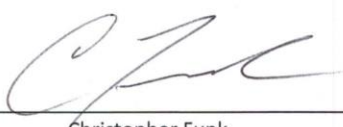
Lease Land under hangar building at the Brookings SD Airport (KBKX)

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

Lease is \$ 491.52 / year

e) Duration of the contract

2017 – On Going

Signature of Requesting Party:  Date 11/28/2017
Christopher Funk

STATE OF SOUTH DAKOTA

South Dakota Aeronautics Commission

REQUEST FOR STATE BOARD WAIVER
PURSUANT TO SDCL CHAPTER 3-23
THIS IS A PUBLIC DOCUMENT

Date: 11/28/2017

Name of Board Member or Former Board Member: Christopher Funk

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:

South Dakota State University
Christopher Funk

b) Board Member's role in the contract:

Employed by South Dakota State University

c) Purpose and objective of the contract:

Employed by South Dakota State University

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

Annual salary: \$64,584

e) Duration of the contract

2017 – On Going

Signature of Requesting Party: _____


Christopher Funk

Date 11/28/2017