

SOUTH DAKOTA AERONAUTICS COMMISSION MEETING

Thursday, September 19, 2024, at 2:00 p.m. CT

Becker-Hansen Building/ Commission Room – 700 E. Broadway Ave, Pierre, SD 57501

COMMISSIONER PRESENT

VIA CONFERENCE CALL: Eric Odenbach, Chairman
Bob Huggins, Vice-chairman
Rolf Johnson
Jerry Rieber
Chris Funk
John Taylor
Kassidy Nelson (joined at 2:14 p.m.)

DOT STAFF PRESENT: Joel Jundt, Kellie Beck, Jack Dokken, Jon Becker, Nancy Hiller, and Kari Kroll

DOT STAFF PRESENT

VIA CONFERENCE CALL: Dustin DeBoer

OTHERS PRESENT

VIA CONFERENCE CALL: Brooke Edgar – Helms and Associates; Rodd Senn – Mead & Associates; and Charlie Baker – KLJ

Chairman Eric Odenbach called the meeting of the South Dakota Aeronautics Commission (the “Commission”) to order at 2:00 p.m. CT. Roll call was taken. A quorum was determined.

Odenbach opened the floor to the Commission to disclose potential conflicts of interest and to present requests for waiver pursuant to South Dakota Codified Law (SDCL) Chapter 3 – 23.

Commissioner John Taylor noted the fuel tax request for Sioux Falls Regional Airport and shared that he plans to recuse himself.

No other commissioners disclosed a conflict of interest nor requested a waiver.

Odenbach asked for a motion to approve the August 15, 2024 Commission meeting minutes.

A MOTION WAS MADE by Huggins and seconded by Rieber to approve the August 15, 2024 Commission meeting minutes. All present voted aye by roll call vote except Funk who did not respond. The motion carried.

Odenbach addressed the Department of Transportation (the "Department") requesting an update on the AWOS maintenance plan. Jon Becker, Office of Air, Rail & Transit, addressed the Commission and shared a Request for Proposals (RFP) has been drafted and is expected to be shared with the Bureau of Administration Procurement Office in the next couple of months. They will review the RFP. He noted more research is needed to determine the most efficient way the Department should administer multiple year contracts with the vendors that submit bids. The plan is for vendors to bid on all the equipment and for sponsors to pay the vendors directly.

Odenbach opened the floor to public comment. No members of the public addressed the Commission or offered input.

Secretary Jundt presented the Secretary's Report. He shared the following items:

- Federal Funding Appropriations - Congress has until September 30, 2024, to pass an appropriations bill to fund Federal Fiscal Year (FFY) 2025. On September 28, 2024, the House's continuing resolution bill failed to obtain enough votes, thus killing the bill. This continuing resolution would have provided federal funding through March 28, 2025. It is anticipated that the Senate will introduce a continuing resolution bill which will provide funding through December 13, 2024. If the Senate bill passes, the House would then be under pressure to pass the Senate bill based on the very short deadline.
- COVID Funding Update – South Dakota airports have been spending down their allotted federal, "COVID relief" grant funds. For the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) and America Rescue Plan Act (ARPA) funding, South Dakota public airports still have \$438,580 left in CRRSA funds (10 grants) and \$2,299,001 left in ARPA funds (18 grants). The deadline to expend these funds is four years beyond the date that the grant was signed, which is in March 2025. Staff continues to work with the airports to remind them of the deadline and the need for them to expend the funds as the funds are not transferable and will lapse. The Coronavirus Aid, Relief, and Economic Security (CARES) fund deadline has expired and the outstanding balance of \$168,188 was reverted back to Federal Aviation Administration (FAA). The main reason for not expending these outstanding funds was that the airports did not have eligible expenses to claim. The Sioux Falls and Rapid City grants went towards projects and the amount that was leftover was due to costs coming under budget.
- The Department is proposing a bill for the 2025 State legislative session that would be a clean-up bill to the Title 50 work that occurred over the last several years. The main edit is the addition of the word "heliport."

Commissioner Kassidy Nelson joined the meeting at 2:14 p.m.

Jundt presented the Commission for their consideration the information regarding the need for a new state match percentage on Airport Improvement Program (AIP) grant applications. The FAA reauthorization bill passed in May 2024, included language that modified the match rate for AIP projects for FFY25 and FFY26 – changing the rate from 90/10% to 95/5%. Therefore, the Commission needs to decide what percent of the 5% would be State vs. the remainder coming from the locals. The currently 10% match is shared equally, 5% state and 5% local. It was recommended that the Commission maintain an equal split, i.e. 2.5% State and 2.5% local. Jundt also noted, this will be case only for all federally fund airports in South Dakota except Sioux Falls Regional Airport which is considered a hub and ineligible for the new split, thus their match rate would remain 90/10%.

Becker also noted that the this only effects AIP grants and not Bi-partisan Infrastructure Law (BIL) grants. BIL grants will remain at 90/10%.

A MOTION WAS MADE by Taylor and seconded by Rieber to change the state match on AIP grant applications for eligible non-primary and non-hub airport projects scheduled in 2025 and 2026 to 2.5% in leu of the new federal match percentages of 90/5%. All present voted aye by roll call vote. The motion carried.

Jon Becker, Office of Air, Rail and Transit, presented to the Commission for its consideration the following AIP and BIL application:

Aberdeen 3-46-0001-052-2024

AIP: Reconstruction of GA apron, phase 2.

Federal Share	\$ 3,744,000.00
State Share	\$ 208,000.00
Local Share	\$ 208,000.00
Total	\$ 4,160,000.00

Britton 3-46-0004-020-2024

AIP: Construction of site work for revenue-producing fuel system.

Federal Share	\$ 166,500.00
State Share	\$ 0
Local Share	\$ 18,500.00
Total	\$ 185,000.00

McLaughlin 3-46-0031-015-2024

AIP: Construct revenue-producing hangar.

Federal Share	\$ 589,500.00
State Share	\$ 0
Local Share	\$ 65,500.00

Total \$ 655,000.00

McLaughlin 3-46-0031-016-2024

BIL: Construct revenue-producing hangar.

Federal Share	\$ 238,500.00
State Share	\$ 0
Local Share	\$ 26,500.00
Total	\$ 265,000.00

Parkston 3-46-0042-019-2024

AIP: Reconstruction of runway 15/33 and connector taxiway with lighting improvements.

Federal Share	\$ 3,340,800.00
State Share	\$ 185,600.00
Local Share	\$ 185,600.00
Total	\$ 3,712,000.00

Philip 3-46-0043-018-2024

AIP: Reconstruction of runway 12/30.

Federal Share	\$ 5,719,500.00
State Share	\$ 317,750.00
Local Share	\$ 317,750.00
Total	\$ 6,355,000.00

Pierre 3-46-0044-050-2024

AIP: Design/construct resurfacing of runway 13/31, taxiway connectors to hold lines, including markings, LED HIRL fixtures, power cables, runway 31 supplemental wind cone.

Federal Share	\$7,436,820.00
State Share	\$ 413,157.00
Local Share	\$ 413,157.00
Total	\$8,263,134.00

Spearfish 3-46-0065-037-2024

BIL/ATP: Construction of terminal building including design engineering and construction administration

Federal Share	\$1,950,000.00
State Share	\$ 0
Local Share	\$ 102,632.00
Total	\$2,052,632.00

SDDOT PCI 3-46-0000-011-2024

AIP: Pavement Condition Index study for NPIAS airports.

Federal Share	\$450,000.00
State Share	\$ 50,000.00
Local Share	\$ n/a
Total	\$500,000.00

A MOTION WAS MADE by Huggins and seconded by Johnson to approve all the AIP and BIL grant applications as presented. All present voted aye by roll call vote. The motion carried.

Commissioner Taylor recused himself from the meeting.

Becker presented for the Commission’s consideration a request from the Sioux Falls Regional Airport. The City of Sioux Falls is requesting the use of \$540,000.00 of their fuel tax funds to pay for the replacement of a snowplow with plow/broom combination unit. The current balance in their fuel tax account is \$542,208.00.

A MOTION WAS MADE by Rieber and seconded by Nelson to approve the request from the City of Sioux Falls for \$540,000.00 of their fuel tax funds. All present voted aye by roll call vote except Taylor who was recused. The motion carried.

Commissioner Taylor rejoined the meeting.

Nancy Hiller, Office of Air, Rail and Transit, presented to the Commission for their consideration the following amendment to the state share of an 2023 AIP grant application.

Yankton Municipal Airport AIP #3-46-0062-37-2023 – Construct Access Road (900'x24', asphalt) and Automatic Gate Operator - Phase 2: Construction

The federal grant amount amendment was approved to cover eligible costs for the removal of the existing curb and gutter. The state share needs to be amended accordingly.

	Federal (90%)	State (5%)
Final project	\$309,571.00	\$17,198.43
Original grant	\$304,000.00	\$16,000.00
Change	\$5,571.00	\$1,198.43

A MOTION WAS MADE by Huggins and seconded by Taylor to approve the amended state match in the amount of \$1,198.43. All present voted aye by roll call vote. The motion carried.

Secretary Jundt gave a snapshot of recent, current, and projected future year federal spending and the Department’s administration of the federal funding. In 2022, approximately \$56 million was administered. In 2023, the amount administered dropped to approximately \$36 million. In 2024, the amount went up to approximately \$60.5 million. Jundt stated it is projected the amount to be administered in 2025 to be \$80-90 million based on current Capital Improvement Projects (“CIP”) noted by local airports.

Jundt said that the Department should be able to share project Aeronautic Fund balance at the November meeting.

With no further business to come before the Commission, Odenbach adjourned the meeting at 2:39 p.m. CT.