

**SOUTH DAKOTA AERONAUTICS COMMISSION CONFERENCE CALL
MEETING MINUTES DECEMBER 12, 2018 – 1:00 P.M.
BECKER-HANSEN BUILDING – 700 EAST BROADWAY
PIERRE, SOUTH DAKOTA**

COMMISSIONERS PRESENT

VIA CONFERENCE CALL:

Eric Odenbach, Chairman
Robert Huggins, Vice Chair
Travis Lantis, Member (joined at 2:01 p.m.)
Dave Luers, Member
Rolf Johnson, Member

DOT STAFF PRESENT:

Joel Jundt, Kellie Beck, Bonnie Olson, Jack Dokken, Jon
Becker, Tom Koch, Colton Stahl, Jennifer Boehm,
Rayleen Rathbun, and Katherine Anderson

DOT STAFF PRESENT

VIA CONFERENCE CALL:

Dustin DeBoer

OTHERS PRESENT:

Bob Mercer – Associated Press

OTHERS PRESENT

VIA CONFERENCE CALL:

Steve Hamilton – South Dakota Pilots Association
(SDPA); Brooke Edgar – Helms Engineering &
Associates; Dan Letellier – Sioux Falls Airport Manager;
Cody Christensen – SDSU, Dan Noteboom

Chairman Eric Odenbach called the meeting of the South Dakota Aeronautics Commission (the “Commission”) to order at 1:02 p.m. Roll call was taken and a quorum was determined.

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.

The Board acknowledged receipt of Funk’s written disclosure of potential conflict of interest, which will be filed with the required state agencies. A copy of the written disclosure form is attached to and incorporated into these minutes as **Exhibit A**.

A MOTION WAS MADE by Odenbach and seconded by Huggins to approve the waiver request submitted by Funk concerning the potential conflict of interest as the Commission has determined that the matter underlying the conflict is fair, reasonable, and not contrary to the public interest. All present voted aye by roll call vote. The motion carried.

Odenbach asked for a motion to approve the minutes of the October 23, 2018, Commission meeting.

A MOTION WAS MADE by Luers and seconded by Johnson to approve the October 23, 2018, meeting minutes. All present voted aye by roll call vote. The motion carried.

Commissioner Dave Luers nominated Odenbach as Chairman of the Commission. All present voted aye by roll call vote, except for Odenbach, who abstained from the vote. The motion carried.

Commissioner Dave Luers nominated Huggins as Vice Chairman of the Commission. All present voted aye by roll call vote, except for Huggins, who abstained from the vote. The motion carried.

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

Deputy Secretary Joel Jundt of the Department of Transportation (the "Department") presented the Secretary's Report. The Ad Hoc Committee for Title 50 Review met two weeks ago. The committee plans to send out the finalized document to organizations and commissioners to capture their comments. Jundt distributed and discussed a SD Aero Fund Projections handout.

Jennifer Boehm of the Office of Air, Rail, and Transit, presented for Commission consideration the Rapid City/State Match Amendment. Boehm provided the following description of the Department's recommendations:

Rapid City Regional Airport AIP #3-46-0048-48-2016 – Rehabilitate Apron, Terminal Building and Acquire Snow Removal Equipment.

The federal grant amount was increased to reflect final as-built measured quantities for construction. The state share must increase accordingly.

	Federal (90%)	State (5%)
Final project	\$2,899,923.86	\$161,099.47
Original grant	\$2,776,944.00	\$154,274.67
Change	\$122,979.86	\$6,824.80

The Department recommends approval of a state grant amendment in the amount of \$6,824.80.

A MOTION WAS MADE by Odenbach and seconded by Huggins to approve a state grant amendment in the amount of \$6,824.80 for the Rapid City Regional Airport AIP #3-46-0048-48-2016 project. All present voted aye by roll call vote. The motion carried.

Becker presented for Commission consideration a proposal for increasing the State share for terminal projects. Becker provided the following description of the Department's recommendation:

The Policies and Procedures for use of State Funds, revised June 21, 2017, states that:

1. Portions of a terminal building, dedicated to public use and non-revenue producing, can be funded by the Aeronautics Commission. Four limitations apply:
 - i. Revenue producing portions of the project are ineligible for funding.
 - ii. On projects funded by State and Local only (No AIP Participation), State aid will be limited to 50 percent of the eligible items.
 - iii. On projects involving Federal/State/Local funding, State aid will be limited to a fifty percent share (50% State/50% Local) of the amount of funds required to match federally funded eligible items.
 - iv. State aid shall be limited to a maximum of \$200,000 for each commercial service airport project.

Managers of primary airports have asked to increase the maximum amount allowed for state participation in a terminal project.

Commissioner Travis Lantis joined via phone at 2:01 p.m. An unidentified individual joined via phone at 2:03 p.m.

A MOTION WAS MADE by Huggins and seconded by Luers not to change the current State share for terminal projects. All present voted aye by roll call vote. The motion carried.

Becker presented the following information for the consideration of FAA Supplemental Grant Applications:

Congress passed the Consolidated Appropriations Act 2018 to make additional funding available to airports. The funding available is a new funding source and is considered above and beyond the typical appropriated funding that has been historically available to airports. All the funds awarded will be based on a competitive process administered through FAA. Nonprimary (GA) airports may apply for grants with no local match funding required. Primary (commercial) airports may also apply for grants but have a local match requirement set at the same normal AIP grants match requirement of ten percent. Commercial airports may also apply for and receive funding that will require a local match above and beyond our normal AIP project match.

The Sioux Falls airport has applied for \$10,800,000 in supplemental funding for reconstruction of part of runway 3-21. The application and project sketch are attached. The Sioux Falls airport is requesting the Aeronautics Commission provide 5% of the required 10% local match, \$562,500.

The Watertown airport has applied for \$14,000,000 in supplemental funding for a new passenger terminal and associated apron and taxilanes. The application is attached. The Watertown airport is requesting 5%, or \$700,000.

A MOTION WAS MADE by Lantis and seconded by Odenbach to approve the Supplemental Grant Application for the Sioux Falls airport. All present voted by roll call vote as follows: 4 aye (Odenbach, Lantis, Luers and Johnson) and 1 nay (Huggins). The motion carried.

A MOTION WAS MADE by Odenbach and seconded by Lantis to table any decision on the Supplemental Grant Application for the Watertown airport until the January Commission meeting. All present voted aye by roll call vote. The motion carried.

Tom Koch of the Office of Air, Rail, and Transit, presented for Commission consideration Public-Use Airport Licenses. Koch provided the following description of the Department's recommendation:

Provided below is a list of the airports that have been inspected by this office this past year to ensure the airports meet the minimum requirements for public use approval. Included is a notation relative to restrictions on the license.

The Department recommends Commission approval of the 2019 public use license for the following airports with the restrictions as noted and subject to the receipt of an application deemed complete by the Department:

<u>AIRPORT</u>	<u>RESTRICTION</u>
1 Aberdeen Regional Airport	None
2 Arlington Municipal Airport	None
3 Belle Fourche Municipal Airport	None
4 Bison Municipal Airport	None
5 Britton Municipal Airport	None
6 Brookings Municipal Airport	None
7 Buffalo - Harding County Airport	None
8 Canton Municipal Airport	None
9 Chamberlain Municipal Airport	None
10 Clark County Airport	None
11 Clear Lake Municipal Airport	None
12 Corsica Municipal Airport	None
13 Custer County Airport	None
14 Custer State Park - Fairburn	None
15 DeSmet - Wilder Field	None
16 Cheyenne Eagle Butte Airport	None
17 Edgemont Municipal Airport	None
18 Eureka Municipal Airport	None

19	Faith Municipal Airport	None
20	Faulkton Municipal Airport	None
21	Flandreau Municipal Airport	None
22	Gettysburg Municipal Airport	None
23	Gregory Municipal Airport (Flynn Field)	None

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24	Groton Municipal Airport	Daylight Use Only
25	Herreid Municipal Airport	Daylight Use Only
26	Highmore Municipal Airport	None
27	Hot Springs Municipal Airport	None
28	Hoven Municipal Airport	None
29	Howard Municipal Airport	None
30	Huron Regional Airport	None
31	Isabel Municipal Airport	Daylight Use Only
32	Kadoka Municipal Airport	None
33	Kimball Municipal Airport	Daylight Use Only
34	Lake Andes Municipal	Daylight Use
35	Airport Lake Cochrane	Only Daylight
36	Lake Preston Municipal Airport	Daylight Use Only
37	Lemmon Municipal Airport	None
38	Madison Municipal Airport	None
39	Martin Municipal Airport	None
40	McLaughlin Municipal Airport	None
41	Milbank Municipal Airport	None
42	Miller Municipal Airport	None
43	Mitchell Municipal Airport	None
44	Mobridge Municipal Airport	None
45	Murdo Municipal Airport	None
46	Onida Municipal Airport	None
47	Parkston Municipal Airport	None
48	Philip Municipal Airport	None
49	Pierre Regional Airport	None
50	Pine Ridge - Oglala Sioux Airport	None
51	Platte Municipal Airport	None
52	Presho Municipal Airport	None
53	Rapid City Regional Airport	None
54	Redfield Municipal Airport	None
55	Rosebud Sioux Tribal Airport	None
56	Sioux Falls - Joe Foss Field	None
57	Sisseton Municipal Airport	None
58	Spearfish - Black Hills/Clyde Ice Field	None
59	Springfield Municipal Airport	None
60	Sturgis Municipal Airport	None
61	Tea - Marv Skie/Great Planes Airport	None
62	Timber Lake Municipal Airport	Daylight Use Only
63	Vermillion - Harold Davidson Field	None
64	Wagner Municipal Airport	None
65	Wall Municipal Airport	None
66	Watertown Municipal Airport	None
67	Webster - Sigurd Anderson Airport	None
68	Wessington Springs Municipal Airport	None

69	White River Municipal Airport	Daylight Use Only
70	Winner - Bob Wiley Field	None
71	Yankton - Chan Gurney Municipal	None

A MOTION WAS MADE by Huggins and seconded by Luers to approve the Public-Use Airport Licenses. All present voted aye by roll call vote. The motion carried.

Dr. Cody Christensen, Program Coordinator of South Dakota State University (“SDSU”) Aviation, presented the following information on the 2018 Aerospace Career and Education (“ACE”) Camp:

We would like to once again thank you for your contributions to ACE Camp 2018. Yet again another great year, with great students is in the books! We have many great sponsors that help make ACE Camp possible and to help facilitate all the different reporting requirements, we thought it would be best to include it in one report so that all our wonderful sponsors and stakeholders have access to our information and can answer to their constituents. We are still processing payments and expenses but wanted to get an estimated expenditures and final report to the commission before the end of the year.

Many positive outcomes and relationships have been built through the years because of ACE camp. We had 22 students signed up for camp and ended up with 21 students from four states. We were able to award scholarships to all students who qualified, which is a feat in itself! While not every student uses the camp as a bridge to a career in the aviation industry, we feel it opens their eyes to the very important part that aviation places in South Dakota and equips them to provide a positive light on the industry.

ACE Camp 2018 was only four days long however we used almost every waking hour to maximize our time. Campers flew airplanes, built multiple rockets of different sizes, constructed ALPHA model airplanes, visited Lake Area Tech, talked to aviation professionals, studied aerodynamic principles, flew a single engine flight simulator, controlled a model airplane, and spent time enjoying the full camp experience. We watched some aerospace related movies, played some games, had a pool party, and as always, went to bed a little later than we should.

This year we had four SDSU Aviation students help as counselors and a high school teacher to help facilitate the camp. This is a good introduction for current aviation students to see how to interact with different age groups and it helps to develop lesson plan activities for our resident educator.

Again, we thank you for your ongoing support of ACE Camp and plan we are already starting to plan for ACE Camp 2019, which is tentatively scheduled for July 7th through the 10th, 2019. We will miss the Sioux Falls Airshow since that is in August this year but we will make sure to advertise for it. Sam Bjornestad, the SDSU Aviation Manager, will be overseeing ACE Camp next year so look for information from him in the coming months.

2018 ACE Camp Budget (Estimated)		
ITEM	EXPENSE	INCOME
Salary *	10,393.20	
Meals	\$1,717.08	
Housing	\$1,491	
Activities/supplies*	\$5,973.97	
Transportation	\$541.14	
Camp sponsorships		
South Dakota Aeronautics Grant		\$5,000
SD Space Grant		\$5,473
SD Space Grant- Dalsted Teacher Grant		\$1,300
Tuition & Scholarships		
Student paid tuition (including scholarships)		\$7,350
Total	\$20,116.39	\$19,123
Difference	-993.39	
Average cost per camper in 2017	\$981	
Average cost per camper in 2018	\$958	

*Estimated since some expenses and income do not get billed/deposited until months after the camp is complete.

All expenses/income not shown such as in-kind donations, time of individuals outside of camp, and some camp oversight paid for by outside entities. Additional sponsorship provided by the SD Space Grant for promotion through the SDSU Mobile Simulator throughout the state was not included in this expense breakdown.

	Frequency	Percent
Campers		
Male	15	71%
Female	6	29%
Total	21	100%
Ethnicity		
Caucasian	19	90%
Native American	1	5%
No response	1	5%
Scholarships		
Number applied	11	52%
Number awarded	11	100%
Home State		
South Dakota	16	76%
Minnesota	3	14%
Iowa	1	5%
Colorado	1	5%
Counselors		
Male	6	86%
Female	1	14%
Total Counselors	7	100%
Additional workers/volunteers		
Male	14	88%
Female	2	12%
Total volunteers	16	100%

All students have waivers to use their image for promotional activities. For camp pictures please see our Facebook site: @SouthDakotaAceCamp

Christensen presented the following information for the SDSU Flight Simulator Final Report:

I wanted to take this opportunity to again thank you for investing in promoting aviation and airports across the state of South Dakota. The SDSU Aviation Mobile Simulator was partially funded (\$75,000) by the Aeronautics Commission in the April 2016 meeting in Deadwood, SD. During the last two years, we have developed, designed, implemented, recruited, and traveled with the mobile training device

throughout the state. It was developed and built in late 2016 and we picked it up as an early Christmas present in December of 2016. The outside of the simulator proudly displays the logo of the SDDOT and the Aeronautics Commission as outlined in the agreement. We spent January and February training operators, developing lesson plans, creating training scenarios and road testing the device. Its first showing was at the Career and Technical High School in Sioux Falls and then the SD Airports conference in March of 2017.

Since then we have traveled throughout the state promoting aviation and increasing the visibility of our sponsors. We are now in the twilight of this grant with an end date of December 2018.

The highlights of the project have definitely been the number of students that we introduced to aviation and witnessed the lightbulb moment when they realized that could fly, and still reside in South Dakota. We specifically targeted non-majority populations of students with the simulator, with emphasis on females, Native American students, and rural students.

This project has been IMPACTFUL! We created a Native American outreach through the Cheyenne River Sioux Tribe, developed and delivered a high school course in aviation at the Brookings High School and participated in five Women in Science events. As the only aviation flight program accredited in the state, we have seen double digit increases in enrollment of students in the program and we attribute much of this growth to the Aviation Mobile Simulator.

Because of this funding from the Aeronautical Commission, we were able to engage the simulator at 32 different events, serving over 1,921 people, not including all the aviation students and guests in the Brookings area who used the simulator while it was at our facility. Of the 1,921 participants, over 1,500 were students. Depending on the event and audience we were able to recoup some demographic information about many of the participants. As you can see below, the majority of the participants were school aged students (76%)- our target demographic of the project.

<u>Age of Participants</u>	<u>Number</u>	<u>Percentage</u>
Elementary	570	29.7%
Middle School	466	24.3%
High School	431	22.4%
College	108	5.6%
Adult	259	13.5%
Total documented participants	1,921	

We would love to continue travelling with the sim and we do continually get requests to bring it to different events but the end of this grant essentially concludes the SDSU Aviation Mobile Simulator Lab travel. We are working to create opportunities to continue promoting aviation and try to accommodate any requests we can. If in the future the Commission would like to partner again to promote aviation, please keep the simulator in mind as we have all the components in place to keep this impactful project operating. We appreciate the willingness of the Commission to take a chance promoting aviation in South Dakota. I hope you feel your resources went to good use!

Jundt presented consideration of the Annual Report to the Governor.

A MOTION WAS MADE by Lantis and seconded by Huggins to approve the Annual Report to the Governor with the addition of a graph and amending a paragraph on page 2. All present voted aye by roll call vote. The motion carried.

With no other business to come before the Commission, the meeting was adjourned at 3:12 p.m.

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 3-232.1 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

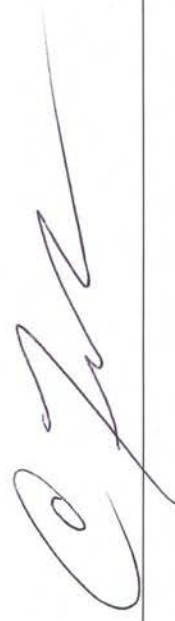
Attach additional pages, if necessary.

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: 7-1-2018

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: 7/1/2018

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: _____



Christopher Funk

Date 7/1/2018

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: 7/1/2018

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 7/1/2018