

Oregon State Aviation Board  
Approved Meeting Minutes

November 20, 2002

McMinnville, Oregon

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Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and mailed to persons on the mailing list of the Board, a meeting of the Oregon State Aviation Board was held at the Evergreen Aviation Museum in McMinnville, Oregon, on November 20, 2002.

Board members present included Bill Wilkins (Chair), Mike Burrill, Jack Loacker and Joe Smith. Also present were Oregon Department of Aviation staff members Ann Crook, Daren Griffin, Tom Franklin, Rebecca Jasso, Carolyn Bolton, Tasha Petersen and Carma Gale. Lynn Rosik, Assistant Attorney General, attended by invitation. The attendance list signed by members of the public present at the meeting is on file at the offices of the Oregon Department of Aviation in Salem.

Chair Wilkins called the meeting to order at 8:19 a.m. Introductions followed. Wilkins announced that Mike Nelson had resigned from the State Aviation Board, citing personal reasons.

### **Agenda Adjustments**

The agenda was adopted as published.

### **Consent Calendar**

- Minutes of the October 16, 2002, meeting were approved as published.
- FAM Grant Allocation. Tom Franklin requested approval of 15 allocations of \$10,000 each under the FAM Grant Program. The total of \$150,000 represents 100% of the funds available for the upcoming year. Burrill moved that the request be approved. Loacker seconded. The motion carried unanimously.

### **Consider Approval of OAR 738 Name Change Amendments**

Wilkins noted the period of public comment had closed on the proposed edits to OAR 738. Carolyn Bolton reviewed the purpose for the edits, indicating that they represented final "housekeeping" edits conforming Chapter language to accurately reflect independent agency status for Oregon Department of Aviation, removing remaining references to Oregon Department of Transportation, the Oregon Transportation Commission, and so forth. Wilkins noted that the Department had not received request for hearing from the public and that no written public comment had been submitted for consideration. He called for discussion. There was none. Smith moved that OAR 738 Name Change Amendments be adopted. Loacker seconded. The motion carried unanimously.

### **Overview of proposed OAR 738-035 Minimum Operating Standards**

Griffin reviewed three issues discussed at the October 16, 2002, Board meeting.

- 738-035-0030(1). The Board agreed at the October 2002 meeting to delete this section. Griffin and Rosik offered revised language removing the word "inspections" and instead using "enforcement." The new language would give the Department authority to appropriately enforce the minimum standards set forth in Chapter 738.
- Fuel tank capacity. Griffin clarified that the agency policy, as approved by the State Aviation Board, specifically states 8,000 gallons each tank per fuel type for both Category II and IV Airports.

Oregon State Aviation Board  
Approved Meeting Minutes

- 738-035-0050(6)(e)(D). Griffin recommended that the language be changed to allow storage of crates, boxes, barrels, etc., inside hangars, but continue to prohibit storage outside hangars. He added that the Department has the right to inspect hangars.

Bolton reviewed key language changes included in the November 20, 2002, draft of OAR 738-035 Operating Minimum Standards.

- 738-035-0045(4)(d) was changed to read: "Although the FBO is not required to lease or construct a building at a State-owned airport, they may choose to do so. In that event, the FBO may provide services and concessions similar to (3)(E) above."
- 738-035-0050(4)(B) was changed to read: "Category III and IV Airports: during appropriate business hours, five (5) days a week, excluding holidays;
- 738-035-0055(6)(c) was changed to read: "Ensure that all student pilots are registered in compliance with Department pilot registration laws."
- 738-035-0055(11)(E) was changed to read: "The piling and storage of crates, boxes, barrels, containers, refuse, and surplus property shall not be permitted outside the hangar..."

Smith requested the following changes:

- 738-035-0005(4) be changed to read: "Operating minimum standards provide threshold entry requirements for any person or entity proposing to enter into an agreement with the Department to provide commercial aeronautical services to the public at a State-owned airport..."
- 738-035-0015(1)(g). Smith questioned why 738-035-0015(1)(g) was eliminated. Bolton explained that in a meeting with Crook, Griffin and Rosik, it was determined that this language pertained to Chapter 738-015 Rates and Changes and was not appropriately contained in Chapter 738-035 Minimum Standards. She further clarified that ODA's Management Team and legal counsel concurred that no weight should be given, in authorizing commercial activity on State-owned airport property, to consideration of whether a proposed activity is for profit or nonprofit.
- 738-035-0030(1) be changed to read: "The Department shall provide consistent, uniform, and fair enforcement of these minimum standards to accomplish the Department's goals and promote successful commercial business operations at all State-owned airports. The Department may, therefore, provide in its written agreements any appropriate provisions to assist the Department in enforcing these operating minimum standards."
- 738-035-0050(6)(e)(A) be changed to read: "Only preventive aircraft maintenance as described in 14 CFR Part 43 may be performed by the aircraft owner on the leased or rented hangar property...."
- 738-035-0055(6)(a) be changed to read: "Provide at least one (1) currently qualified FAA-certified flight instructor, registered with the Department in compliance with the Oregon pilot registration laws, and additional qualified instructors..."
- 738-035-0055(8)(a) be changed to read: "Provide at least one (1) currently qualified FAA-certified person registered with the Department in compliance with Oregon pilot registration laws, to conduct the flight activity offered by the operator."

Wilkins asked for comments. There being none, he proposed adopting the changes. Burrill moved that the changes be adopted. Smith seconded. The motion carried unanimously.

Wilkins thanked staff and the Board for their work on the minimum standards.

Oregon State Aviation Board  
Approved Meeting Minutes

**Project Approvals**

Griffin asked for the Board's approval for authority to take two requests to the January 2003 Emergency Board of the Oregon Legislature. One request will be for authority to accept a federal grant in the amount of \$862,500, for an FAA-funded Airport Improvement Project (AIP) at the Joseph State Airport targeted for completion in the summer of 2003. This project involves construction of a full-length parallel taxiway, as well as installation of guidance signage and game-deterrent fencing. Precision Approach Path Indicators or Runway End Identifier Lights could also be included, depending upon actual construction costs. He noted there has been increased interest in the Joseph State Airport recently.

The second E-Board request will be for authority to accept a federal grant in the amount of \$681,260 for an FAA-funded Airport Improvement Project at the Condon State Airport, to be completed in the summer of 2003. This project will provide improvements to the asphalt surfaces at the airport, including taxiways, aircraft parking aprons and access roads. It will also provide concrete containment pads for the loading of the agricultural aircraft that are primary users of the airport.

Smith inquired how changes such as these will be noted in the Airport Directory. Crook replied that while the directory will be updated on a regular basis, there will always be details that are out of date.

Smith moved that the Board approve the Department's request to take two requests to the January 2003 E-Board. Locker seconded. The motion carried unanimously.

**Consultant Contract Approvals**

Griffin requested the Board's approval to enter into five-year contracts with two engineering firms: Century West Engineering of Bend and W&H Pacific of Beaverton. Each consulting firm was awarded a maximum of \$800,000 worth of engineering work from the Department during the five-year term of the contract.

Burrill moved that the Board approve and authorize the Department to execute five-year engineering contracts with Century West Engineering and W&H Pacific. Locker seconded. The motion carried unanimously.

Franklin requested the Board's approval to execute five-year contracts with two firms to provide engineering services for the Pavement Maintenance Program (PMP) and the GA Entitlement Program. The Department is currently working with the Department of Justice to prepare Requests for Proposals (RFPs) for both programs. The selection process is expected to be completed by mid-December 2002. Each of the two firms selected will be awarded a maximum of \$800,000 in engineering work over the five-year term of the contract. Staff has requested approval in advance of the contract award because the Board is not scheduled to meet in December and consultant selection must be completed by calendar year-end to ensure FAA funding. Announcement of selected firms will be made to the Board at their next meeting in January 2003. Franklin noted that \$800,000 is consistent with the money spent in past years.

Griffin explained the selection process and reviewed state requirements in place to keep the process both open and fair. Oregon firms are not given any advantage over out-of-state firms.

Oregon State Aviation Board  
Approved Meeting Minutes

Loacker moved that the Board approve and authorize the Department to execute a five-year contract with the firm selected for the Pavement Maintenance Program. Burrill seconded. The motion carried unanimously.

Loacker moved that the Board approve and authorize the Department to execute a five-year contract with the firm selected for the GA Entitlement Program. Smith seconded. The motion carried unanimously.

**Vice Chair Vacancy**

Wilkins suggested the position be temporarily filled by current Board members, in alphabetical order by last name, until the Governor appoints a new Vice Chair. Accordingly, he asked Burrill to serve as Interim Vice Chair. The Board approved.

**Proposed Board Resolution on State-Owned Airport Inventory**

Loacker led a discussion on the proposed draft resolution to form a task force to review the state-owned airport inventory. He stated the Board's intent in creating a task force is to assist the Department, which is constrained by limited staff and resources, in establishing: (1) criteria regarding acquisition or divestiture of state-owned airports, and (2) guidelines concerning equitable application to all airports in Oregon of airport improvement support available through ODA. He reviewed the draft resolution and recommended that the resolution be studied during the Board's Intensive Work Session in January 2003, then reconsidered at the March Board meeting.

Wilkins opened the issue of the task force for public comment. Jim Hutchins, Oregon Pilots Association, noting the recent transfer of Beaver Marsh State Airport, voiced his support for the proposed task force and stated he would like to be on the task force. Jack Haggerty, Toledo, expressed concern that it seemed everyone knew about possible changes at the Toledo State Airport except the pilots. He asked that pilots be informed of any changes that may take place at state airports at the beginning of the process. Wilkins expressed concern regarding the language format of the resolution and community willingness to accept the responsibilities that come with taking over an airport.

Wilkins asked Loacker to lead this discussion at the Intensive Work Session.

**Evaluation of the Director**

Wilkins asked Board members if they had any comments or questions on the Director's self-evaluation. It was noted that Wilkins and Nelson had worked with Crook to develop the scope and criteria of the evaluation. The Board conducted the Director's evaluation, giving Crook a score of 100 points out of a possible 100.

Wilkins explained that the Board has the authority to fix the Director's salary within the salary range of Director's classification, and recommended a one step salary increase for Crook. Loacker moved that the Board approve a one step salary increase, Burrill seconded. The motion carried unanimously. Wilkins asked Crook to draft a memorandum for his signature, directed to the Department of Administrative Services authorizing the salary increase. Burrill requested that the performance plan be added as a discussion item at the Intensive Work Session. Smith suggested that Crook consider setting the evaluation in executive session next year to enable members of the Board to be more candid in their comments.

Oregon State Aviation Board  
Approved Meeting Minutes

Crook thanked the Board for its support during the past two years. She noted that in the past two years, the Board and Department have worked together to form a new department and a new governing Board. They have also worked together on some very challenging issues.

**Subcommittee Reports and Updates**

Aerospace Economic Development Program. Burrill reported that the January issue of *FLIGHTlines* will contain an article on the program. The sum of \$20,000 has been committed to the program to date.

Regional Air Cargo System Plan Subcommittee. Burrill reported the program may be combined with Congressman Blumenauer's *Airvolution* conference being planned for early 2003. In spite of earlier reservations, Sea Tac has now agreed to participate.

2003 Board Meeting Schedule. Bolton reviewed the Future Board Meetings Worksheet. Meetings have been scheduled for the third Wednesday of the odd numbered months. She asked for approval of the dates and locations or suggestions for alternative locations. Smith asked if the July meeting could be moved back one week due to a personal conflict. Bolton agreed to poll the Board and determine the viability of an alternative date for July's meeting. It was further suggested that the July meeting be held in Burns.

The 2003 meeting schedule for the State Aviation Board was approved as follows:

March 19, 2003	Salem
May 21, 2003	Independence
July 2003	Burns
September 17, 2003	Klamath Falls
November 19, 2003	Pendleton

Bolton will send e-mail notice concerning the outcome of polling on the date of July's meeting.

**Set Agenda for January 29, 2003 Board Meeting**

The meeting is scheduled for the morning of January 29, 2003, at the Wittenberg Inn in Keizer. It will be followed in the afternoon by the Intensive Work Session, which will continue all day on January 30, 2003. Smith asked if the date of the meeting could be moved back one day due to a personal conflict that had arisen for him, suggesting that the Board meeting be moved to the morning of January 28<sup>th</sup> and the Intensive Work Session continue the afternoon of the 28<sup>th</sup> and all day on January 29<sup>th</sup>. Bolton agreed to poll the Board soon to determine viability of Smith's requested adjustment and to report the outcome back to the Board.

The Board reviewed proposed agenda items for their January meeting. It was suggested that a presentation on the proposed adoption of the Department's updated Land Use Compatibility Guidelines be added to the agenda.

Wilkins reported that the focus of the Intensive Work Session will be on the policy question of State ownership of airports. It will give the Board an opportunity to provide direction for the Department and the Board. A discussion of aviation economic development will also be included. He noted that the Intensive Work Session is a public meeting.

Wilkins read an email from Board member Steve Schreiber. It was an invitation from the Port Director's Strategic Planning to engage in a discussion of issues at an Oregon Business Council's strategy session on December 9, 2002. A discussion on intrastate air service issues is planned. Wilkins suggested that Crook and Board members lead the discussion, noting that it

Oregon State Aviation Board  
Approved Meeting Minutes

was a good opportunity for the Department to showcase its work in this area. He offered to draft a white paper for Crook to review and refine. Burrill indicated his plans to attend. Wilkins encouraged other Board members to attend as well.

**Oregon Aviation Awards of Excellence**

Wilkins announced that the Board and Department will begin recognizing and honoring people who have made significant contributions to aviation in Oregon. The first two honorees were Ray Costello and Del Smith. They were presented with plaques noting their achievements.

Costello was honored for his service as an Air Force combat veteran in World War II, Korea and Vietnam, his role as the creator of the first Oregon Aviation System Plan, his representation of the Pacific Northwest in AOPA, and his invaluable contributions in advancing general aviation throughout Oregon and beyond. Costello accepted the award and thanked the Board. He also thanked the Board and the Department for their work, particularly in the field of outreach.

Smith was honored for his service as an officer in the United States Air Force, his vision that situated the headquarters of an international aviation corporation in a small Oregon community, his assistance to international peace-keeping and humanitarian efforts, and for making aviation history and education more accessible to the general public through the creation of the Michael King Smith Evergreen Aviation Museum and Education Center. Mike Hines, Director of Evergreen Aviation Aircraft Sales and Leasing, accepted the award on behalf of Smith, who was out of the country.

Wilkins reported that ROTC cadets at Oregon State University hold an annual 24-hour vigil on November 11 to commemorate veterans. This year's ceremony was dedicated to Costello's son-in-law, who was killed on his first mission in Vietnam. His remains were recently found and returned to his family this year.

**ODA Budget Update**

Jasso reviewed the 5<sup>th</sup> Quarter Budget Report. Search and Rescue income is at 57 percent; the target is 63 percent. She noted that revenue from pilot registration is down 29 percent from 1999-2001 biennium. Department staff conducted a pilot registration match with FAA records in 1999, resulting in increased revenues during last biennium. Operation actuals are at 58 percent; the target is 63 percent. Jet fuel has seen a 5 percent decrease in 2001-2003 from the 1999-2001 biennium, while AVgas has increased. Overall the budget is at 27 percent; the target is 63 percent.

Jasso also distributed the Board Administration budget sheet.

In response to questions from the Board, Jasso noted the Department's annual budget is \$9 million. Approximately one-half of the revenues are generated within the state; the other half comes from federal grants and transfers. About half of the budget is spent on capital construction (including GA Entitlement program).

Jasso distributed and reviewed the contents of the new budget binders. The Governor's Recommended Budget for 2003-2005 is included in the binder. She reported that the Policy Option Package for T-hangars at State-owned airports had been removed from the Agency Request Budget at the state budget analyst's request. Also, there has been a technical adjustment in the budget due to the FAA informing the Department they were moving capital

Oregon State Aviation Board  
Approved Meeting Minutes

construction at Bandon State Airport to the 2005-2007 biennium, while moving up construction at Cottage Grove to 2003-2005. There is now a \$1 placeholder for the Cottage Grove project.

Wilkins complimented Jasso and staff on the design of the budget binder.

The Board recessed at 11:50 a.m.

The Board reconvened at 1:00 p.m. and immediately recessed for a public hearing on Proposed Administrative Rule OAR 738-035 Operating Minimum Standards for Aeronautical Activities at State-Owned Airports.

The Board reconvened at 1:10 p.m. and recessed to take a tour of McMinnville Airport.

The Board reconvened at 2:30 p.m.

### **Evergreen Aviation Museum**

Ryan Lillie, Education Director for Evergreen Aviation Museum, gave a presentation on the museum. The current location was opened in June 6, 2001. Del Smith built the museum to honor his son, Michael King Smith.

- Many of the airplanes in the collection are personally owned by Del Smith.
- The *Spruce Goose* was acquired in 1992 by Michael King Smith.
- A full theater is planned for the facility.
- The collection is still growing. An SS71 has been acquired and a Japanese Zero is currently being restored. There are plans to locate planes on the grounds of the museum.
- Over 200 volunteers work on restoring airplanes and helping at the museum.
- The Education Department saw over 3,000 students tour the facility in school groups last year. More than 20,000 students have visited the museum since it opened. The museum's Education Department is working to create a hands-on experience for students.

The Board thanked him for his presentation.

### **Oregon Air Fair**

Gwen Morrow, President of the Northwest Aviation Association, gave a presentation on the 2002 Oregon Air Fair. She noted that the Northwest Aviation Association is an all volunteer, all donation organization.

- 2002 was the third year the event had been held in Albany. Approximately 8,000 people attended. There were 55 booths and exhibitors, and 22 aircraft were displayed. The event came close to breaking even in terms of budget. This was due only to the support of key sponsors.
- The theme of the 2003 Oregon Air Fair will be "Through Time and Imagination - 100 Years of Flight."
- The Air Fair is in need of good, solid, consistent sponsorship to ensure the event happens every year and maintains the quality of past events.
- The Association has re-evaluated the goals of the event and how it wants to attain those goals. The association agreed that:
  - The Oregon Air Fair is a pilot event.

Oregon State Aviation Board  
Approved Meeting Minutes

- It is held for the education of pilots, to make the pilot community safer and more enjoyable.
- It is heavily committed to the education of young people, to encourage them to study math, science and engineering and to become pilots.
- The association wants to keep the general public interested in aviation.
- ➔ In the past, scheduling of the Air Fair has forced it to compete with the Reno Air Races. In 2003, the event will be held the week following the Reno Air Races to alleviate that conflict.
- ➔ The budget for 2002 was \$50,000. Half that amount, or \$25,000, was donated by sponsorships. The remainder came from exhibitors. A goal for 2003 is to look for corporate sponsors who will commit for multiple years. The Association is also looking for a title sponsor to contribute at the \$50,000 level, supplemented by numerous smaller sponsors at the \$10,000, \$5,000 and \$500 levels.
- ➔ They want to keep it a free event.
- ➔ They want to keep the event in Albany. That location allows for easy access by car and aircraft. The event drew more people when it was held in Portland, however, Portland is too expensive, aircraft access is limited and both locations and dates are hard to get. With the sole exception of 2001, the event has been growing in Albany.
- ➔ Most of the volunteers are from the pilot community.
- ➔ The Association has a list of potential sponsors and is willing to share the list with the Board.
- ➔ The past two years they have hired a professional event planner to work with the exhibitors. This professional even donates some of her time because she believes so much in the event.
- ➔ The Oregon Air Fair is a 501(c)3 tax-exempt corporation.
- ➔ The exhibitor numbers since leaving Portland for Albany have remained steady.

Crook made a plea to the Board for support of the Air Fair, noting that the Northwest Aviation Association needs people with enthusiasm for the Air Fair and aviation that have contacts in the aviation business community to help get sponsorships. The Department has given a lot of support to the event and works with the Association to make sure their goals coincide with Department goals. She asked for the support and influence of the individual Board members to ensure the event continues. The Department is budgeted to contribute \$10,000 to the 2003 Oregon Air Fair, so long as ODA's 2003-2005 budget is approved.

Morrow noted that sponsorships are evenly split between aviation and non-aviation related sponsors.

Wilkins thanked Morrow.

There being no further business, the meeting was adjourned at 3:12 p.m.

*Copies of meeting materials and written public comments are on file at the Department of Aviation in Salem, Oregon.*