

**REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS
MOHAVE COUNTY AIRPORT AUTHORITY, INC.
Minutes of October 13, 2015**

A Regular Meeting of the Mohave County Airport Authority, Inc. (MCAA), Board of Directors was held at 9:00 a.m. MST on October 13, 2015 in the Banquet Room of the Laughlin Ranch, 1360 William Hardy Drive, Bullhead City, Arizona.

A. CALL TO ORDER

Director John Hastings, President, called the meeting to order at 9:05 a.m.

B. ROLL CALL

Directors Present

John Hastings, Jim Zaborsky, Lloyd Shires, Brad Belhouse, Tom Sockwell, Jena Morga, Chris Barton, Kevin Murphy, and Steve Willett.

Members Present

Mark Clark, Connie Davis, Delman Eastes, Patricia Fordham, John Holladay, Meg McDaniel, Lance Ross, Frank Sapp, Phyllis Smith, Ron Smith, and Jay Steigelman.

Staff Present

Jeremy Keating, Wendy Brooks.

Guests Present

Jennifer Portwood, Hertz Car Rentals; Matt Laughlin, Riverside Resort; Jim Maniaci, Laughlin Economic Development Corporation; Earl Lemee, local resident and former United Airlines employee.

C. PLEDGE OF ALLEGIANCE

Director John Hastings, President, led everyone in reciting the Pledge of Allegiance.

D. APPROVAL OF MINUTES

A motion was made by Director Chris Barton to approve the minutes of the Regular Meeting held on July 14, 2015, seconded by Director Steve Willett. Motion carried unanimously.

E. DISCUSS AND TAKE POSSIBLE ACTION TO APPROVE NEW MEMBERSHIP APPLICATIONS

Two people submitted MCAA Membership applications. Director John Hastings, President, asked each of them to share their interest in becoming a member of the Mohave County Airport Authority.

1. Jennifer Portwood

Jennifer is a 36-year resident of Bullhead City. Jennifer has worked at the airport for 15 years in the car rental business, the last 12 years of which have been at Hertz Car Rentals. Jennifer said that she has seen the expansion and changes at the airport while working here. She wants to be a part of the Authority as a way to continue giving back to the community. MCAA General Member Lance Ross spoke on Jennifer's behalf. He said that Jennifer is already very active in the community, working with the Women's Council as well as other programs in the area. Lance said it would be good to have her involved with the Authority.

According to the By-laws new MCAA Members are voted in by the General Membership. A motion was made by Director Jena Morga to hold the General Membership vote for Jennifer to become a member of the Authority, seconded by Director Jim Zaborsky. Motion carried unanimously. The General Members were asked to vote for Jennifer to become a member of the Authority, and she was voted in unanimously.

2. Matthew Laughlin

Matt has lived in Laughlin all his life except when he attended UNLV. Matt said he recently took on the Assistant General Manager role at Riverside Resort. He has come to understand how important the Air Program is to the Riverside Resort, and he wants to keep up with what is going on at the Airport. Matt also shared that he wants to help maintain the good working relationship between the Riverside Resort and the Airport.

A motion was made by Director Lloyd Shires to hold the General Membership vote for Matt to become a member of the Authority, seconded by Director Steve Willett. Motion carried unanimously. The General Members were asked to vote for Matt to become a member of the Authority, and he was voted in unanimously.

F. COMMITTEE REPORTS

1. Finance & Planning Committee – Director Brad Belhouse, Treasurer

a. Year to Date Financial report.

Two months into the fiscal year, both revenues and expenses are favorable to the budget.

On the expense side, the Airport has two unfilled positions. This has resulted in a savings in the Salary and Wages budget line.

There is \$570,000 in operating cash plus reserve funds available. Overall, the Airport is in a stable and healthy position.

b. Capital Expenditures since last meeting.

1) Security Camera recorder.

A Security Camera recorder was purchased for \$7,000, and has been installed.

- 2) Rescue 2 engine overhaul.
The engine had a cracked cylinder head, and the cost for repair was \$24,000, which was a good price for that type of repair. This will help keep Rescue 2 operational.
 - 3) Passenger boarding ramp at Gate 3.
A ramp was purchased from Republic Airlines for \$5,000 when their contract with Harrah's ended. It is worth about \$15-20,000. The ramp has already come in handy when there were more than two planes on the ramp, so it has proved to be a good acquisition, especially for that price.
- c. Airport Planning & Environmental Services Request for Qualifications (RFQ).
At the last Board meeting, we discussed that the FAA requires the Airport to advertise for an Airport Planning Consultant every five years. MCAA is currently working on the bid advertisement and expects to advertise in the next couple of months.
- d. FAA Projects in Progress.
- 1) Part 150 Noise Study.
We are waiting for the FAA's final approval after the 180-day public comment period which ends in January.
 - 2) Environmental Assessment.
This process takes a number of years to complete. The assessment step should be finished in a few months.
 - 3) Runway & Taxiway Extension Construction (Phase 1).
The project was awarded to FNF Construction. If we get the project started in November or December as planned, we can expect it to be finished sometime in late summer, at which time we will start looking at Phase 2. Phase 1 is moving dirt and doing soil work. Phase 2 is the actual paving.
- e. ADOT Project status.
- General Aviation Apron Rehabilitation (Phase 1)
The project was awarded to McCormick Construction, a local contractor, and is expected to begin in November.
- f. Other Airport Development/Improvements
- 1) Landmark trailer relocation.
This is a long process and includes city and county permits. There is no definitive timeline for completion. It depends on when the permits can be done.
 - 2) ARFF Truck Rehabilitation.
We expect to advertise for a bid on this in the next few days.
 - 3) Terminal Emergency Power upgrade.
This is also expected to be put out for bid in the next couple of weeks.

4) Terminal B carpet replacement.

The carpet is in need of replacement, and is being replaced right now.

5) Security upgrades to Air Traffic Control Tower.

There is no real definitive timeline for this. This project is on hold for now given all of the other work that is being done. We will start setting up a timeline once some of the other projects are completed.

2. Real Estate Committee – Director Jim Zaborsky, Vice President

a. ParkWest Development Status Report.

Stewart Jean and Charlie Boyd from ParkWest gave a report at the Committee meeting about their ongoing efforts to get a big box store into the Airport Center, and the increase in interest they have seen. There are also smaller entities who have shown an interest to move into the Airport Center if a strip center is built there. The difficulty over the last few years has been the economy, as well as the competition from local stores such as the stores located at the Target center. ParkWest hopes to have more information about businesses coming into the Airport Center within the next 6 months.

b. Possible cell tower in Airport Center.

A company has shown interest in placing a cell tower on Airport Center property. ParkWest is working to determine if a cell phone tower can be placed on Airport property. If so, ParkWest will work on an agreement and the licensing process.

c. Environmental Cleanup – Jeremy Keating, Airport Director.

Two wells remain open. The cleaning chemical that was introduced into both wells worked for one well, but not for the other. We requested that ADEQ close the well that tested good. The request was denied and MCAA has appealed the decision. There was a meeting with ADEQ a few weeks ago regarding the appeal. They asked for more documentation, and now we are waiting for the final determination. We are holding off additional testing of the 2nd well until the appeal process is complete. Then we will talk with our consultant and decide how to proceed on the 2nd well.

3. Air Service Development & Marketing Committee – Director John Hastings, President

The meeting for this Committee was canceled because it was scheduled to happen prior to September 30th, which was when we anticipated hearing from the US Department of Transportation about the status of our grant application

a. Small Community Air Service Development Program Grant update.

Eleven airports received grant awards, but our airport was not one of them. We raised about \$530,000 in local cash pledges for negotiating with airlines for air service. The Airport planned to put in \$220,000 for marketing, and we had asked the federal government for \$750,000. If we had received the grant, we would have had \$1,280,000 to offer for a minimum revenue guarantee to an airline for air service. Without the \$750,000 grant award, the amount we could offer is reduced to about \$530,000 from pledges. However, John has been in the process of having pledges confirmed or

negated, and he does not know at this point what we would have to offer to an air carrier. The next opportunity to apply for a grant will probably be next May or June. A decision will be made about applying again at a later time.

b. Sixel Air Service Conference, October 20-22.

Director John Hastings, President, will be attending the Sixel Air Service Conference being held in Arkansas. He is scheduled to meet with American Airlines, United Airlines, Sky West Airlines, and Via Airlines to discuss scheduled air service. Director Lloyd Shires is also going to attend the conference. At the last Sixel conference Lloyd attended in Tucson, Arizona, he was able to negotiate with 10 more airports and add them to the charter flight list. Five of them became permanent additions to the list.

G. AIRPORT DIRECTOR REPORT – Jeremy Keating

1. Personnel items.

a. Assistant Airport Director recruiting status.

Guillio Minguillo resigned as Airport Assistant Director as of July 31st to accept a position back east. We have been in the process of looking for a replacement, and will conduct phone interviews of potential candidates next week. After phone interviews, we will invite a few people to come for in-person interviews. It will probably be a couple more months before the position is actually filled.

b. Airport Operations Supervisor/Security Coordinator status.

Bernie Wallace retired as Security Coordinator as of July 31st. We have held interviews for the position, and we hope to hire someone within the next few weeks.

2. The MCAA Christmas dinner.

The MCAA Christmas dinner will be at 6:00 p.m. Arizona time on Friday, December 4th. It will be at Laughlin Ranch this year.

3. Operational Activity Report.

There was a decrease of 4% in the number of landings, and there was a decrease in enplanements as well. We are hopeful that these numbers will increase in the next month or two. We did see an increase in jet fuel flowage, in spite of the decrease in landings. The Café is continuing to do well, and the car rentals have also continued to do well.

H. PRESIDENT'S REPORT

Director John Hastings, President, said he had already discussed everything that he needed to talk about with the Authority, and he had nothing else to add.

I. CALL TO PUBLIC

Director John Hastings, President, asked if there were any question or comments from those in attendance. Jim Maniaci, Laughlin Economic Development Corporation, encouraged the MCAA Board to expand marketing to Lake Havasu and Kingman in an active way, as that would give us almost 200,000 people in the market to entice the airlines to

come and provide air service here. Jim said the Authority should get the two cities to actually participate in the process, particularly since Kingman has lost their air service, and all of the businesses in the area need decent air connections without having to travel to Las Vegas or Phoenix for air flights.

John Hastings replied that we do include Lake Havasu City and Kingman in the marketing analysis for our presentation to airlines. John also said that there is an ongoing effort to get Lake Havasu City and Kingman involved in getting scheduled air service at our Airport, and he thanked Jim for his input.

J. NEXT REGULAR BOARD MEETING

The next MCAA Regular Board meeting will be Tuesday, January 12, 2016 at 9:30 a.m. (Arizona time). The location will be announced later.

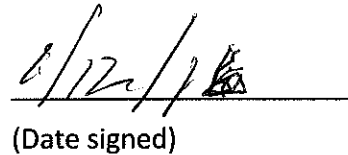
K. ADJOURN REGULAR BOARD MEETING

Director Lloyd Shires motioned to adjourn the meeting. Director Jim Zaborsky seconded, and the motion carried unanimously. The meeting adjourned at 9:45 a.m.

SIGNED: /s/ Lloyd Shires, Secretary



A handwritten signature in cursive script, appearing to read "Lloyd Shires", is written over a horizontal line.



A handwritten date "1/12/16" is written over a horizontal line.

(Date signed)