AIRPORT BOARD
AGENDA
6:00 P.M., TUESDAY, FEBRUARY 12, 2019
ALASKA ROOM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES: Regular Monthly Meeting of January 8, 2019

IV. APPROVAL OF AGENDA

V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

VI. USDA – WILDLIFE SERVICES PRESENTATION/REQUEST. USDA Wildlife Biologist, Tyler Adams, will present a couple of plans for bird habitat modification. (Welcome back, Tyler!)

1. Eagle Nest Exclusionary Device. A recently identified eagle nest near the float pond has been identified. A method for deterring eagles from 'nesting' there again is to place buoys or other devices in the nest. The Airport's permit allows for this type of deterrent. Informational only.

2. Bird Escape Path - West Finger. A short presentation will demonstrate the issue with birds in the west finger, and when hazed, birds take a longer flight path (north) into paths of float plane traffic in order to get above the south trees. The Airport requests concurrence to clear the 'bird escape path' in the west finger and allow birds out of the west finger without crossing the float pond. This may include removal of some trees directly in the path.

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

A. **FAA Financial Compliance Letter** (Attachment #1). As reported at the January 8, 2019, Airport Board meeting, the Airport had just received the Federal Aviation Administration's (FAA) Financial Compliance Report stemming from their 2017 comprehensive review at JNU. Highlighted in the FAA report were violations in the 'Uses of Airport Property'.

1. Capital City Fire/Rescue (CCFR) Glacier Station. This is the co-located Aircraft Rescue & Fire Fighting (ARFF) and CCFR structural facility on Airport property. FAA cites that the structural (CCFR) portion on Airport property should be paying for land lease, or show in-kind services for the value of the lease area. The FAA also questioned the funding for construction of the whole facility. The building was originally construction with city bonds and is not an issue. Regarding the land lease

payments, the Airport will work with CCFR to formalize a letter of agreement for in-kind services. There is joint use of the facilities and other services provided that can show the Airport in compliance. Staff is currently working with CCFR.

2. U.S. Fish & Wildlife Services (USFWS) Hangar. When the Civil Aeronautics Administration (CAA) quit claimed the Airport to the City in 1953, the deed provided for the 'free and unrestricted use' of a tract of land by USFWS. FAA states that USFWS must still abide by land use requirements (pay rent). FAA states that USFWS should be paying lease (retroactively to 2011). Staff will notify USFWS. The financial impact of this is would be $24,275/annually. Staff will continue to work with USFWS to resolve this.

3. Channel Flying. This is non-Airport property and is considered a through the fence operation. The property is surrounded on all sides by airport property for both access to the facility on airport roadways, as well as access to the airfield. Through-the-fence operations are not prohibited, however, several grant assurances must be followed or the Airport could be found in non-compliance and subject to return of grant funding. The FAA has determined that the Airport is in violation of the grant assurances in relation to this through-the-fence property. The FAA requests that the Airport look at either acquisition of the land parcel, or an agreement with the owner which provides for compliance. Page 7 of the attached letter outlines the minimum elements of that letter. The two biggest concerns of the FAA are imposing equitable charges for the land (current lease rate for the property), and protecting the security of the airport. The Channel Flying lot is listed at 37,205 sq. ft. (equating to an annual rent of $21,207, based on airport rates and fees). *The Airport has notified the owners, but this item may require more discussions between the owner and the Airport Board in a subcommittee meeting.*

4. Full Cost Allocations (Interdepartmental Costs). There are several questions regarding how the full cost allocations are derived from other City departments and charged to the Airport. These questions have been forwarded to the City Finance Director. The Airport will continue to work with the City for compliance on this item. It is unknown if there will be any changes to current interdepartmental costs.

The Airport must respond with a plan to resolve these items by March 8. These compliance matters could have huge financial impacts on tenants/City departments, but if not addressed by the Airport, could have detrimental impact on Airport grants and the Capital Improvement Program. Further discussion in a subcommittee meeting may be required.

B. **Aqueous Film Forming Foam (AFFF) on/for Airports** (Attachment #2)**.** The Airport received a letter from the State of Alaska Department of Environmental Conservation (ADEC) dated January 30, 2019, regarding the use of Aqueous Film Forming Foam (AFFF) at the Juneau International Airport (JNU), or on behalf of JNU (such as at the Hagevig Fire Training Center). The Airport is working on a response to the questions asked in the letter. It is anticipated that a plan and testing of airport land will be required. While there are areas around the Airport where foam was dispensed for testing or training with the FAA Certification Inspectors, most training was completed at the fire training center. The Airport will be responding for the Airport property, while the City is taking the lead on the fire training center. The Airport will update the Airport Board on costs associated with a plan or testing.

C. **Airport Manager's Report**:

1. Guardian Air Flight. On Tuesday, January 29, 2019, Guardian Air lost their King Air and crew on approach to the Kake airport to pick up a patient. This is a huge loss for Juneau and Southeast Alaska and our hearts go out to the family, friends and co-workers of the lost crew members.

2. Airfield Crew Assistance. Ed Quinto, Assistant Chief CCFR, wished to pass along his 'kudos' to the airfield crew: *"On Sunday January 20, 2019 CCFR received a call for a stranded person on an island at the Mendenhall river. The tide had cut off his egress from the island and left him stranded. Our rescue boat was not able to use our primary launch ramp and had to divert to an alternate launch ramp. Your crews must have been listening to our channel and took the initiative to clear the boat launch ramp at Bravo gate. Because of their actions our rescue crews were able to safely and expeditiously launch our rescue boat to perform our rescue. I greatly appreciate their help and I am grateful to have them around. Being part of a cohesive team that gets the job done makes our job easier. Big thanks to your crew."*

3. Airfield Equipment and Facility Inspection. The Airfield Maintenance crew will be conducting its winter equipment and facilities inspection on Wednesday, February 20th at 8AM (weather permitting). This inspection will commence at the current airfield shop and conclude at the new snow removal equipment building (SERB). The purpose of this inspection is to review and determine the readiness of the Airfield Maintenance Division and the operational status of all facilities, vehicles and equipment. The Airport encourages members of the Airport Board to attend the inspection of their airfield crew and equipment.

4. New Employee. Welcome to Shannon Morgan as the Airport the Badging Office Assistant II. Shannon comes to us from Island Air and began working in the Badging office on January 28, 2019. We are very excited to have her as part of the team.

5. TSA PreCheck Update. The Transportation Security Administration (TSA) and Alaska Airlines have tested the viability of co-mingling TSA PreCheck with non-PreCheck. This approach removed the dedicated TSA line and allowed for TSA PreCheck to be readily available all day, every day. There may be times where TSA may choose to open a dedicated TSA PreCheck line for short durations. Alaska Airlines and TSA have heard very positive remarks from the public on JNU's TSA PreCheck processing. This screening approach will continue through peak traffic months.

6. Airport Fund Balance (AFB) and Capital Revolving Account (CIP) Balances (Attachment #3). Attached is the monthly AFB and CIP balances. The latest balance reflects the close-out of FY18 operating budget which closed in the black by $274,672.

7. Hot Topics. The following is a list of on-going topics that staff is working on in addition to the regular Architect and Engineer Project Reports:

- FAA Compliance Land Use/Financial Letter (January 2019). The Airport must address a couple of issues from that letter and formulate a plan. This stems from the August 2017 comprehensive inspection/audit. (See New Business, above).
- State of Alaska OSHA (AKOSH) citation mitigation and safety purchases of $34,000 in-lieu of penalties has been approved by AKOSH. Staff will advise the Board as they are procured.
- Marine Engineers' Beneficial Association (MEBA) union negotiations will begin again in February 2019 (3-year contract)
- FY19/20 budget updates; Finance meeting TBD
- Joint Airport Board/Assembly Committee of the Whole (COW) Annual Briefing is scheduled for 5:30 p.m., Thursday, March 21, 2019, in the Assembly Chambers.
- Exit Lane System funding has been approved. Staff is working on procurement/bidding of the system.
- Badging system upgrades delayed due to technical infrastructure delays with Millennium Corporation, but anticipate later in February 2019.
- Honsinger Pond/Access (work in progress) with State Department of Transportation, Bicknell, City & Borough of Juneau
- Terminal Reconstruction
    - Design consultant is under contract to begin Leadership in Energy and Environmental Design (LEED) process. Also a schedule that evaluates the impact to the project should LEED certification be required.
    - Staff working with Community Development Department (CDD) on their project review and Conditional Use permit requirements
    - Art Committee held its first meeting February 5.
    - Terminal Design in progress
    - FAA equipment relocation
    - U.S. Customs space requirements
    - FAA office space requirements
    - Temporary relocation and phasing
    - Review of leases and contracts affected by construction
    - Reconfiguration of lobby space/check-in kiosks for Alaska Airlines
    - Bond package for total project with CBJ Finance Director
    - PFC9 Amendment for Bond interest
- CBJ Title 49 (Jordan Creek Greenbelt) allowance to limb/clean-up around the creek. This goes hand-in-hand with the restoration grant project with Southeast Alaska Watershed Coalition
- Tenant Insurance reminders are being sent out. Several certificates have lapsed in our records.

- Runway 26 Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR) approach lighting discussions with FAA. Staff submitted permit continuance requests to State and Corps of Engineers to keep current.
- Snow Removal Equipment Acquisition is on-going.
- Elevator contingency protocol
- Maintenance programs refinement (roofs, heat pump equipment, etc.)
- Staff Training Programs (safety and health) for AKOSH

8. Airport Architect Report (Attachment #4)

9. Airport Engineer Projects Report (Attachment #5)

IX. CORRESPONDENCE:

X. COMMITTEE REPORTS
A. **Finance Committee**: TBD
B. **Operations Committee**:

XI. ASSEMBLY LIAISON

XII. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XIII. BOARD MEMBER COMMENTS

XIV. ANNOUNCEMENTS

XV. TIME AND PLACE OF NEXT MEETING:
A. Airport Board, 6:00 p.m., March 12, 2019, Alaska Room

XVI. EXECUTIVE SESSION

XVII. ADJOURN

**ATTACHMENT #1**

U.S. Department
of Transportation
**Federal Aviation Administration**

Office of Airport Compliance
and Management Analysis

800 Independence Ave., SW.
Washington, DC 20591

RECEIVED
JAN 8 2018
JUNEAU
INTERNATIONAL AIRPORT

January 2, 2019

Patty Wahto
Airport Manager
Juneau International Airport
1873 Shell Simmons Drive, Suite 200
Juneau, AK 99801

Dear Ms. Wahto:

Re: Transmittal of Draft Financial Compliance Report

The Federal Aviation Administration (FAA), Office of Airport Compliance and Management Analysis conducted a financial compliance review at the City/Borough of Juneau (CBJ) from August 14 through August 24, 2017. The purpose of the review was to determine if CBJ, as the airport sponsor accepting Airport Improvement Program funds, and Juneau International Airport (JNU), are in compliance with the FAA *Policy and Procedures Concerning the Use of Airport Revenue* (Revenue Use Policy), 64 Fed. Reg. 7697 (Feb 16, 1999).

Our review focused on CBJ's 2016 calendar year, but included prior years when necessary. The attached draft report summarizes the review and identifies areas for your response as part of an action plan.

We thank you and your staff for your assistance and timely responses to our questions. Please provide your response within 60 days of the receipt of this letter. We would be happy to discuss these findings further with you and your staff, as well as review any additional information before submitting your plan. For questions regarding the technical aspects of this letter, please call Mr. Olu Okegbenro at (202) 267-3785.

Sincerely,

Kevin C. Willis

Kevin C. Willis, Director
Office of Airport Compliance
and Management Analysis

**ATTACHMENT #1**

# Federal Aviation Administration
# Office of Airports Compliance and Management Analysis
# DRAFT Financial Compliance Review

## Juneau International Airport
## August 14, 2017 - August 24, 2017

## ATTACHMENT #1

# Federal Aviation Administration
# Office of Airports Compliance and Management Analysis
# DRAFT Financial Compliance Review

The Federal Aviation Administration (FAA) Office of Compliance and Management Analysis, ACO-1, conducted a compliance review at the Juneau International Airport (JNU or Airport) to evaluate compliance with Federal statutes and FAA requirements. The FAA conducted this review at the Juneau International Airport and the City and Borough of Juneau (CBJ) offices from August 14 through August 24, 2017.

As the airport sponsor, CBJ manages JNU and is responsible for ensuring compliance with federal statutes, the Airport Improvement Program Grant Assurances, and FAA policies for federally obligated airports. Airport sponsors agree to certain obligations when they accept federal grant funds or federal property transfers for airport purposes. The FAA enforces these obligations through its Airport Compliance Program. The Compliance Division conducts a financial compliance review of several airports each fiscal year.

Unlawful revenue diversion, as defined in the Airport Compliance Manual, " is the use of airport revenue for purposes other than the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport owner or operator and directly and substantially related to air transportation or property." The Compliance Division is responsible for ensuring that airports adhere to this policy as well as to FAA Grant Assurances and the Policy Concerning the Use of Airport Revenue (Revenue Use Policy) 64 Fed. Reg. 7697 (Feb 16, 1999).

We reviewed the following areas at JNU:

- Form 126 & 127 Reporting
- Financial transactions between the Borough/City and JNU
- Possessory taxes
- Property taxes on aircraft
- Police
- Fire Fighting (ARFF)
- Uses of Airport Property
- Marketing/Air Carrier Incentives
- Cost Allocations
- Attorney Fees
- Art in Public Places

The following report addresses the FAA's concerns about the use of airport revenue at Juneau International Airport. Accordingly, the FAA requests JNU and the City/Borough, as airport sponsor, provide certain additional information indicated below and submit a corrective action plan. The federal statute of limitations is six years, so a corrective action plan must include the period of April 30, 2011 through May 31, 2017, plus any occurrences up to the time of the review.

# Financial Data Reported to FAA

### FAA Form 126 and 127 Operating and Financial Summary

Section 111 of the Federal Aviation Administration Authorization Act of 1994 established the requirement for commercial service airports to file financial reports with the FAA. These reports are the Financial Government Payment Report (Form 5100-126) and the Operating and Financial Summary (Form 5100-127). Airport management and CBJ's Finance Department prepare the FAA Forms 5100-126 Financial Government Payment Report and 5100-127, Operating and Financial Summary. On Form 5100-127, JNU and CBJ report balance sheet, income statement, and statistical information on airport operations. The FAA asked JNU to reconcile selected amounts reported on Form 5100-127 to CBJ's general ledger and annual financial statements. In addition, the FAA reconciled discrepancies between JNU's Form 5100-126 to CBJ's financial accounting system.

Conclusion: FAA was able to reconcile the amounts reported on JNU's Forms 5100-126 and 5100-127 to CBJ's accounting records and financial statements. No follow-up is needed.

# Uses of Airport Property

### Background

Each federally assisted airport owner/operator is required by statute and grant assurances 24 and 25 to have an airport fee and rental structure that will make the airport as self-sustaining as possible and minimize the airport's reliance on federal funds and local tax revenues. The FAA has generally interpreted the self-sustaining assurances to require airport sponsors to charge fair market value commercial rates for non-aeronautical uses of airport property. The FAA identified several areas that require attention, action or explanation.

## Leases

**ARFF/Structural Fire Station No. 3**

The City/Borough No. 3 fire station is a shared structural/ARFF station located on JNU land. The station is not dedicated exclusively to ARFF and part of its focus is on structural firefighting services for the surrounding communities by Capital City Fire Rescue. The station currently has seven ARFF positions which serve three shifts. Two ARFF staff must stay on airport at all times. The building was recently remodeled using AIP funds. JNU airport management was unsure as to whether the City/Borough or the airport paid for the original construction of the building. Currently, the structural firefighting side pays no rent to JNU.

**Conclusion**: Since the fire station is not 100% dedicated to ARFF function, the Borough/City should be paying FMV for the use of the building that pertains to structural firefighting services provided by Capital City Fire Rescue to the local communities. [1] This may include both a ground and building rent. For example; if the City constructed the building, then the structural side would only need to pay a FMV ground rent rate. However, if JNU paid for the construction of the building, then the structural side would pay both a ground and building rent rate.

The FAA understands that the City/Borough has made significant capital contributions in the past to JNU. If the Borough/City can demonstrate in-kind services provided by the fire station to the JNU, this may be used to offset the FMV rates due to the Airport. If the value of services received by JNU does not exceed the fair market rent, then City/Borough would need to reimburse the Airport for the difference, plus interest for the prior six years.

Going forward, JNU and DBJ should determine which party paid for the construction of the fire station, whether CBJ provides JNU with in-kind services and to what extent, and whether JNU is due rent from CBJ. Once determined, JNU should formalize an agreement with CBJ to ensure JNU receives fair market value rent from Capital City Fire Rescue.

## US Fish and Wildlife Lease

The FAA's on-site inspection of Juneau International Airport (JNU) revealed a 20,000 square-foot hangar belonging to The United States Fish and Wildlife Service (USFWS or Service).

[1] The *Revenue Use Policy*, Section *VII. C. Policy on Charges for Non-Aeronautical Facilities and Services,* states "The FAA interprets the self-sustaining assurance to require that the airport receive fair market value for the provision of non-aeronautical facilities and services, the extent practicable considering the circumstances of the airport."

However, no lease agreement or other agreement documented the relationship between the Airport and the Service was located.

The USFWS runs regional law enforcement operations in southeast Alaska, but the exact operation is unclear to airport management. Their operation does not complement or support aeronautical operations of the airport; its sole function is law enforcement. The Civil Aeronautical Administration gave initial approval of the USFWS operation decades ago.

The USFWS built the hangar over two decades ago. It does not presently pay ground rent to the Airport. However, the Service pays the $10,000 per year for snow removal and brush clearing. No other payments are on record.

The hangar occupies a space which impedes the development of surrounding parcels, which are suggested to have large revenue potential. The Airport asked the USFWS to relocate the hangar. The Service asked the Airport to pay for the relocation but the Airport lacks funds.

**Conclusion:** The USFWS should be paying the Airport fair market value ground rent on the hangar. Land leases for nonaeronautical purposes at less than fair market value, except to the extent permitted by SectionVII.D of the Revenue Use Policy, is a prohibited use of airport revenue. Ground rent is due to the Airport because the hangar was built by the Service. We recommend that an appraisal take place to obtain the value of the property and determine the ground rent due to the Airport—both retroactive payments to the Airport for six years and the rent payments going forward.

# Other Issues

## Channel Flying Commercial Through The Fence Operation

Channel Flying (Channel) operates a commercial through the fence operation at JNU. Channel's parcel is in a unique location. Although Channel is not on airport property, it is surrounded on all sides by airport owned land. Channel pays the Airport for access to and use of the airfield as a through-the-fence operation. Channel has no lease agreement with JNU and only pays $200 per year to JNU for its airport access. Also, Channel does not collect any landing fees on behalf of JNU. Currently, Coastal Fueling stores planes at Channel and pays Channel for airfield access. In addition, Channel houses other aviation-related tenants such as Coastal Helicopter. The FAA Regional Office determined there are no security issues because Channel provides access to only aviation tenants operating at JNU.

JNU management indicated they would like to purchase the property and charge Channel an appropriate lease rate for access. JNU is unable to pay more than 90 percent of assessed value, which is required per CBJ regulations; however, Channel would like to sell at a much higher price. As a result, JNU's effort to purchase the property has stalled.

**Conclusion:** The FAA does not prohibit an airport's participation in commercial through-the-fence operations; however, they are discouraged. The federal obligation to make an airport available for the use and benefit of the public does not impose a requirement to permit access by aircraft from adjacent property. The existence of such an arrangement could conflict with the sponsor's federal obligations unless the sponsor retains the legal right to require the off-site property owner or occupant to conform in all respects to the requirements of existing or proposed grant agreements.

The sponsor is entitled to seek recovery of capital and operating costs for providing a public use airfield. The development of aeronautical enterprises on land off-airport and not controlled by the sponsor can result in an economic competitive advantage for the through-the-fence operator to the detriment of on-airport tenants. To equalize this potential advantage, the sponsor must obtain from off-airport enterprises or entities a fair return for their access to and use of the airfield by assessing fees for through-the-fence access. For example, if the sponsor charges $100 per month for a single-engine aircraft tie-down on the airport, then any other single-engine aircraft operator using the airport through-the- fence should be charged no less than a similar fee. The same is true for the ground lease on a privately owned hangar and the fees charged to through-the-fence operators with a hangar off the airport. The airport sponsor must not discriminate against those aeronautical users within the airport.

CBJ should also be aware that a through-the-fence access agreement may violate a number of the sponsor's federal obligations:

a. Placing contractual and legal encumbrances or conditions upon the airport property, in violation of Grant Assurance 5, *Preserving Rights and Powers*.

b. Limiting the airport's ability to ensure safe operations in both movement and non-movement areas in violation of Grant Assurance 19, *Operation and Maintenance.*

c. Creating unjustly discriminatory conditions for on-airport commercial tenants and other users by granting access to off-airport competitors or users in violation of Grant Assurance 22, *Economic Nondiscrimination*.

d. Effectively granting an exclusive right to the though-the-fence operator in violation of Grant Assurance 23, *Exclusive Rights*, if the operator conducts a commercial business and no on-airport operator is able to compete because the terms given to the through-the-fence operator are so much more favorable.

e. Affecting the airport's ability to be self-sustaining, in violation of Grant Assurance 24, *Fee and Rental Structure*, because the airport may not be in a position to charge through-the-fence operators adequately for the use of the airfield.

f. Weakening the airport's ability to remove and mitigate hazards and incompatible land uses, in violation of Grant Assurance 20, *Hazard Removal and Mitigation*, and Grant Assurance 21, *Compatible Land Use*.

g. Making it more difficult for an airport sponsor to implement future security requirements that may be imposed on airports. Grant Assurance 19, *Operation and Maintenance.*

The FAA requests JNU to explore options to acquire the land. If this is not possible, then an agreement should be created with Channel to better protect the interest of the Airport. The agreement should at a minimum include the following elements:

- It must include the conditions and terms for airport access which imposes charges no less than a similar charge imposed on on-airport tenants. FAA 5190.6b Chapter 18.5 b states aeronautical fees must not discriminate against aeronautical users.
- JNU must retain the ability to take action should a safety or security concern require fencing around the airport.
- Access to the field to third parties should be assigned based on the terms proposed by the through the fence access agreement.
- The agreement must comply with TSA requirements at JNU.
- JNU should have the right to terminate the agreement at any time.
- The agreement should not otherwise put the other JNU tenants at an economic disadvantage.
- It should incorporate safety considerations.

We recently learned that the facility was sold to a developer. We request JNU provide FAA an update on the status of the property.

## Possessory Interest Tax

The City/Borough of JNU assesses a 5 percent tax on all commercial leases at JNU. The tax does not specifically target the airport but every City/Borough lease is taxed at the same rate.

The taxation authority arises from the following State statute:

**69.05.020 - Imposition of rate.**
(a) There shall be levied and collected a tax equal to the percentage of the selling price on retail sales and rentals made and services performed within the City and Borough as follows:

(1) Within the entire City and Borough -1%

(2) Within the entire City and Borough-An additional 3%

(3) Effective October 1, 2013, within the entire City and Borough-An additional 1%.

Subsection (a)(3) of this section shall be automatically repealed on September 30, 2018.

The tax has been in place since at least the early 1980s. CBJ officials indicated the collected amounts go to the general fund, but may return to JNU to support capital projects. For leases, there is no actual sale that triggers the tax. The tax is levied on all commercial leases and the term sales tax is used rather than *rental* tax or *service* tax.

**Conclusion:** No follow-up is required because FAA noted no irregularities with the tax.

## Marketing/ Air Carrier Incentives

JNU does not have an airport marketing program. No airport revenues are spent on marketing of JNU. In addition, JNU does not have an air carrier incentive program and has no plans to enact one in the near future.

**Conclusion**: None

## Airport Advertising

Alaska Channel is the advertising concessionaire at JNU. It is responsible for managing all of the advertising inside the terminal at JNU. The Airport gets a percentage of revenue ranging from 25-40 percent for wall displays, vinyl wraps, billboards, exhibit cases, and banners displayed inside the terminal. JNU management must approve all advertising.

**Conclusion**: None

## Art in Public Places

JNU airport management reviews all art work for display, which mostly consists of donated art from the local community. The Juneau Arts & Humanities Council assists with art rotation, cleaning, and set-up to ensure art work is returned to the owner. No artwork is currently for sale in the terminal. JNU adheres to CBJ's requirement that 1 percent of capital projects costs must be spent on art projects. JNU has a hanging birds display in the terminal, which was purchased with 1 percent of construction costs from terminal expansion and upgrades.

Currently, liability for damage or theft of displayed art may fall on JNU; however, airport management is working to correct this arrangement by now requiring all owners to sign a waiver to release the airport of any liability.

**Conclusion**: None

## Police Services/Law Enforcement

JNU contracts its police services from CBJ. Currently three officers are assigned to the airport. Overtime costs were high when only two officers were assigned; but now with its three officers assigned, overtime has reduced drastically.

The JNU police substation performs all law enforcement functions at the airport, with few off-airport tasks. Timesheets and logs are maintained to support hours worked at JNU.

JNU has no K-9, bomb squad, asset forfeiture, or counter terrorism operation. In addition, there are no training or helicopter facilities at JNU. Emergency operations are routed through CBJ, and no fee is charged to the airport.

**Conclusion**: None

## Cost Allocation Plan - Review of Full Cost Allocation Plan FY 2015 & 2016

General Comments:

- The FAA understands the indirect costs charged to the airport are developed in a full cost allocation plan based on budgeted expenditures, which is generally considered an internal management tool. The sponsor may prepare an indirect cost allocation plan (ICAP) based on budgeted amounts is allowable. See 49 USC § 47107(b) & Revenue Use Policy, 7705. However, such budgeted amounts must still be reconciled to actual expenditures. During this review, the FAA found that budgeted expenditures are not being reconciled to actual amounts for the allocations to the airport. "...budget estimates cannot be relied on as documentary evidence to show that the funds claimed for reimbursement were actually expended for the benefit of the airport." (Revenue Use Policy, 7708). Consequently, the FAA requires a reconciliation to actual expenditures as part of the corrective action plan.
- Schedule .3 Departmental Expenditures should have more detail showing expenses that could be allowable/unallowable.
- Departmental activities appear to be percentage estimates. Any true-ups to actual in the subsequent year?
- Legend and Abbreviations:
    - AB – Allocation Basis statistic

**List of FAA Findings:**

Department – City Attorney

- The City attorney is broken down to the activities of Legal Support, MPF Activities, and Other. Does legal support include litigation? Litigation is not an allowable cost to the airport unless it directly involves the airport.
- The AB is time spent by the attorneys. The 500 hours are not very many hours compared to Salaries of $1,533,300. How many attorneys are contributing to this statistic? The department has 11 FTEs. Please clarify the basis of the 500 hour breakdown.

Department – City Manager

- Where are the costs for the Adolescent Health Care Coordinator included? Budget reflects approximately $140,000 in salaries. Narrative provides an activity not being allocated. Does the Adolescent Health Care Coordinator provide a service to the airport?

Department – City Clerk

- Public Information
  - What is the function of the Public Information activity? In the FY 2016 budget, we notice 30% of core services are used to facilitate activities of the Assembly and 5% is to administer appeals. Elections, print shop, et. al. are separate activities.
  - Please explain packets and the nature of web postings used in AB.
  - Print Shop allocations are listed as charges, but the statistics add up to 100. The AB appears to be an estimated percentage and charges are used as direct billed amounts. Are these actual charges or estimates? Are estimates reconciled to actual charges?
  - Records management is allocated equally to all departments. However, it would appear that this allocation base is not equitable as police, human resources, finance, Mayor and Assembly would have a large amount of records processed. Please explain or remedy this allocation.

- Department – Building Maintenance
  - There is no detail of expenses for Schedule .3 - Other Expense & Cost. Are there any capital outlays?
  - Are specific salaries assigned to each building for breakdown of the activities?

- Department – Human Resources
  - No Issues

- Department – MIS
  - No expenditure detail for Schedule .3 Other Expense & Cost. Any unallowable costs such as capital outlay?
  - What is AB based on? CPU usage, data storage, or a combination?

- Department – Finance Administration
  - Activity - Citywide Finances: please explain the correlation between financial data and FTEs as an AB. Total expenditures less debt service and capital expenditures would be more equitable as an AB.
  - Activity – Budget: AB is combination of percentage of effort and weighted FTE's. Is the percentage of effort based on estimates? Why did the sponsor use FTE's? FAA considers budgeted expenditures less debt service and capital outlay to be equitable for the type of activity and level of effort without creating a burden on sponsor.
  - Activity – Department Management: AB is percent of effort. Is the AB an estimate? We recommend salaries or expenditures of departments supervised or actual hours for supervision.

- Department – Controller
  - Activity – Accounting: The AB is a percent of time spent. What is this percentage based on? If estimate, is there a reconciliation to actual?

- Department – Treasury

  - Activity – Cash: The allocation is based on estimates. Are the estimates reconciled to actual?
  - Activity – Collections: The allocation is based on estimates. Are the estimates reconciled to actual?
  - Activity – A/R General: The allocation is based on estimates. Are the estimates reconciled to actual?

- Department – Purchasing
  - Activity – PO (Data Entry): Please explain why only 50% of P-Cards transactions are included in the AB?

**ATTACHMENT #2**

THE STATE of ALASKA

GOVERNOR MICHAEL J. DUNLEAVY

**Department of Environmental Conservation**

DIVISION OF SPILL PREVENTION AND RESPONSE
Contaminated Sites Program

P.O. Box 111800
Juneau, AK 99811-1800
Phone: 907-465-5390
Fax: 907-465-5218
www.dec.alaska.gov

January 30, 2019

*Sent via electronic mail only*
Patty Wahto
Airport Manager
Juneau International Airport
1873 Shell Simmons Dr. Suite 200
Juneau, AK 99801

Re: Aqueous film forming foam

Dear Ms. Wahto,

Thanks for discussing the potential for aqueous film forming foam (AFFF) groundwater contamination at the Juneau airport and the Hagevig Fire Training Center with me today. As you are aware, the use of AFFF has resulted in per- and polyfluoroalkyl substances (PFAS) groundwater contamination across the country including Alaska. Due to the potential threat to human health and the environment, the ADEC is formally requesting that the City and Borough of Juneau investigate the Hagevig Fire Training Center and the Juneau airport for PFAS contamination in groundwater.

It is my understanding that there is currently a contract in place to sample the Hagevig Fire Training Center for PFAS following the ADEC's request of July 25, 2018. I look forward to reviewing the resulting work plan.

The ADEC does not have record that the groundwater at the Juneau airport has been tested for PFAS. Please submit a work plan or coordinate with the ADEC to conduct the sampling and analysis. Note that groundwater samples must be analyzed at an ADEC approved laboratory using Method 537 and all analytes quantified by this method must be reported. There may be groundwater monitoring wells already present at the airport that could be sampled for PFAS, provided that they are not heavily contaminated with petroleum or other substances. Active contaminated sites located at the airport are the following: Aero Services USTs 1 & 2 (File # 1513.26.084), FAA Juneau Station (File # 1513.38.051), Alaska Airlines - Juneau Cargo Facility (File # 1513.26.054), and Channel Flying Juneau Airport (File # 1513.38.095). There may be other sites that have been closed but may have on-going groundwater monitoring.

**ATTACHMENT #2**



The most ideal sampling locations will be those closest to AFFF releases. Historic records and institutional knowledge will be useful resources in gathering this information. Please fill out the attached information requests for both the Hagevig Fire Training Center and the Juneau Airport and return to me via email or regular mail.

If you have any questions regarding this letter or concerns please feel free to contact me by telephone at 907-465-5207 or email at Danielle.Duncan@alaska.gov.

Sincerely,

Danielle Duncan
Project Manager

cc: Ed Quinto Assistant Chief, Capital City Fire Rescue, City and Borough of Juneau, via electronic mail
Bill O'Connell, Environmental Program Manager II, ADEC, via electronic mail
Josh Barsis, Environmental Program Specialist IV, ADEC, via electronic mail
Sally Schlichting, Environmental Program Manager I, via electronic mail

# ATTACHMENT #2

ALASKA DEPARTMENT OF ENVIRONMENATAL CONSERVATION (ADEC) INFORMATION REQUEST

Re: Aqueous Film Forming Foam Use at the Juneau Airport

Please direct any questions concerning this information request to Danielle Duncan, ADEC Contaminated Sites Program, (907) 465-5207 or danielle.duncan@alaska.gov. The ADEC appreciates your cooperation and prompt reply. Your response will help the ADEC and other parties investigate and respond to the release(s) of aqueous film forming foam (AFFF) within the City of Juneau.

It is the ADEC's understanding that there may have been AFFF releases at the Juneau airport either historically or more recently. The ADEC is asking for the following information from the City regarding the use of AFFF and other related information.

1. Provide name and City affiliation of the person answering the questionnaire.

2. Has the City used, discharged (in response to a fire or for training) or disposed of AFFF?

3. If the answer to question #2 is yes, please provide a figure of the location(s) of any known releases of AFFF by the City along with the dates of the release(s) and quantities of AFFF used at the locations identified above. Please provide a description of the activities, the foam used (e.g., type of foams were used, manufacturer, and manufacturing date), and any other information that may be pertinent.

4. Does the City have more AFFF currently in stock, and if so, what volume? Is there AFFF currently loaded into response vehicles? Does the City have any other fire-fighting foams in stock and in what volumes(s)? Who is responsible for AFFF storage, training, and response at the City?

5. Please provide any other information that you feel is relevant to the existence of or in response to potential AFFF-related contamination in the City.

# ATTACHMENT #2

ALASKA DEPARTMENT OF ENVIRONMENATAL CONSERVATION (ADEC) INFORMATION REQUEST

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**ATTACHMENT #3** **AIRPORT FUND BALANCE**

| Date | Fund Balance | Reimbursed Amount (+) | Forward Fund Amount (-) anticipate reimbursement | Encumbered Amount (-) permanent/**no** reimbursement | Operating Budget +/- (to balance or residual budget-end) | Description |
|---|---|---|---|---|---|---|
| | **$2,804,325** | | | | | |
| Aug-18 | | $1,801,875 | | | | PBB Gate 2 FAA grant rec'd - fwrd fund project |
| Aug-18 | | **$131,938** | | | | TWY A Design match, deappropriate - used Sales Tax |
| Jul-18 | | $500,000 | | | | RWY Rehab Construct Unused contingency portion |
| | | $10,922 | | | | RWY Rehab Construct Unused portion |
| | **$5,249,060** | | | | | |
| Aug-18 | | **$43,750** | | | | PFC9 reimburse TWY A/E Design match |
| Aug-18 | | **$37,789** | | | | PFC9 reimburse Master Plan match (portion) |
| Aug-18 | | $64,610 | | | | PC9 reimburse Alex Holden/cargo road rehab |
| Aug-18 | | **$228,251** | | | | PFC9 reimburse RSA NE/NW Apron Des/construct match |
| Aug-18 | | **$50,000** | | | | PFC9 reimburse ARFF Bldg match (portion) |
| | **$5,623,460** | | | | | |
| | | | **($13,501)** | | | RWY Rehab match (portion) anticipate 2019 reimbur |
| | | | **($17,573)** | | | RWY Rehab match (portion) anticipate 2019 reimbur |
| | | | | **($380,000)** | | Replace Exit Lane System CIP funding (No Reimb) |
| FY18end | | | | | $274,672 | FY 18 year close out/ increase to fund balance |
| | **$5,487,058** | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | ($174,300) | *FY19 contribution to balance proposed budget |
| | | | | | ($198,900) | *FY20 contribution to balance proposed budget |
| | | | | | ($1,857,000) | *3-mo Operating Reserve (based on budget) FY19 |
| | **$3,256,858** | | | | | ***represents usable amount/available fund cash*** |

* varies by budget year

2/8/2019

**ATTACHMENT #3** **AIRPORT CAPITAL REVOLVING ACCOUNTS (combined)**

| Date | CIP Revolving Balance* | Reimbursed Amount (+) | Forward Fund Amount (-) anticipate reimbursement | Encumbered Amount (-) permanent/**no** reimbursement | Description |
|---|---|---|---|---|---|
| | **$819,246** | - | - | - | **BUDGET** |
| Aug-18 | | $23,438 | ($23,438) | | PFC9 reimburse Master Plan match (portion) |
| Feb-16 | | | ($3,000) | | SREF Geothermal remaining encumbrance |
| Jan-14 | | | ($39,063) | | RWY Rehab match (portion) anticipate 2019 reimbur |
| Apr-15 | | | ($32,849) | | RWY Rehab match (portion) anticipate 2019 reimbur |
| Jul-18 | | $310,000 | ($310,000) | | Sand/Chem/Fuel Design. |
| Nov-18 | | | ($21,988) | | Sand/Chem/Fuel Construct match antic 2019 reimb (org $106,250) |
| | | | | | |
| | | | | | |
| | | | | | |
| | **$722,346** | | | | **AVAILABLE BUDGET** |

*Represents all 3 Capital Accounts: Airport Revolving Captial Reservce Acct (ARCRA), Airport Construction Contingency Reserve, Project Design

# ATTACHMENT #4

## MEMORANDUM

TO: Patty Wahto,
JNU Airport Manager

DATE: February 6, 2019

FROM: Catherine Fritz, AIA
JNU Airport Architect

RE: Architect’s Report of January 2019 Activity

**Sand/Chemical Building & Fueling Station.** Dawson Construction completed its first concrete pour for the Sand/Chemical Building on January 31, 2019. They are using approved cold weather concrete procedures to ensure the work is completed in conformance with specifications. Electrical and plumbing subcontractors were also working through January, and Dawson’s crew began prefabricating wall sections in their shop. This will expedite framing once the foundations are complete. Construction progress meetings have begun, and are being held approximately every other week until on-site construction activity increases.

**Terminal Reconstruction.** A two-day Schematic Design Review meeting was held January 23-24, 2019. All aspects of the design were reviewed, and scope adjustments were made without compromising the overall program, ensuring that the $21.6M budget can be maintained. Alaska Airlines shared several options for realigning check-in kiosks in the Main Lobby; these plans will be further considered as design proceeds.

The consultant team is currently assessing LEED requirements to determine the impacts to the project budget and schedule if LEED certification is pursued. They are also completing land surveying work that will be incorporated into the construction documents.

The required City Project Review was pulled from the January Planning Commission agenda after it was discovered that the project must also obtain a Conditional Use Permit. The reviews will occur together, and have been tentatively scheduled for February 19, 2019, but may need to be delayed to allow Airport staff to work with CBJ Community Development staff to review applicable requirements.

The public Art Panel was selected in January and held its first meeting on February 5, 2019. Members of the Art Panel are: Patty Wahto, Rachelle Bonnett, Lauralye Miko, Glenn Ojard, Rhonda Guest, and Dennis Harris. A Call For Art/Artists (similar to a Request for Proposals that hires consultants) will be developed in February. It is scheduled for public advertisement by the end of February.

**Shell Simmons Lease Lots.** Airport staff has continued developing options for laying out lease lots to the north of the existing terminal for future private development. The following features have been identified as important considerations for all of the Shell Simmons Drive Lease Lots:

- safe vehicular access from Shell Simmons for customers to load/unload, then return to Shell Simmons or proceed toward Yandukin;
- minimizing the need for cargo customers to pass in front of the terminal as they depart the airport to reduce congestion along the front curb;
- establishing a new secure gate for airfield access;
- providing an underground route for JNU water line and possibly electrical service from the north side (where utility mains are located) to the south side (where they are needed);
- providing access and maneuverability to clear snow from the internal frontage route;
- maintaining sufficient taxi and large truck staging area at the current location;
- consideration of future (long term) improvements to the Shell Simmons/Yandukin intersection;
- providing multiple lease lots with similar characteristics so as to maintain equitable public opportunity for development;

The current layout (found at the end of this report) provides four lease lots of approximately 13,000sf each.

# ATTACHMENT #4

An internal frontage drive (shown in grey) allows two-way traffic into three of the lease lots. Alaska Seaplanes has expressed interest in leasing both lots 1 and 2, so those two lots would be treated as one with respect to frontage drive access. The Airport would maintain the frontage drive that would include a secure gate onto the airfield, and a snow gate to enable snow removal. Pending additional comments from the Airport Board, it will be finalized as the basic lease lot layout document. Details of the layout will be confirmed with a civil engineer to ensure that traffic safety for the Shell Simmons driveway cut, necessary clearances around the security gate, and similar technical considerations are addressed. These lots do not need to be recorded as a subdivision, so the Airport Manager may work with Alaska Seaplanes, as well as other developers over time, to adjust the lease lines to respond to specific tenant needs.

**Project Closeouts.** The Gate 2 Passenger Boarding Bridge and the Airfield Rescue and Fire Fighting (ARFF) Building Modifications projects are currently in closeout phase.

**Warranty Work.** The one year guarantee period of work at the ARFF apparatus bays ended in December 2018. JNU staff performed an inspection prior to the one year deadline and noted a deficiency of performance relating to the concrete slab in the apparatus bays. Significant cracking had occurred, so the project's structural engineer performed an inspection and a warranty deficiency was issued. Dawson Construction promptly responded with a repair plan that included filling the cracks with an epoxy material, and they offered to coat the entire floor with the same finish to provide an additional layer of protection. This repair work was done in January 2019. Unfortunately, the wet conditions of the slab were not understood at the time the coating was applied, and it failed to properly adhere. It is currently being removed from the slab by Dawson crew. This will not affect the repair of the cracks themselves; they are now stabilized.

Other architectural projects during January included:

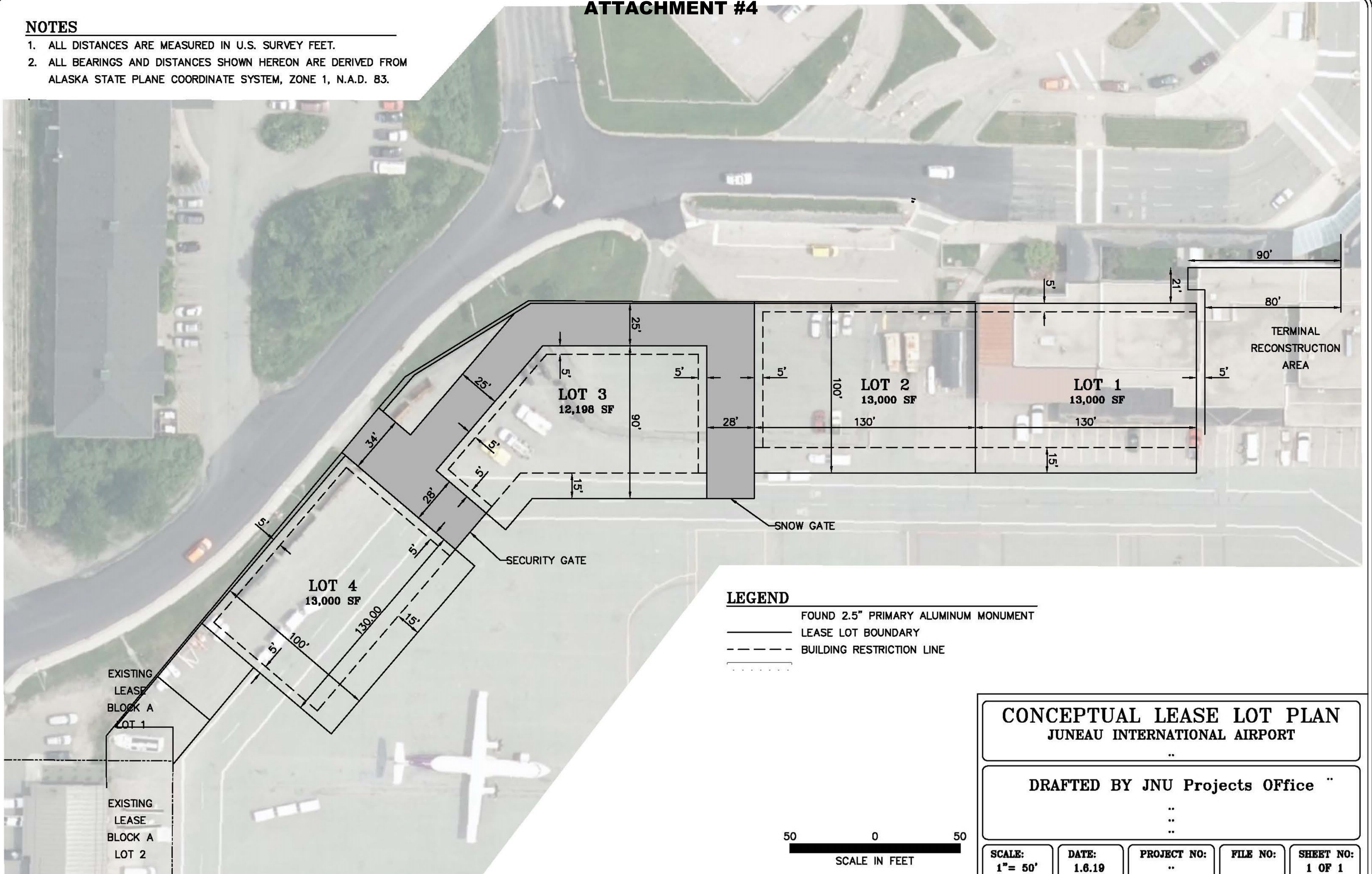
- Continued work on the elevator outage protocol with Alaska Airlines and TSA.
- Continued surplus equipment auction preparation
- Began design work for a new secure exit lane system.

Perimeter excavation and concrete formwork at Sand/Chemical Building

## ATTACHMENT #4

### NOTES

1. ALL DISTANCES ARE MEASURED IN U.S. SURVEY FEET.
2. ALL BEARINGS AND DISTANCES SHOWN HEREON ARE DERIVED FROM ALASKA STATE PLANE COORDINATE SYSTEM, ZONE 1, N.A.D. 83.




### LEGEND

FOUND 2.5" PRIMARY ALUMINUM MONUMENT
LEASE LOT BOUNDARY
BUILDING RESTRICTION LINE

50 0 50
SCALE IN FEET

**CONCEPTUAL LEASE LOT PLAN**
**JUNEAU INTERNATIONAL AIRPORT**

**DRAFTED BY JNU Projects OFfice**

| SCALE: | DATE: | PROJECT NO: | FILE NO: | SHEET NO: |
|---|---|---|---|---|
| 1"= 50' | 1.6.19 | .. | | 1 OF 1 |

# ATTACHMENT #5

MEMORANDUM

TO: Patty Wahto
Airport Manager

DATE: February 7, 2019

FROM: Mike Greene
Airport Project Manager

RE: Engineering Projects Monthly Report

Project specific summaries of project status and activity are presented below.

1. **RSA Expansion Phase IIC:** The project remains in winter shutdown. The Contractor continues to conduct periodic Storm Water Pollution Prevention Plan and site/staging area inspections. The Contractor is also working with City & Borough of Juneau Community Development Department to obtain the requested Conditional Use Permit for their temporary batch plant.

The current project schedule calls for all work to resume on March 15, 2019, and for all work to be Substantially Complete on or before July 30, 2019.

As the engineers of record, DOWL continues to provide construction administration and inspection services for this work.

Juneau International Airport (JNU) continues to work on expanding the extent of the drainage improvements that are to be installed by SECON along the south side of the Block M hangars. The contract currently calls for the installation of a new trench drain which will extend along a portion of the south side of the hangar. JNU is working on getting Federal Aviation Administration (FAA) approval to extend this trench drain along the full length of the hangar to address water infiltration into the hangars, minimize ponding within the apron and reduce sheet runoff across Taxilane H in that area.

JNU continues to work with Haight and Associates to develop a conduit layout plan within the Northwest Development Area that will be used to facilitate the necessary power and telecom upgrades associated with all future hangar development in this area. The conduits will be introduced into the construction contract by negotiated change order, and will be installed in the spring of 2019 prior to grading and paving the new Northeast Taxilanes 1, 2 and 3.

2. **Float Pond Improvements:** The float plane pond remains closed to float plane operations and remains in a low water condition to facilitate the work associated with the project. The Contractor, Southeast Earthmovers, has completed work on excavating the work area, has completed work on the slip-lining of the new 36-inch high density polyethylene (HDPE) drain pipe through the existing 48-inch culvert, and is currently constructing the new cast-in-place concrete valve vault.

At the direction of JNU, the Contractor has placed approximately 130 cubic yards of 6"-18" armor stone to stabilize a portion of the east bank of the Emergency Vehicle Access Road (EVAR) around the existing 48-inch drainage culvert. This stone was placed over filter fabric to prevent further loss of fines from within the EVAR and to slow the water infiltration rate through the EVAR at the culvert location.

**EVAR Repairs - Background**: Southeast Earthmovers had excavated near the EVAR on the west end of the float pond to construct a new valve vault and to facilitate the work to install (slip line and grout) a new 36-inch HDPE pipe through the existing 48-inch drainage culvert. The design of the project anticipated water infiltration through the EVAR and into the excavation area during construction, and included a contract requirement for Southeast Earthmovers to put de-watering pumps in place to handle up to 2,000 gallons per minute.

**EVAR Repairs - Work Area Flooding:** During the initial excavation, the Contractor inserted an inflatable plug into the 48-inch culvert to prevent inflow into the work area from the river during high tides. With the plug in place, and during relatively small (14-16 ft.) high tides, it was noted that water was coming through the EVAR around the outside of the 48-inch culvert. A subsequent inspection of the 48-inch culvert (at low tide) revealed that the culvert sections had pulled apart long ago, allowing water to flow in and out of the culvert bedding with each change in tide. This tidal action over the years had washed out some of the bedding near the culvert joints, leaving voids around the outside of the culvert. The 6-inch de-watering pump and sump assembly had been keeping pace with this infiltration, until the very high tides of January 20 (19.4 ft.) and January 21 (20.0 ft.). During the high tide of January 20, a portion of the EVAR bank (measuring approximately 18" high x 12' feet wide x 6' deep) located on the south side of the 48-inch culvert sluffed into the excavation area, partially clogging the dewatering pump's sump. The Contractor reported this event to the project engineers and indicated that the excavation area was flooding.

At low tide on the morning of January 21, the sump was cleared, the work area was dewatered and the damage to the EVAR was inspected. The damage appeared to be limited to the wash-out of some of the fines and small rocks from around the various larger sized rocks which made up the construction of the EVAR. The high tide of January 21 subsequently washed out more fines and small rocks, which resulted in a noticeable increase in the infiltration rate through the EVAR on the south side of the culvert. The Contractor, fearing a complete washout around the culvert, pulled the inflatable plug out of the 48-inch culvert to lessen the head pressure around the outer edges of the culvert. This resulted in an uncontrolled infiltration rate which completely flooded the excavation area. It was at this time that the EVAR was closed to the public as a safety pre-caution.

The Contractor was instructed by the project engineers to obtain 6" – 18" rock and fabric to be placed around the culvert. The Contractor reported that he was unable to obtain any rock because access to both local sources were currently impeded by snow and ice, but that he had his suppliers working on it and the rock would be available the next day. At low tide on the morning of January 22, the sump was cleared, the work area was dewatered and the damage to the EVAR was inspected. The damage consisted of the wash-out of more fines from between the rocks, and the creation of voids within the EVAR on the south side of the culvert. The Contractor was instructed to compact the damaged face of the EVAR bank with the excavator bucket to collapse the voids. The Contractor then placed filter fabric and 30 cubic yards of 6" – 18" rock over the infiltration area. The high tide of January 22 (20.1 ft.) saw less infiltration which was managed by the dewatering pump. The placement of subsequent fabric and rock has since slowed the infiltration through the EVAR considerably. The EVAR was subsequently re-opened to public use on the afternoon of January 25.

The float pond is currently scheduled to be re-opened on or before April 1, 2019. The project is scheduled to be Substantially Complete on or before May 31, 2019.

As the engineers of record, PND Engineers continues to provide construction administration and inspection services for this work.

3. **Taxiway A Rehabilitation, Taxiway E Realignment and Taxiway D-1 Relocation:** PDC Engineers continues to work on the development of the project design documents for the Taxiway A, E and D1 projects. This work has been impacted by the recent government shutdown which has delayed coordination efforts with the FAA and slowed FAA participation in the document review process. The work has been further impacted by the recent request by the FAA that the design of the Taxiway D1 Relocation project be re-incorporated into the design of the larger Taxiway A/E project.

PDC Engineers recently released the 65% design documents for the Airport Lighting Regulator Vault which is to be constructed as an addition to the new SREB facility. This addition will house the airfield lighting regulators which are to be salvaged and relocated from their current location on the east end of the airfield. These documents are currently being reviewed by JNU and the FAA.

PDC Engineers will submit the 95% set of design documents to JNU for review on or before March 26, 2019. The goal is still to release this project for competitive bid this coming spring.

4. **Ward Air Hangar Expansion:** Ward Air has notified JNU that they have begun work on the conceptual design of their new hangar that will be located on Lots 15, 16, 17 and 18 of Block K.

5. **Fed-Ex Expansion:** DOWL has completed their field survey work and are working on finalizing the revised lease lot lines associated with the proposed expansion of the Fed-Ex building. A draft of the revised lot lines will be available for review by JNU and R&L Leasing, Inc. next week.

6. **Lavatory Waste Dump Site:** There has been no advancement on the development of a schematic design of the upgraded lavatory waste dump site. JNU continues to work on the submission of a conceptual design to the U.S. Food and Drug Administration.

**7. Parking Lot Repairs:** The short-term, long-term and staff areas of the large parking lot are all in need of general repairs. These repairs include the removal and replacement of large portions of the concrete curbs and gutters, the removal and replacement of large portions of the asphalt paving and subbase, upgrades to the storm water collection and drainage system, upgrades to the exterior lighting and the installation of new signage and striping. JNU has general parking lot repairs on its Capital Improvement Plan but does not currently have any money to address any of these repairs.