



SAN ANGELO REGIONAL AIRPORT AIRPORT ADVISORY BOARD - OFFICIAL MINUTES

For a meeting held Wednesday November 5, 2014 in the South Meeting Room located at
501 Rio Concho Drive, San Angelo, Texas at 1:30 P.M.

Board Members Present

Fred Key

Sonny Sanders

Charles Powell

Pat Nuytten

Teresa Special

Dave Dierker

Board Members Not Present

David Herbert

Others Present

Luis Elguezabal

Bryan Kendrick

Mitch Sprunger

Terry Parker

Ray Minix

ORDER OF BUSINESS

Open Session

Chairman Charles Powell called the meeting to order at 1:30 P.M. Mr. Powell welcomed Teresa Special, new Board member to the Airport Advisory Board. The August 13, 2014 minutes were unanimously approved in a motion from Mr. Pat Nuytten and seconded by Mr. Fred Key.

Public Comment

No Public Comments

Update on Air Service Development Plan

Mr. Elguezabal told the Board about a presentation given to COSADC by Mr. Edward Shelswell-White with LexVolo on the SJT Air Service Development Plan. The Objective is use the SCASD Grant to increase chances of attracting new service to the SJT market.

The Strategies are to assess the market, preserve the SCASD Grant and to attract and retain new service without jeopardizing existing service.

Of the Primary Projects, the leakage study and the market assessment were completed.

The Key Findings have shown that airfares have substantially equalized among West Texas airports SJT retains 93% of its local-based traffic. According to Mr. Shelswell-White this is good

he stated that LAX only retains 91%. Total enplanements are growing despite having only five flights a day, 250 seats per day. Demand's to Houston has increased since Continental left. Measurable demand beyond DFW and Houston is slight recently.

Comparative analysis, LexVolo, the Chambers, COSADC and Mr. Elguezabal attended a meeting with Minot and we compared ourselves to Minot.

The Key indicator that Minot had in 2008-2009, we are comparing sales tax, new building permits, active rigs and enplanements. In 2010 enplanements started going up in Minot. For San Angelo enplanements were low due to the loss of Continental but in the last couple of years there has been enplanement growth. The comparison is that San Angelo is lagging 24 to 28 months on the indicators between Minot and San Angelo. So if this is true 28 months from now, we should see a rapid increase in enplanements. What we are trying to do is capture all this data and relay it to the Airlines so they can move in before that happens.

Paperwork was received from Mr. Shelswell-White for the extension of the SCASD Grant and is ready to send to the Department of Transportation.

Minot has grown from 35000 to 55000 half size of the size San Angelo and in a remote part of North Dakota. The nearest major hub is Minneapolis, which is an hour and a half flight or six to seven hour drive. The other major hub is Denver. They went from one airline in 2009 with three flights a day to today with four airlines with fifteen flights a day. The four airlines are Frontier, United, Delta and Allegiant.

Mr. Sanders wanted to know if there are other airlines we are looking at beside United and SkyWest. Mr. Elguezabal explained that Mr. Shelswell-White has been concentrating on getting the SCASD Grant extension so it could be filed with the DOT. Now with this data he can move to the next step of contacting other airlines.

Update Terminal Renovation Project

The contractor is Templeton Construction, Inc. The project began January 25, 2012, currently 1007 days charged to the project out of 540 original contract days. Total of additional change orders equal 444 days for a total of 984 contract days to equal 102% time used.

Change Order No. 1, added additional contract time of 14 days

Change Order No. 2, added additional contract time of 108 days

Change Order No. 3, added additional contract time of 8 days

Change Order No. 4, added additional contract time of 7 days

Change Order No 5, added additional contract time of 307 days, for a total of 984 contract days total equal 102% time used.

The project budget is \$5,925,715. The current project budget is \$6,214,095. The total Change Orders to date are:

Change Order No. 1 is \$35,072.14 (no change to project budget, Utilized project contingency).

Change Order No. 2 is \$242,530.33 (no change to project budget. Utilized project contingency)

Change Order No. 3 is \$20,634.13 (no change to project to budget. Utilized project contingency)

Change Order No. 4 is \$16,406.00 (net increase in contract amount \$14,642.360

Change Order No. 5 is \$273,736.95

Billed to date (gross) is \$4,365,577.76(As of Pay Request No.27) retainage of (5%) \$218,278.89.

Billed to date (less retainage) \$4,147,298.87 and is 70%, complete.

Terry Parker with KSA Engineering introduced himself to the Board. He told the Board that the baggage bay area was opened in October, the car rental are out of the trailers and back in the

terminal, the ticket counters were moved in September and the construction has moved into phase three. This will entail the construction of the main entrance; pier drilling for the Monument and the glass front will be erected. The front entrance will be closed off and the traffic diverted. The public restroom in the main terminal is now being remodeled the contractors looking to complete in March. The temporary restrooms are outside in a trailer at the north end of the terminal. They are fully equipped and hooked into city sewer and water. They are also equipped with heating and air-conditioning. On the north half of the terminal the canopies are up; looking at the interior you will see a black wall, this is the restroom under construction. Looking at the rental car offices, on the left is Avis and Budget the middle office will be for Dollar and Thrifty this will be a duel counter, at the far end is Hertz. The new ticket counter for American Airlines is complete.

Update on Airport Layout Plan and Land Use Study

The Airport Layout Plan will go to the FAA for approval this week. This is a document is needed to obtain grants. The land use study was to address the non aeronautical area around the airport. The airport was constructed for twenty thousand enplanements. When we reach that capacity or have two airlines we will need another terminal.

DIRECTOR'S REPORT

Third Quarter Statistics 2013 vs. 2014: Air Traffic is up 8%. Fuel Flowage increased by 8%. Passenger Enplanement has increased 2%; Load Factor has increased 2%. Rental Car Concessions, Avis, Budget and Hertz have been steadily increasing. Dollar and Thrifty will start operations at the airport December 1, 2014.

Bryan Kendrick Business and Finance person at the airport is currently the Interim City Clerk.

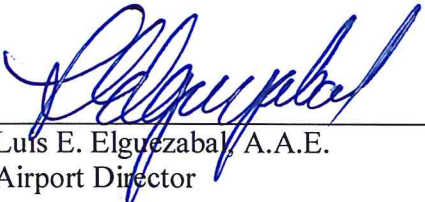
The RFP AP-01-14 for the former AMCOM South hangar will open this Friday November 7, 2014 at 2:00pm at the purchasing department.

We are also in the middle of TSA Annual Inspection and audit. It started November 3rd and will end on the 7th. The FAA Annual Inspection will be November 18th thru the 20th.

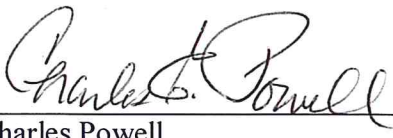
FUTURE AGENDA ITEMS

The next Airport Board Meetings will be held on February 4, 2015 at the McNease Convention Center, 501 Rio Concho Dr at 1:30pm.

Meeting adjourned at 2:05pm



Luis E. Elguezabal, A.A.E.
Airport Director



Charles Powell
Chairman