

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
MOJAVE AIR AND SPACE PORT
February 3, 2015**

The Board of Directors of the Mojave Air and Space Port duly met for a Regular Meeting at the District Offices in the Administration Building at Mojave Airport, Mojave, California, at the hour of 2:00 o'clock p.m. on Tuesday, February 3, 2015.

The Clerk called the roll and the following Directors were present: Balentine, Deaver, Evans, Painter and Peterson. Also present was the District's Deputy General Manager, Karina Drees and on telecom Chief Executive Officer, Stuart Witt and District's Counsel, Scott Nave.

President Peterson presented the Agenda. Upon motion by Director Balentine, seconded by Director Evans and unanimously carried, it was:

RESOLVED: That the Agenda be approved as submitted.

CONSENT AGENDA

President Peterson presented the Consent Agenda. Upon motion by Director Balentine, seconded by Director Evans and unanimously carried, Consent Agenda was approved as submitted.

3A) Minutes of January 20, 2015

RESOLVED: That the Minutes of the Regular Meeting of January 20, 2015 be approved as submitted and further reading thereof be waived.

BUSINESS ITEMS

4A) Check Register 01/30/15

President Peterson presented the General Fund Check Register for January 30, 2015

with the schedule of electronic fund transfers delineated below. Director Balentine disqualified himself from participating in the discussion of this item due to a potential conflict of interest pertaining to check number 052956 in the amount of \$28.89.

SCHEDULED ELECTRONIC FUND TRANSFERS

| | | |
|---|-----------------|---------------------|
| Calpers Retirement | 01/16/15 | \$ 30,015.47 |
| State Board of Equalization | 01/29/15 | \$ 1,521.00 |
| State Board of Equalization-Dec Sales & Use | 02/01/15 | \$ 1,453.00 |
| State Board of Equalization-3rd Qtr Sales & Use | 01/29/15 | \$ 15,180.00 |
| AV Fuel | 01/30/15 | \$ 18,397.56 |
| AV Fuel | 01/31/15 | \$ 686.40 |
| AV Fuel | 02/03/15 | \$ 18,395.21 |
| AV Fuel | 02/01/15 | \$ 27,703.33 |
| AV Fuel | 02/01/15 | \$ 18,399.91 |
| AV Fuel | 02/03/15 | \$ 18,381.05 |
| AV Fuel | 02/04/15 | \$ 37.63 |
| AV Fuel | 02/04/15 | \$ 18,338.63 |
| AV Fuel | 02/05/15 | \$ 17,214.17 |
| AV Fuel | 02/06/15 | \$ 17,207.55 |
| AV Fuel | 02/11/15 | \$ 698.75 |
| AV Fuel | 02/12/15 | \$ 17,630.03 |

Upon motion by Director Evans, seconded by Director Deaver and unanimously carried, it was:

RESOLVED: That Board approve check numbers 052946 through 052981 in the amount of \$58,401.55 and Electronic Fund Transfer payments

in the amount of \$221,259.69 for a total of \$279,661.24.

4B) Fiscal Year 2014-2015 Mid-Year Review

Deputy General Manager Karina Drees presented mid-year review and noted it has been nearly one year since the former CFO resigned from her position. She reported that the District anticipates ending the current fiscal year with a surplus of approximately \$2.4M and will be requesting Board approval of projects for airport improvements that have been placed on hold until the completion of ongoing audits. DGM Drees noted the District anticipated revenues of \$7,487,766 for this fiscal year and actuals through December 31, 2014 were \$6,637,797. Revenue through June 30, 2015 is now projected to be \$10,622,703 due to unanticipated revenue received from the Rising Tree Wind Farm Project in the amount of \$2.2M. DGM also noted that a significant amount of fuel has been sold this year and that ninety-six percent of anticipated fuel revenue has been achieved in the first six months of the fiscal year. Also noted was unanticipated revenue of \$125,000 in the form of an FAA grant which will be received prior to the end of June for the Pump House Improvement Project. Director Balentine inquired about the District's match for this grant and DGM Drees responded the grant required a fifty percent match for this project. DGM Drees noted that the single item under expenses that was under-estimated in the budget was for fuel. The cost of fuel in the FY14/15 budget was \$1,446,769 and the projected fuel costs through June 30, 2015 are now \$1,984,091 due to increased fuel sales. Director Evans commented that even though total fuel costs for the year are higher than what was budgeted so are fuel revenues and perhaps the report could be framed to reflect both increases relative to each other. President Peterson inquired about the \$84,259 over budget in G&A and DGM Drees responded that workers comp costs were higher than anticipated and health insurance costs were higher due to additional dependents added to the District's Healthcare Plan. She also noted telecommunication categories will exceed budgeted amounts by approximately \$40,000. She commented that as a result of the cleanup in the financial records it was discovered that in prior years telephone expenses were paid by credit card and had not been accounted for appropriately. The expenses were on the books but were not in the correct

categories. President Peterson commented that overall it was a good report.

4C) Status of Financial Audit

Interim CFO Michael Brouse reported that staff has had discussions with the auditors and their position remains the same to have audits completed in the August time frame. CFO Brouse stated that the District will be ready by the end of March with the items necessary for the auditors to proceed and at that time will ask that they make every effort to accelerate the completion of the audits. In response to a question from Director Balentine CFO Brouse stated that he has been getting assistance from Deputy General Manager Drees who has picked up some of the tasks that he was doing that was taking time away from his audit preparation work.

Reports/Announcements

5A) Community

Cathy Hansen reported that there will be a funeral service with military honors for Women Airforce Service Pilot Flora Belle Reece to be held on Saturday, February 7th at 10:00 a.m. at Grace Chapel in Lancaster, California. Brigadier General Dunlop is scheduled to speak at the service. There will be an AT-6 flyover by the Condor Squadron in her honor. Flora Belle, a longtime member of the P-38 National Association joined the WASP in 1943 and flew various aircraft such as the AT-6, BT-13 and B-26 among many others with over 500 flight hours during her service. A monument was dedicated at Lancaster Cemetery in 2011 to honor all WASP and military honors will take place in front of the monument. Cathy Hansen also stated that the Plane Crazy event of January 17th was a huge success and featured speakers Elliot Seguin and Jenn Whaley who gave an in-depth presentation on the WASABI Formula One race plane which was captivating and well received by the audience. MASP was highlighted as a Mecca of ingenuity and knowledge and a place where one can design and build aircraft and conduct flight tests in this unique epicenter of homebuilt aircraft. Ms. Hansen also reported on the upcoming plane crazy event on February 21st from 10:00 a.m. to 2:00 p.m. and will highlight guest speaker Douglas Castleman, an Aviation Artist who will demonstrate various technical and intricate steps of painting and methods to design and produce aviation art.

The presentation will commence at 11:00 a.m. in the MASP board room. Mr. Castleman is a member of two organizations the American Society of Aviation Artists as well as the Society of Illustrators an organization that is part of the US Air Force Art Program. Mr. Castleman has been an avid art historian most of his life with a keen interest in aviation and space exploration and has won awards for his paintings such as Apollo 11 Launch, a second –place win (space category) in the ASAA International Art Exhibit and SH-60 Seahawk for “Best of Show” at a regional art show in October, 2012.

5B) Board Committees

Audit/Finance Committee

Director Balentine reported that the committee did not meet but informed the Board that the committee will present for consideration a draft resolution regarding employee compensation to amend the District’s Administrative Code. The resolution was drafted to address CalPERS requirements and will be presented at the next Board meeting.

5C) Board of Directors

Director Deaver reported that he learned indirectly last week that Supervisor Scrivner addressed an organization in Tehachapi to discuss the possibility of moving the animal shelter from Mojave Airport to Tehachapi. He noted that the current location of the shelter at Mojave Airport would be ideal for constructing a hangar and a more suitable location for the shelter would be adjacent to the county buildings near the Hwy 58 Business route. He also noted that the directional signs for the animal shelter are small making it difficult to find. He stated the airport needs a sign policy and noted that most buildings have very good signage but directional signs located on airport streets and roadways are difficult to read and have no uniformity. He suggested a committee be formed to address the issue and have Caltrans and Kern County Planning Department assist in developing a sign policy. Director Deaver also reported that he and several people from Mojave and southeast Kern County attended a meeting in California City regarding Department of Defense funding that is available to cities impacted by Base Realignment and Closure (BRAC). This meeting came out of a request from the Indian Wells Valley Airport District and it was learned that even though a city may not be directly impacted by BRAC there is also funding available to communities that are

extensively impacted economically by a military installation. Funding can be used to broaden the economic base of these communities. Representatives from DOD, GAVEA and the County's Administrative Office were present at the meeting and have agreed to process a grant application for this area and the representative from DOD stated that this area already qualifies for grant funding. Director Deaver commented that housing is high on the list of items that could possibly benefit from this type of grant to provide local housing opportunities for the very bright and skilled people employed at MASP but have to commute to work. Director Balentine commented on flooding that occurs on Belshaw Street after rain storms and asked Supervisor Scrivner's Representative Ryan Rush to look into this and see if a solution could be found to address the issue. President Peterson reported that an evaluation was performed recently to see if there is a difference between LED lighting and standard lighting for runways when using night vision goggles. It was determined that the LED lighting is better from the perspective of using night vision goggles. Director Balentine noted that the Board had discussed LED lighting several years ago in terms of a cost saving measure.

5D) CEO/GM Approved Expenditures/Reports

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|---|----------------|
| 1. SETP West Coast Symposium Sponsorship | NTE \$500 |
| 2. Clark Pest Control: Building 64 (Termites) | NTE \$2,081 |
| 3. Pioneer Products: Citrus Cleaner Degreaser Invoices #81082 | NTE \$2,009.26 |
| #81083 | NTE \$2,009.37 |
| 4. SBS Group: Annual Renewal of Software Maintenance Plan | NTE \$2,204.50 |
| 5. OTIS Elevator Service (Tower) | NTE \$6,450.21 |
| 6. WebNet Technologies: Annual Laserfiche Licenses | NTE \$2,115.60 |
| 7. Safety-Kleen: Wash Rack Annual Cleaning | NTE \$5,872.30 |
| 8. All Weather, Inc: AWOS Maintenance | NTE \$7,950.00 |

President Peterson asked Board if they had any questions regarding approved items presented on the agenda. Director Balentine asked if the approved expenditures regarding All Weather, Inc. for AWOS Maintenance was an annual payment for this service and DGM Drees responded that this was an annual payment but the maintenance is performed three times per year.

CEO Witt by telecom reported that F18 aircraft will be operating out of MASP one to two weekends per month beginning February 6, 2015. There could be from two to five F18 aircraft flying twice a day on Friday, Saturday and Sunday and operating out of Hangar 68. The tower will be operational during those periods and a fire crew with a minimum of three firefighters will be on duty. Director Balentine asked if the cost of providing this service was being paid from fuel sales and CEO Witt responded that staff will be evaluating operations this weekend to determine when tower and fire crew will be needed and will meet with the client to ascertain their requirements and the cost of fuel for these aircraft will be adjusted to accommodate the added cost of labor to the airport.

CLOSED SESSION

There was no closed session.

ADJOURNMENT

There being no further business to come before the Board, the chair adjourned the meeting at 4:10 p.m.

RESOLVED: That the regular meeting of February 3, 2015 be and the same is hereby adjourned.

President

ATTEST:

Secretary

(SEAL)