



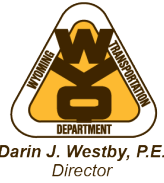
Mark Gordon
Governor

WYOMING *Aeronautics Commission*

DEPARTMENT OF TRANSPORTATION

5300 Bishop Boulevard
Cheyenne, Wyoming 82009-3340

Bruce McCormack, Chairman
(307) 777-4015



Darin J. Westby, P.E.
Director

MEETING MINUTES

I. CALL TO ORDER

A meeting of the Wyoming Department of Transportation (WYDOT) Aeronautics Commission was held on Tuesday, August 15, 2023, via videoconference. Chairman Bruce McCormack presided, calling the meeting to order at 1:30 p.m.

II. PLEDGE OF ALLEGIANCE

Chairman McCormack led the attendees in the Pledge of Allegiance.

III. ROLL CALL

The following commission members were present, constituting a quorum.

Bruce McCormack, Chairman, District 4

Bill DeVore, Commissioner, District 3

Jerry Blann, Vice Chairman, District 2

Randy Harrop, Commissioner, District At-large

Dean McClain, Commissioner, District 1

Darin Westby, WYDOT Director, Ex-Officio

Commissioners Sigsbee Duck and Steve Maier were absent.

The following WYDOT staff and guests were present and participated in the business meeting.

Brian Olsen, Aeronautics Administrator

Sheri Taylor, Unmanned Aircraft Systems (UAS) Manager

Mariah Johnson, Air Service Development Manager

MacKenzie Sewell, Assistant Attorney General

Phillip Hearn, Engineering & Construction Manager

Kimberly Chapman, Commission Secretary

A.J. Schutzman, Planning & Programming Manager

Susan Elliott assisted with virtual meeting management.

IV. AGENDA ADJUSTMENTS

There were no adjustments to the agenda.

V. APPROVAL OF MINUTES

It was moved by Vice Chairman Blann, seconded by Commissioner DeVore, and unanimously carried to approve minutes from the July 18, 2023, business meeting and the July 18-19, 2023, education session.

VI. UPDATES/DISCUSSIONS

A. CHAIRMAN'S UPDATE

Chairman McCormack presented the Chairman's Update.

Chairman McCormack addressed the recent WYDOT personnel changes. Governor Gordon appointed Darin Westby to be WYDOT's permanent director on August 11th. He congratulated the new director and welcomed him to his permanent role on behalf of the commission.

The chairman also congratulated A.J. Schutzman on his promotion to Aviation Planning Manager.

B. DIRECTOR'S UPDATE

Director Westby presented the Director's Update.

Director Westby thanked the commission for their support during his service as the interim director. As Director Westby takes on the permanent director role, he shared that his initial priorities are on recruitment, retention, and revenue. Federal revenues have increased but state revenue has remained relatively flat, which makes it harder to provide the necessary match for federal grants. The director is focusing on strategic messaging with legislators and other elected officials on WYDOT's funding needs.

WYDOT Budget

Director Westby reported that WYDOT is in the final phases of developing the fiscal year (FY) 2024 operating budget. The Chief Financial Officer Dennis Byrne and the Budget Program are also working on the FY 2025 biennium budget. The director reported that the team has created a balanced budget that will be ready for Transportation Commission consideration and approval on schedule.

Construction Update

Director Westby reported that there are numerous construction projects currently active statewide, and the projects are going well. Some construction zones on the interstates will impact the travelling public, but it is an unavoidable function of road maintenance and repair.

Recruitment

As mentioned earlier in the meeting, recruitment is a top priority for Director Westby. The director, along with the executive team, are looking at different ways to fill vacant positions for maintainers and snowplow drivers ahead of winter. The team is considering how best to market these positions to ensure adequate staffing and avoid burnout of existing personnel.

Joint Transportation, Highways, and Military Affairs Committee (JTC) Meeting

Director Westby reported that WYDOT leadership is preparing for the JTC meeting on August 31st and September 1st. The team is assembling supporting materials for the five draft interim bills that will be discussed at the meeting.

Director Westby informed the commission of two draft bills that will be of particular interest to the commission. The first bill would require the Governor to conduct an efficiency study of WYDOT. If the legislation does move forward, Director Westby is confident an audit will show that WYDOT operations are already efficient.

A second bill—regarding alternative fuel taxation—mentions aircraft and might be of interest to the commission. Director Westby is unsure how the bill will progress, but wanted to bring it to the commission’s attention.

In response to questions from Commissioner Blann, Director Westby said the vacancy rate for WYDOT is about 15 percent. The team is working to calculate the turnover rate. The cost and impact of high vacancy and turnover rates to the department are significant. If WYDOT does undergo an efficiency study, the director hopes that it will examine management’s efficiency in retaining employees. Improving recruitment efforts will be for naught if good employees are not retained.

Filling vacancies remains one of Director Westby’s top priorities, as he is committed to employees’ quality of life. He feels that operating at our current vacancy rate is unsustainable in the long term as it could lead to burnout and more vacancies.

Following a question from Commissioner DeVore, the director explained that most of the vacancies are from three main categories or programs: Wyoming Highway Patrol (WHP) troopers, road maintainers, and engineers. For some of the positions, like pilots and mechanics, WYDOT is struggling to compete with industry compensation rates. The director is actively working with the Governor’s office and the Wyoming Department of Administration and Information (A&I) to seek possible solutions.

C. ADMINISTRATOR’S UPDATE

Administrator Olsen presented the Administrator’s Update.

Federal Updates

Federal Aviation Administration (FAA) Reauthorization

Administrator Olsen reported that the U.S. House’s version of the reauthorization bill was passed on July 20, 2023. A few contentious amendments were addressed before the bill’s passage. The House voted down amendments to abolish the Essential Air Service (EAS) Program, to add additional exempted flights to Reagan National Airport, and to allow flight simulator training hours to replace some of the required 1,500 pilot training hours.

The U.S. Senate’s version of the bill has not made it out of committee because of contention over proposed changes to the 1,500 hour pilot training rule. Mr. Olsen does not expect any movement on the bill until the disagreement is resolved. Furthermore, Congress is in summer recess, so no action will take place until session resumes.

FY 2024 Appropriations

The House and Senate transportation appropriations subcommittees have passed respective appropriations bills for FY 2024. While there are no significant differences in the two versions, the House and Senate’s differing attitudes on spending will complicate the legislative process.

Mr. Olsen reported that Congress' September schedule will be very busy with 12 appropriations bills, FAA reauthorization, and the Farm Bill all to be considered. He finds it likely that several continuing resolutions will be necessary.

Per- and Polyfluoroalkyl Substances (PFAS)

On August 4, 2023, the FAA released draft guidance to provide standards on fluorine-free foam (F3). The standards will allow Part 139 commercial service airports to use the new F3 agents, as they are made commercially available. Mr. Olsen reported that the industry is waiting for federal approval of a specific product, which he hopes will happen by the end of September.

Once a product is approved, Mr. Olsen anticipates that individual airports will develop plans to transition to the new foam. It is not currently required by the FAA, but Mr. Olsen thinks that the liability of using foams containing PFAS will motivate most airports to switch.

Division and Department Update

Administrator Olsen reported that Mr. Schutzman was selected as the new Aviation Planning Manager. Mr. Schutzman was previously a senior planner in the program and was therefore able to spend time working through the transition with Cheryl Bean before her retirement. Mr. Olsen is confident Mr. Schutzman will bring great energy and new ideas to the position.

Pilot recruitment efforts are ongoing. Administrator Olsen is working with the Human Resources Division (HRD) to reconsider the job classification and compensation for state pilots. Industry wage adjustments make it harder to recruit and retain pilots. Special attention was given to the marketing of these positions—emphasis was placed on the quality of life afforded to state pilots.

Administrator Olsen informed the commission that the Wyoming Transportation Department Employee Association (WTDEA) is hosting an employee appreciation barbecue tomorrow at headquarters in Cheyenne. Commissioners are invited to attend.

D. AIR SERVICE DEVELOPMENT PROGRAM UPDATE

Ms. Johnson presented the Air Service Development Program Update.

General Matters

July Traffic

Ms. Johnson reported that July load factors dropped slightly from June totals at most Wyoming airports, but Laramie and Rock Springs had higher load factors in July than June. The two airports had load factors of 55 and 72 percent respectively. While most airports were down from June, Gillette and Sheridan still had load factors over 80 percent.

Future Bookings

Ms. Johnson reported that month-to-date load factors for August are slightly lower than July, but bookings are strong for the remainder of the month. September bookings are good, considering the time of the year, but Ms. Johnson is estimating a seasonal slowdown.

Bookings are steadily increasing at the Cheyenne airport, where service will resume in less than a month. Currently, Cheyenne is just slightly below the booking levels of the other Wyoming airports.

General Industry News and Updates

Ms. Johnson reported that the U.S. domestic seat capacity is roughly three percent greater than the pre-pandemic, 2019 levels. This increase has been driven mostly by the ultra-low cost carriers like Allegiant, Frontier, and Southwest Airlines. The traditional network airlines—such as American, United, and Delta—are still well below 2019 levels.

Travel demand to Europe has rebounded so dramatically this summer that airlines have increased transatlantic capacity 13 percent over last summer. The intense demand has driven airfares up by as much as seven percent, despite the capacity increase.

Partly because of the demand for European travel, U.S. domestic airfares have softened by an estimated 11 percent this summer. This is a much needed respite from the continuing increases in domestic airfares for the last several quarters. Another contributing factor is the decrease in aircraft fuel prices, which are down about 30 percent from last summer. Decreased fuel prices will more than likely be offset by increasing labor costs from the renegotiated pilot contracts.

Ms. Johnson reported that U.S. airline earnings for the second quarter of the fiscal year were strong. The airlines averaged a 13 percent operating margin and reported \$7 billion in operating profits for the quarter. The net profits for the last 12 months total nearly \$9 billion. While this total is lower than the \$14 billion reported in 2019, it still represents a healthy recovery for the industry.

Standard Reports

Air Service Enhancement Program (ASEP) Budget Forecast Report

Ms. Johnson reported no changes to the ASEP Budget Forecast Report.

Capacity Purchase Agreement (CPA) Budget Forecast Report

Ms. Johnson reported that the CPA Budget Forecast Report has been updated to include the July numbers from each airport. In the first month of the new contract term, two CPA airports reported operating profits.

Percent of Grant Projects by City Report

Ms. Johnson reported no changes to the Percent of Grant Projects by City Report.

Monthly Load Factors Report

Ms. Johnson reported that the Monthly Load Factors Report has been updated to include July load factors, as well as available load factors for Cody and Jackson to Atlanta and Dallas-Fort Worth.

Following a comment from Chairman McCormack on Laramie's totals, Ms. Johnson shared that load factors are impacted by flight schedules. Several Wyoming airports have struggled with this issue. It is further complicated by the fact that some months an airport will be given a schedule

with favorable flight times, but other months will have less desirable times. Ms. Johnson is actively working this issue with the airports to achieve a better balance or some sort of resolution. In response to a question from Commissioner DeVore, Ms. Johnson stated that she and Administrator Olsen meet with SkyWest bi-weekly to discuss service issue. She feels that the airline is responsive to scheduling issues and works with the division and the airports to adjust flight times and days where possible.

Administrator Olsen shared that another factor affecting flight schedules is gate availability at Denver International Airport. United has a certain amount of gates available for flights and only a subset of those are allotted to SkyWest for all of their regional flights.

E. ENGINEERING AND CONSTRUCTION PROGRAM UPDATE

Mr. Hearn presented the Engineering and Construction Program Update.

General Matters

Mountain Automated Weather Observation Systems (AWOS) Update

Mr. Hearn reminded the commission that a few years ago the division decommissioned two of the mountain AWOS sites—Lava Mountain and Powder River—because they were either non-functional or contained obsolete components. To date, the division has salvaged all of the usable materials possible and will continue to work to completely remove all of the equipment from those sites.

General Construction Update

Mr. Hearn reported that air service will soon resume at the Cheyenne Regional Airport. All of the concrete has been laid and all of the defective panels have been replaced. One more panel may be replaced depending on the outcome of tests to be conducted on it. The remaining work on the project includes runway lights (half are installed), shoulder grading, striping, and grooving. The projected open date for the runway is September 9th, which is six days ahead of the contracted completion date.

The annual pavement condition index inspections, conducted by Applied Pavement Technology, are complete. The division should receive the preliminary results in late fall or early winter, in time to be incorporated into the scoring process for the Wyoming Aviation Capital Improvement Plan (WACIP) update.

The seal coat and mark project is ongoing, but should be complete by October 3rd.

Standard Reports

Change Orders Report

Mr. Hearn reported no new change orders.

Statewide Line Items Report

Mr. Hearn reported two new line items.

Bid Summary Report

Mr. Hearn reported two new bid results.

Following a question from Commissioner DeVore, Mr. Hearn clarified that the Laramie project is a fire-fighting truck. In response to a question from Commissioner McClain on what happens to old equipment once it is replaced, Mr. Hearn explained that depending on the state of the equipment in question, it can either be sold to another entity or to a smaller airport. Any proceeds from the sale must be used on other airport projects.

F. PLANNING AND PROGRAMMING PROGRAM REPORT

Mr. Schutzman presented the Planning and Programming Program Update.

General Matters

WACIP Annual Update

Mr. Schutzman reported that the BlackCat Aviation Data Management System was opened to receive new project applications on July 17th and will remain open for submissions until September 1st. The one-on-one, CIP review meetings between airport sponsors and the division and FAA are ongoing. To date, the division has held meetings with 21 of the 40 airports, with another 14 scheduled to occur before September.

Staffing

Mr. Schutzman's promotion to the aviation planning manager has left a vacancy for a senior planner. He will work with Administrator Olsen and the HRD to get the position filled as quickly as possible.

Standard Reports

Administrative Approvals Report

Mr. Schutzman reported no administrative approvals for this period.

Recovered State Funds Report

Mr. Schutzman reported that there were no recovered state funds this period. The total recovered state funds for the year remains at \$216,197.

G. UNMANNED AIRCRAFT SYSTEMS PROGRAM UPDATE

Ms. Taylor presented the Unmanned Aircraft Systems (UAS) Program Update.

General Matters

Tactical Beyond Visual Line of Sight (TBVLOS) Update

Ms. Taylor reported that WYDOT's TBVLOS waiver was recently approved and signed by the FAA. This waiver will mostly be used by WHP during emergency response efforts. As reported last month, the certificate of authorization was also signed by the FAA, so Ms. Taylor will soon be able to close out this project.

Chairman McCormack shared his appreciation for the drone demonstration during the July education session and expressed concern about the lack of readiness by some WYDOT programs to incorporate drones into operations. He offered the commission's assistance in advocating for broader adoption and application of drones.

VII. REGULAR BUSINESS

A. FY 2023 WACIP BUDGET MODIFICATIONS

Mr. Schutzman reported 16 modifications for an increase in state funds towards projects of \$251,983 and in federal funds of \$6,721,205. The remaining state reserve is \$946,550, which is a little high for this time in the fiscal year. However, Mr. Schutzman is comfortable with the balance as it will allow the team to make necessary adjustments at the end of the fiscal year. The remainder will be rolled over into the FY 2024 budget to meet the reserve goal.

Action: It was recommended by Mr. Schutzman, moved by Commissioner Harrop, seconded by Vice Chairman Blann, and unanimously carried to approve the FY 2023 WACIP budget modifications as presented.

B. FY 2024 WACIP BUDGET MODIFICATIONS

Mr. Schutzman reported five modifications for an increase in state funds towards projects of \$46,274 and in federal funds of \$694,107. The remaining state reserve is \$351,428, which is well below the reserve goal of \$1,114,000. The funds that will be rolled over from the FY 2023 reserve is sufficient to cover the deficit.

Action: It was recommended by Mr. Schutzman, moved by Commissioner DeVore, seconded by Vice Chairman Blann, and unanimously carried to approve the FY 2024 WACIP budget modifications as presented.

VIII. EXECUTIVE SESSION

There was no need for an executive session.

IX. ANNOUNCEMENTS/REMINDERS

Commission Activities

Ms. Chapman announced that the commission's next business meeting will take place Thursday, September 7th at the Teton County Library in Jackson. The commission will attend Jackson Hole Air Improvement Resources' Airline Rendezvous on the two preceding days. Welcome events will occur on September 5th, and the Air Transportation Liaison Committee meeting will be September 6th.

The commission will also attend the Wyoming Airports Coalition's annual conference in Gillette on September 27-29, 2023.

Ms. Chapman reported that she and Mr. Olsen are developing the 2024 commission meeting schedule, which will be presented to the commission at an upcoming meeting. Commissioners are invited to share input on meeting dates and times with Ms. Chapman and Mr. Olsen.

Ms. Chapman reported on several activities happening at Wyoming airports this summer including the Powell Wings and Wheels event on August 18th and 19th; Green River Spaceport Days on August 25th and 26th; and fly-ins at Evanston and Wheatland on August 26th, Riverton on September 9th, Kemmerer and Hot Springs County on September 16th, and Worland on September 30th. The Cheyenne Regional Airport will host the 5k Runway Run on August 26th.

Chairman McCormack shared that the Cody/Yellowstone Regional Airport also plans to host a 5k on their runway in the near future.

Commissioner Comments

Vice Chairman Blann shared that he is working with Ms. Chapman to organize extra activities for the commission during the trip to Jackson for Airline Rendezvous. He has made arrangements for lunch on Wednesday following the Air Transportation Liaison Committee meeting, and he is working with WYDOT Resident Engineer Bob Hammond to arrange a tour of the Wyoming Highway 22 Snake River bridge project. He and Ms. Chapman are also working with the Jackson Hole Airport to coordinate a lunch and tour immediately following the commission meeting on Thursday.

X. ADJOURNMENT

It was moved by Commissioner McClain to adjourn and passed unanimously. Chairman McCormack adjourned the meeting at 2:37 p.m. on August 15, 2023.