



Mark Gordon
Governor

WYOMING *Aeronautics Commission*

DEPARTMENT OF TRANSPORTATION

Sigsbee Duck, Chairman

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MEETING MINUTES

I. CALL TO ORDER

A meeting of the Wyoming Department of Transportation (WYDOT) Aeronautics Commission was held on May 19, 2022, in the commission chambers at the Sheridan County Courthouse in Sheridan. Chairman Sigsbee Duck presided, calling the meeting to order at 8:31 a.m.

II. PLEDGE OF ALLEGIANCE

Chairman Duck led the attendees in the Pledge of Allegiance.

III. ROLL CALL

The following commission members were present, constituting a quorum.

Anja Bendel, Commissioner, District 1

Steve Maier, Commissioner, District 5

Jerry Blann, Commissioner, District 2

Randy Harrop, Commissioner, District At-large

Bill DeVore, Commissioner, District 3

Luke Reiner, WYDOT Director, Ex Officio

Bruce McCormack, Vice Chairman, District 4

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

Brian Olsen, Aeronautics Administrator

Mike Kahler, Senior Assistant Attorney General

Phillip Hearn, Engineering & Construction
Manager

Kari Cooper, Executive Director, Jackson Hole
Air Improvement Resources

Cheryl Bean, Planning & Programming Manager

John Waggener, President, Wyoming Aviation
Hall of Fame Board

Sheri Taylor, Unmanned Aircraft Systems (UAS)
Manager (via Zoom)

Kimberly Chapman, Commission Secretary

Susan Elliott assisted with virtual meeting management.

IV. ADJUSTMENTS TO AGENDA

There were no adjustments to the agenda.

V. APPROVAL OF MINUTES

It was moved by Commissioner Maier, seconded by Commissioner McCormack, and unanimously carried to approve the minutes from the April 19, 2022, business meeting.

VI. UPDATES/DISCUSSIONS

A. CHAIRMAN'S UPDATE

Chairman Duck recognized Commissioner Maier and invited him to address the attendees. Commissioner Maier acknowledged the Critical Air Service Team (CAST) in Sheridan for hosting a welcome event for the commission the previous evening. For 10 years, CAST has been committed to returning and then retaining air service to Sheridan and Johnson counties.

Commissioner Maier shared that leaders from both counties, who are involved with CAST, enjoyed the opportunity to meet the commission.

Chairman Duck thanked the staff for their efforts in organizing an educational and informative trip. He also thanked Director Reiner for joining the trip and the commissioners for their attendance and commitment to aviation.

Chairman Duck reported that he traveled with Administrator Olsen to St. George, Utah, to take part in some of the final negotiations for the Capacity Purchase Agreement (CPA). He praised Administrator Olsen for his expert handling of the negotiations and for representing Wyoming so well. He also thanked Doug Blissit, with Mead and Hunt, for his help and assistance throughout the process.

Chairman Duck also thanked Sheridan County Airport Manager John Stopka for hosting the commission at the airport. He also congratulated Mr. Stopka on his upcoming retirement after 46 years and thanked him for his contributions to Wyoming aviation.

B. DIRECTOR'S UPDATE

Director Reiner presented the Director's Update.

Summer Construction Season

Director Reiner reported that summer construction season has begun, and there are currently over 40 active projects statewide. As the season progresses, there could be as many as 90 projects.

Supply Chain Issues

Supply chain issues have impacted WYDOT road and bridge projects. The department is working with contractors to extend project timeframes when there are substantiated issues with obtaining supplies/materials. WYDOT includes cost escalation clauses in its contracts—typically for fuel, asphalt binder, and structural steel. Director Reiner reported that inflation has caused more of WYDOT's contractors to utilize this clause.

Groundbreaking for New Wildlife Crossing

A groundbreaking ceremony was held recently for a new wildlife crossing project near Big Piney. The project covers a 20-mile span and includes wildlife fencing and nine underpasses. The department received about \$14 million in federal funding for this project, but other local and state agencies and entities have partnered to bring this project to fruition.

WYDOT is working closely with Wyoming Game and Fish Department and the Wyoming Wildlife Natural Resource Trust to strategize how best to use government funds allocated for wildlife. The director reported that by leveraging all available fiscal resources, the group should be able to accomplish four additional wildlife projects over the next five years.

The director shared that WYDOT is also working on a new set of rules and regulations to track and document how funds generated by the sale of conservation license plates are being used.

Director Reiner announced that WYDOT's Snake River bridge project on Wyoming Highway 22 has received the Federal Highway Administration's (FHWA) Environmental Excellence Award. The project was recognized for its consideration of environmental and wildlife issues. Extensive stakeholder engagement helped engineers design a multimodal bridge that will serve both the public and the Greater Yellowstone ecosystem.

Infrastructure Investment and Jobs Act (IIJA)

Notices of funding opportunities (NOFO) are gradually being released, and WYDOT is working closely with the governor's office and the FHWA to understand the NOFO requirements. Many of these IIJA funds allow more opportunities for local governments to participate than any previous funding bill.

The Bridge Formula Program has \$45 million a year available to upgrade and overhaul bridges in poor or critical condition. The federal government required 15 percent of the total program funding be provided to local (municipal and county) projects, but Director Reiner estimates that WYDOT has provided closer to 30 percent to local governments.

Electric Vehicles (EVs)

Director Reiner reminded the commission that Wyoming will receive about \$25 million in IIJA funds over the next five years to advance EV infrastructure development. WYDOT's role is to ensure that the infrastructure along Wyoming's transportation system supports the travelling public, regardless of what powers the vehicle. The department's initial focus is on major routes to tourist destinations.

As the National Electric Vehicle Infrastructure plan is finalized, the state is negotiating with the federal government on a few requirements. Specifically, the requirements that there must be a charging station every 50 miles and charging stations must be within 1 mile from the interstate.

Joint Transportation Committee (JTC) Meeting

The JTC met in Casper at the beginning of the month, and Director Reiner and other members of WYDOT's staff provided testimony on a wide range of topics. The testimony provided the legislators with necessary information to set an agenda for the next legislative session.

Director Reiner shared some key talking points commissioners can use in discussions with legislators. The key message is the department's gratitude to the legislature for its support of the compensation plan. The plan is effective July 1, 2022, and the director hopes that it will significantly help with recruitment and retention. Another issue that WYDOT is working on is setting fixed rates for towing companies on the non-consensual tow list. Fixed rates would hopefully deter companies on the list from engaging in price gouging.

WYDOT has also asked for statute changes on road closure penalties, child safety seats, and lifetime trailer registration for small trailers. There have been increased incidents of drivers ignoring road closures, driving around gates, and then getting stuck while attempting to travel on unsafe roads. Stranded cars must then be cleared off the road before snowplows can work the roads, delaying the overall opening time.

Following a question from Vice Chair McCormack, Director Reiner shared that he will be visiting Cody later in May to celebrate National Parks Day and to drive on Highways 296 and 212 between Cody and Cooke City, Montana. The director, the superintendent of Yellowstone National Park, and a few WYDOT engineers will be looking at those roadways as they begin discussions on winter plowing. Residents of Cooke City have expressed interest in having wintertime access to Cody.

C. ADMINISTRATOR'S UPDATE

Administrator Olsen presented the Administrator's Update.

Division Update

Mr. Olsen introduced Mariah Johnson as the new Air Service Development Program manager. Ms. Johnson comes to the position from WYDOT's Program Performance where she was responsible for project scheduling.

Federal and National Updates

Legislative Issues

On May 3rd, United States Secretary of Transportation Pete Buttigieg appeared before the Senate Commerce Committee to discuss the fiscal year (FY) 2023 U.S. Department of Transportation (USDOT) budget. Multiple senators, including Wyoming's Senator Cynthia Lummis, questioned the secretary on the challenges of continuing air service to small communities. It brought national attention to the problems that Wyoming airports, and others across the nation, are facing.

The Senate has asked stakeholders to present priorities for Federal Aviation Administration (FAA) Reauthorization by June 1st. Mr. Olsen has been working with the Wyoming Airports Coalition (WAC) to finalize their priorities. He also chairs the Legislative Affairs Committee for the National Association of State Aviation Officials (NASAO), and that group is close to completing a list of national priorities.

State Legislative Updates

JTC Meeting

In addition to the topics that the director discussed, Mr. Olsen reported that WAC introduced a topic on airport governance. The coalition will develop proposals and bring those forward to the JTC later in the year.

Drones

The Joint Judiciary Committee will be reviewing trespass issues at the next meeting. Part of the discussion will include trespass issues related to drones, which is a nationwide issue. Other states have attempted to address it, but have not come up with robust solutions.

Airport Update

After last month's update on the maintenance problems Laramie Regional Airport experienced with their weather station, the National Weather Service addressed this issue and repairs were

completed. Mr. Olsen has learned that many other states are experiencing similar issues with maintenance at airport weather stations, and this issue will be included on NASAO's list of reauthorization priorities.

D. AIR SERVICE DEVELOPMENT PROGRAM UPDATE

Mr. Olsen presented the Air Service Development Program Update.

General Matters

Mead & Hunt Consultant

Mr. Blissit will visit Wyoming later this month to provide an in-depth briefing on air service to Ms. Johnson and Mr. Olsen. They will spend some time discussing air service analysis and airline operations.

Capacity Purchase Agreement (CPA) Contract Extension

On May 4th, a small Wyoming delegation visited SkyWest Airlines headquarters in St. George, Utah, to discuss extending the CPA contract. Mr. Olsen, Chairman Duck, Mr. Blissit, and Kyle Butterfield with Riverton Regional Airport attended the final negotiations. Mr. Olsen thanked Chairman Duck for participating in the meeting and representing Wyoming's interests.

General Industry News

Mr. Olsen shared some aviation facts and figures with the commission. Nationally, January passenger throughput levels were at about 77 percent of 2019 levels; February levels jumped to 84 percent; March was at 88 percent; April was at 90 percent; and May has stalled at 90 percent. Passenger numbers are expected to increase over the summer.

Airline earnings for the first quarter of 2022 were still pretty disappointing with losses of about \$6 billion. Profitability is predicted over the summer once passenger numbers increase.

Pilot and crew shortages continue to negatively impact the industry as shortages disrupt an airline's ability to fly certain routes. Fuel costs continue to rise; total fuel costs are up about 56 percent from the first quarter of 2022. Increasing costs are a significant challenge for the airlines, but it also impacts the CPA since fuel is a pass-through cost.

Following a question from Chairman Duck, Mr. Olsen shared that Rock Springs and Gillette have seen increased average fares. An increase in demand for business travel accounted for improved fares/numbers. Following a question from Commissioner DeVore, Mr. Olsen shared that airports used to rely on certified weather observers to serve as a backup when issues arose with automated weather observations systems (AWOS), but the certification process has become much harder in recent years. The difficulty of the process and test has become a barrier for many airports to certify staff. Many weather types and emergency incidents could render an AWOS nonfunctional, so it is very critical for airports to have certified weather observers at every airport. Several aviation groups are looking to address this issue.

Standard Reports

Air Service Enhancement Program (ASEP) Budget Forecast Report

Mr. Olsen reported that the forecasted budget for FY23, FY24, and FY25 were increased by \$1,640,000.00 each year. The increase represents potential grant applications from Casper/Natrona County International Airport, Cheyenne Regional Airport, and Jackson Hole Airport in each of the next three years, providing a more accurate picture of funding availability moving forward.

CPA Budget Forecast Report

Mr. Olsen reported no changes at this time.

Percent of Grant Projects by City Report

Mr. Olsen reported the Jackson project ASJAC10 now shows “finalized,” with an adjustment to the state share (from \$80,000 to \$60,000) and no project recoveries.

E. ENGINEERING AND CONSTRUCTION PROGRAM UPDATE

Mr. Hearn presented the Engineering and Construction Program Update.

General Matters

Crack Seal and Seal Coat and Mark

Mr. Hearn reported that the seal coat and mark project is scheduled to begin on May 23, 2022, and should be completed by the end of August. The crack seal project is currently underway and is progressing well. The project is projected for an end of May completion. Aeronautics staff inspections report an excellent quality of work from the contractor.

General Construction Update

Mr. Hearn reported that there are currently 15 active construction projects statewide.

Standard Reports

Change Orders Report

Mr. Hearn reported three new change orders. Two are local-only change orders, and the other involves state funds.

Statewide Line Items Report

Mr. Hearn reported one new line item for an aviation encouragement grant.

Bid Summary Report

Mr. Hearn reported 3 new bid results. Two of the projects only received a single bidder, which has been fairly typical this year.

F. PLANNING AND PROGRAMMING PROGRAM UPDATE

Ms. Bean presented the Planning and Programming Program Update

General Matters

Funding Update

Ms. Bean reported that the division conducted an expedited process to program IJA funds for FY22 and FY23 to help the airports obtain funds to use for 2023 projects. Most of those projects were approved by the commission at the April meeting, but a few remaining projects will be up for consideration later in the meeting.

The annual Wyoming Aviation Capital Improvement Plan (WACIP) update will occur later this summer. Airports will be able to revise their plans to include the IJA funds.

The Airport Terminal Program provides competitive funding for terminal improvements at a 95 percent match. The FAA will alert awardees in July.

A NOFO was released for the FAA's Airport Owned Contract Tower Program. Cheyenne and Jackson are eligible for this program, but Ms. Bean is unsure if either applied. A NOFO was also released for some supplementary discretionary funding, but the FAA already has a list of projects to fund.

Standard Reports

Administrative Approvals Report

Ms. Bean reported that there were no administrative approvals this period.

Recovered State Funds Report

Ms. Bean reported four project recoveries during this period totaling \$1,995.00. Recovered funds for this fiscal year total \$518,298.74.

G. UNMANNED AIRCRAFT SYSTEMS (UAS) PROGRAM UPDATE

Ms. Taylor presented the UAS Program Update.

General Matters

Domestic Counter-UAS National Action Plan

Ms. Taylor reported that last month the White House released a domestic counter-UAS national action plan that recommends actions to close gaps in existing policies and laws that inhibit departments and agencies from defending against the growing threat of UAS. The plan proposes eight recommendations and 13 specific changes or expansions to existing UAS detection and counter-UAS authorities. Airports are identified in the plan as significant assets where more detection and counter-UAS activities are needed. The plan also recommends the passage of a comprehensive federal criminal statute regarding UAS activity to deter malicious and unlawful drones.

VII. REGULAR BUSINESS

A. FY22 WACIP BUDGET MODIFICATIONS

Ms. Bean reported 12 modifications this month. Modifications for this period equaled a total increase in state funds of \$123,753 and an increase in federal funds of \$5,834,096. The remaining state funds reserve is \$1,559,340.

Action: It was recommended by Ms. Bean, moved by Commissioner Blann, seconded by Commissioner Bendel, and unanimously carried to approve the FY22 WACIP Budget Modifications as presented.

B. FY23 WACIP BUDGET MODIFICATIONS

Ms. Bean reported 10 modifications for this period, equaling a total increase in state funds of \$224,612 and an increase in federal funds of \$4,943,620. The remaining state funds reserve is \$802,731.

Action: It was recommended by Ms. Bean, moved by Commissioner Bendel, seconded by Commissioner DeVore, and unanimously carried to approve the FY2023 WACIP Budget modifications, as presented.

VIII. NEW BUSINESS

A. CONSIDERATION OF JACKSON HOLE AIR IMPROVEMENT RESOURCES ASEP APPLICATION

Jackson Hole Air Improvement Resources (JH AIR) is requesting two separate grants from the Air Service Enhancement Program (ASEP). The first, as presented, is for continuing service to Dallas/Fort Worth International Airport on American Airlines; the second is to continue service to Atlanta Hartsfield/Jackson International Airport. The combined request for the two applications is \$200,000 from the ASEP, which is consistent with the combined previous year's grant request of \$200,000, and the same as the previous winter's original grant request. Staff regards this request as a good use of state funds to accomplish the intended benefits of ASEP.

Kari Cooper from JH AIR provided a presentation to support these two requests.

Action: It was recommended by Mr. Olsen, moved by Commissioner Harrop, seconded by Commissioner McCormack, and carried to approve JH AIR's request for service on American Airlines to Dallas-Fort Worth International airport at a state match of 40 percent not to exceed \$140,000. Commissioner Blann recused himself from the vote due to his involvement with JH AIR.

B. CONSIDERATION OF JACKSON HOLE AIR IMPROVEMENT RESOURCES SECOND ASEP APPLICATION

As the second request, JH AIR is requesting a grant of \$60,000 from the ASEP at a state match of 40 percent to continue service to Atlanta Hartsfield/Jackson International Airport. Staff regards this project as a good use of state funds for accomplishing the intended benefits of ASEP.

Action: It was recommended by Mr. Olsen, moved by Commissioner Maier, seconded by Commissioner Bendel, and carried to approve JH AIR's grant request for service on Delta Air Lines to Atlanta, at a state match of 40 percent not to exceed \$60,000. Commissioner Blann recused himself from the vote due to his involvement with JH AIR.

C. CONSIDERATION OF THE CPA CONTRACT AMENDMENTS

This is the extension of the original CPA contract, first signed in June 2019. This is the second three-year term, which will be in effect July 1, 2022, to June 30, 2025.

Administrator Olsen shared that the CPA has been an invaluable tool in retaining air service in communities across Wyoming, especially during the pandemic. The significant cost increases in the contract are due to increasing costs in three specific areas: labor; airplane parts, supplies, and metals; and labor at outstations. Most of these costs are built into the block-hour rate.

The contract allows WYDOT and the commission to review rates and service levels each year of the contract. Reliability issues have also been addressed. The team was able to negotiate for protections and financial penalties for delayed flights. A clause was included that allows SkyWest to exit the contract if staffing (pilot) levels render them unable to adequately service routes. SkyWest also agreed to provide 24 promotional tickets a year to help airports market air service.

Annual caps in the contract were set based on forecasts for two daily roundtrips throughout the three-year term. Fare averages and increasing fuel costs were also factored into the calculations, but the average used was fairly conservative.

Following a request for an update on the status of the memorandums of understanding (MOU) with each community mentioned in the contract, Mr. Olsen shared that the MOUs will go out to the four communities within the next few weeks and will hopefully be available for commission review at the June meeting. Commissioners Blann, McCormack, and DeVore and Chairman Duck shared their congratulations and thanks to WYDOT and Administrator Olsen for successfully concluding negotiations and obtaining the contract.

Action: It was recommended by Mr. Olsen, moved by Commissioner DeVore, seconded by Commissioner Blann, and unanimously carried to approve Amendment No. 1 to the CPA contract with SkyWest Airlines for scheduled commercial air service to Gillette/Northeast Wyoming Regional Airport (GCC), Central Wyoming Regional Airport (RIW), Rock Springs/Southwest Wyoming Regional Airport (RKS), and Sheridan County Airport (SHR) through June 30, 2025.

D. UPDATE ON DRAFT COMMISSION PRIORITIES

Ms. Bean presented the commission with a draft of the updated commission priorities that were originally created at the February 2022 planning session. Staff were tasked with further developing the priorities and figuring out how to integrate them into the Priority Rating Model process. After some discussion, Ms. Bean and staff propose to allow program managers discretion to award a priority point, in certain circumstances, with administrator concurrence and commission approval.

Ms. Bean requested that the commission consider whether these updates correctly and completely represent the commission's priorities. The commission will vote on the updated priorities at the June meeting. Commissioner Harrop requested a note be added to the priorities addressing the importance of safety. Ms. Bean will add a postscript statement to the document on safety.

E. CONCURRENCE OF THE WYOMING AVIATION HALL OF FAME BOARD'S 2022 INDUCTEE SELECTION

At the April meeting, Mr. John Waggener, president of the Wyoming Aviation Hall of Fame Board, asked the commission to discuss their willingness to consider a nominee who had perished in a plane crash. The commissioners were in complete agreement that if an individual made significant enough contributions to be considered for WAHF induction, then the manner of death should not automatically disqualify a nominee. Mr. Waggener shared his appreciation for the commission's input and informed them that the WAHF board will move forward on nomination packets for a few of these individuals in upcoming years.

IX. EXECUTIVE SESSION

There was no need for an executive session.

X. ANNOUNCEMENTS/REMINDERS

Commission Activities

Ms. Chapman announced that the commission's next business meeting will be held June 21, 2022, via videoconference.

Ms. Chapman reported on several upcoming fly-ins this summer including: Lusk on June 4, Lander on July 2, Big Piney on July 16, and Green River Spaceport Days on August 19 through 20.

JH AIR's Annual Airline Rendezvous will be held August 31 through September 2, 2022, in Jackson. Ms. Chapman will reach out to the commissioners soon to verify their attendance.

Commissioner Comments

Commissioner DeVore shared his appreciation and enjoyment of the airport tours that the commission participated in on May 17th and 18th. He also recognized the CPA's ground-breaking nature and how beneficial it has been to the state.

XI. ADJOURNMENT

It was moved by Commissioner Harrop to adjourn. Chairman Duck adjourned the meeting at 10:08 a.m. on May 19, 2022.