

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
MOJAVE AIR AND SPACE PORT  
September 16, 2014**

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, September 16, 2014.

The Clerk called the roll and the following Directors were present: Balentine, Deaver, Evans, Painter and Peterson. Also present were the District's Chief Executive Officer, Stuart Witt and Deputy Counsel Mike Silander.

President Painter presented the Agenda. CEO requested to add under closed session Recurrent Energy Project as item 6.1 and to move existing item Personnel as item 6.2. Upon motion by Director Deaver, seconded by Director Balentine and unanimously carried, it was:

**RESOLVED:** That the Board find the need to take action with respect to "Recurrent Energy Project" has arisen subsequent to the posting of the agenda and that agenda be approved with the addition of "Recurrent Energy Project".

**PUBLIC COMMENTS**

John Joyce, Rosamond News publisher and editor commented that his son Chris Joyce completed his cross country solo flight of just under 500 miles in Fairbanks, Alaska on July 27, 2014. The plane was a Cessna 150. His flying time was limited because it was the wettest summer on record. This was the break he needed before heading to University of Washington for his MBA in Finance with an emphasis in Pharmaceutical Bioengineering.

**CONSENT AGENDA**

President Painter presented the Consent Agenda. Upon motion by Director

Balentine, seconded by Director Peterson and unanimously carried, Consent Agenda was approved as submitted.

**3A) Minutes of Special Meeting August 26, 2014**

**RESOLVED:** That the Minutes of the Special Meeting of August 26, 2014 be approved as submitted and further reading thereof be waived.

**4A) Check Register 09/12/14**

President Painter presented the General Fund Check Register for September 12, 2014 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 052566 in the amount of \$15.03.

**SCHEDULED ELECTRONIC FUND TRANSFERS**

AV Fuel	09/06/14	\$ 28,494.20
AV Fuel	09/13/14	\$ 57.11
AV Fuel	09/14/14	\$ 14,068.90
AV Fuel	09/23/14	\$ 27,635.07
AV Fuel	09/23/14	\$ 197.70
CALPERS Health	09/10/14	\$ 36,570.78
CALPERS Retirement	09/10/14	\$ 43,925.53

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

**RESOLVED:** That Board approve check numbers 052549 thru 052600

on register date September 12, 2014  
in the amount of \$101,262.71 and  
Electronic Fund Transfer payments  
in the amount of \$150,949.29 for a  
total of \$252,212.00.

#### **4B) Financial Reports**

Interim Chief Financial Officer Michael Brouse presented the Financial Reports for August 2014. CFO reported that the beginning balance for the General Fund for the month totaled \$1,703,893.50 with an ending balance of \$3,644,089.63. CFO noted that the beginning balance is approximately \$80,000.00 higher than the previous month's ending balance. He explained that the outstanding checks that were discovered during recent account reconciliations which should have been voided have now been added back into the account which reflected an increase to the beginning balance of the General Fund. Director Evans asked what caused expenses to exceed revenues by nearly \$84,000.00 for the month of August. CEO Witt responded that with the retirement of District's Maintenance Supervisor an expense was incurred for the payout of unused sick leave and vacation which totaled nearly \$90,000.00 and there was an additional payday during the month of August. Staff presented Revenue and Expense Summary Report for the month. Chart highlighted Revenue – Fuel Sales (\$193,703) Rents and Leases (\$363,941) and other Revenue (\$43,116) for total revenue of \$600,760.00. Chart highlighted Expenses –Personnel (\$295,759) Fuel (\$220,965) and Operating (\$167,739) for total expenses of \$684,464.00. The Year to Date Summary for Revenue: Fuel (\$441,139) Rents and Leases (\$765,722) and other Revenue (\$750,858) for total revenue of \$1,957,719.00. Year to Date Summary for Expenses: Personnel (\$572,319) Fuel (\$348,391) and Operating (\$454,451) for total expenses of \$1,375,161.00. Percentages of Revenue for the month were Rents and Leases at 61%, Fuel Sales at 32% and other Revenue at 7%. Percentages of Expenses for the month were Operating at 25%, Personnel at 43% and Fuel at 32%. FY 14-15 Revenue was Rents and Leases at 39%, Fuel Sales at 23% and other Revenue at 38%. FY 14-15 Expenses were Operating at 33%, Personnel at 42% and Fuel at 25%. The Fuel Inventory Report showed a balance

for the month of \$219,514.61 and total gallons sold was 42,167 and gallons sold year to date was 93,240. President Painter inquired as it pertains to Accounts Receivable the status of the customers over 90 days past due report. Mr. Brouse commented that the balance continues to go down due to significant collection efforts from CEO Witt and Deputy General Manager Karina Drees. The report showed an outstanding balance of \$214,350.05 for 13 companies/individuals. Upon motion by Director Deaver, seconded by Director Balentine and unanimously carried, it was:

**RESOLVED:** That the Financial Reports for August, 2014 be approved as submitted.

**4C) Shaw, Moses, Mendenhall & Associates Insurance Renewal**

CEO Witt reported that the invoice was written not to exceed \$94,609.00 for the commercial property premium renewal which is the same as previous year. Staff is working with underwriter AIG to survey District's facilities and evaluate replacement costs. He noted that the survey will take some time to complete and the invoiced amount for the premium renewal will suffice in the interim. Upon motion by Director Evans, seconded by Director Peterson and unanimously carried, it was:

**RESOLVED:** That Board approve renewal of coverage for Commercial Property in the amount of \$94,609.00 for policy number QT6300863C314TIL13 for the annual term of 10/01/14 – 10/01/15.

**4D) Biennial Review of Conflict of Interest Code & Resolution for Amendment**

The Board of Supervisors of the County of Kern is the code reviewing body for all Multi-County and Local Agencies and per Government Code Section 87306.5 is required to notify each agency of their obligation to review conflict of interest codes every even-numbered year. District staff has made the determination that a change is required to the code which would necessitate a change to eliminate a position that has been abolished.

Staff is requesting and recommending Board approve Resolution to warrant an amendment to the code amending Section 1-1.08 Designated Positions. Upon motion by Director Evans, seconded by Director Deaver and unanimously carried, it was:

**RESOLVED:** That **RESOLUTION NO. 14-09-727**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF MOJAVE AIR AND SPACE PORT AMENDING**  
**THE ADMINISTRATIVE CODE (RESOLUTION**  
**NO. 99-1-585) REGARDING DESIGNATED**  
**POSITIONS** in the District's Resolution File  
and by this reference be and the same is incorporated  
herein and made a part hereof as though fully  
set forth at length, be adopted.

**4E) ATK Launch Ground Infrastructure evaluation IDIO Contract**

CEO Witt reported that he visited ATK, a rocket propulsion firm based in Utah. He noted that there are basically two rocket vendors in the United States, ATK and Aerojet. He inquired if they had an entity within their organization that has the capability to conduct safety analysis and surveys. CEO Witt commented that it would be in the best interest of MA&SP to have access to experts in the field of explosives handling who could provide an assessment of operations at MA&SP and evaluate our overall safety posture. ATK provides these services to several federal locations and CEO Witt has asked ATK to present a formal proposal for Board to consider. He also commented that this is becoming an emerging requirement for the next 24 months and we need to see what it would cost to provide these services.

**4F) LAFCO Ballot**

Chief Executive Officer Witt discussed LAFCO Ballot with Board and commented that one of the candidates, Mr. Don Joe McKernan is a lifetime acquaintance. He stated that Mr. Kernan has been involved with several special districts such as Indian Wells Valley Water District for thirty-one years, East Kern Soil Conservation District and past Regional Director for the Association of California Water Agencies. He currently sits on the Board for the West Side Recreation & Park District as well as the Chairperson for the City of Taft Planning Commission and also on the Board for the Greater Taft Economic

Development Authority. CEO Witt stated that it is advantageous to have a representative whom you know and he is recommending Board return ballot marked for Mr. Don Joe McKernan for LAFCO as the Special District Representative. Upon motion by Director Deaver, seconded by Director Balentine and unanimously carried, it was:

**RESOLVED:** That Board cast their vote for Mr. Don Joe McKernan of the Eastern Kern County Resource Conservation District to serve as Special District Commissioner on the Local Agency Formation Commission.

### **Reports/Announcements**

#### **5A) Community**

Cathy Hansen reported on the Plane Crazy event on September 20<sup>th</sup> highlighting the Mars Robotic Space Probe with special guest speaker Andrew Bingham, Innovative Space Propulsion Systems Project Engineer. She also gave a report on the upcoming Plane Crazy Saturday Two event presented by the Mojave Transportation Museum Foundation and the California City Chamber of Commerce which will be held at California City Municipal Airport on October 4<sup>th</sup> from 10:00 a.m. to 2:00 p.m. XCOR Aerospace will give a special presentation at 11:00 a.m. at Foxy's Restaurant on their Lynx suborbital spacecraft and what lies ahead for future space travelers. Hot Air Balloon rides will be offered in addition to a book signing with Barbara H. Schultz who authored books on Amelia Earhart, Pancho Barnes and Wedell-Williams Air Service. California City RC Model Airplane Club will have flying demonstrations and there will be a wide array of eclectic aircraft with various booths and exhibits on display. President Painter mentioned that Mr. Tony Ginn, Chief of Flight Operations Engineering Branch – NASA Armstrong Flight Research Center who was visiting today along with Mr. John Kelly Program Manager also at NASA Armstrong were present in the audience and he introduced himself to the Board. Mr. Ginn noted that they have worked together and that Mr. John Kelly has recently taken over his Dream Chaser Program at NASA.

## **5B) Board Committees**

Finance and Audit Committee: Director Balentine commented that he is very pleased with the expertise provided by Interim CFO Michael Brouse and has found the committee to be very valuable and would like to see all board members transition through this committee as we move forward so we can all benefit from the experience gained from serving on the committee. Director Balentine also commented on InterOrbital Systems cooking challenge that has accepted Nissin's challenge to cook Ramen noodles using heat of reentry from space. The company intends to apply the technology from the project towards their future unmanned and manned reentry spacecraft development.

## **5D) CEO/GM**

CEO Witt reported that his two-year term as Chairman of Commercial Spaceflight Federation came to an end last week in Jacksonville Florida. At its semi-annual Board of Directors meeting Mr. Frank Dibello, President and CEO of Space Florida was elected as its new Chairman succeeding CEO Witt of MA&SP. He noted that Mr. Dibello hosted a NASA press conference earlier today where NASA announced that Boeing and SpaceX were the winners of the Commercial Crew Program so the next American astronauts to go to the international space station will travel via a Boeing or SpaceX spacecraft.

### **1. Emergency Repairs on four water valves**

CEO Witt reported that there was a major water line break two weeks ago and he engaged the services of W.M. Lyles Co. of Bakersfield to perform the emergency repairs. Four large valves were replaced in addition to the water line repairs and he expects the total cost will be approximately \$30,000.00. Director Balentine asked how long the valves that were replaced had been in service and what is the overall condition of the water system. CEO Witt responded that these valves were not the original valves in the system but were approximately forty years old. He explained that in the process of isolating the water line break several valves could not be completely closed due to buildup of alkali in the system and that this is a common problem and the District has been replacing valves regularly over the last twelve years. CEO Witt commented that in 2008 District received an EDA 50-50 grant and the new water system was looped down

the flight line and down Taxiway B. The District also invested 2.2 million dollars for new water lines to the north side of the airport and along Airport Boulevard and Sabovich Street. CEO Witt also noted that on all new construction water meters have been installed and at some point the Board may want to consider invoicing tenants for water service. Director Deaver asked if staff is developing a GIS system for all utilities on the airport. CEO Witt responded that District engineer Dave Russell has merged airport aerial maps and County GIS maps with airport utility drawings using a CAD system which gives a fairly accurate location of these utilities.

## **2. Hangar 100 Lease Agreement**

CEO Witt reported that the Hangar 100 Lease Agreement has been approved with the National Test Pilot School which closed out the flight Test Associates legacy bankruptcy of the last two years. CEO also noted that he has a crew working on installing 1,000 linear feet of 12" diameter water line from north side of airport to the boneyard.

## **CEO/GM Approved Expenditures**

### **1. Airport Signs**

CEO Witt reported that the MA&SP entrance signs are in need of replacement and staff is working with My Printing Company (MPC) wherein District will pay \$3500 for each sign and MPC account will be credited \$3500 for each sign toward balance owed on aging report.

## **CLOSED SESSION**

Board adjourned to Closed Session per Government Code Section 54957 to discuss Personnel.

## **CLOSED SESSION REPORT**

The Board discussed personnel and took action to hire Nave & Cortell as General Counsel and to retain Lemieux & O'Neill for litigation and other complex legal matters. Motion was moved by Director Balentine and seconded by Director Deaver 5-0.



**ADJOURNMENT**

There being no further business to come before the Board, the chair adjourned the meeting at 4:20 p.m.

**RESOLVED:** That the regular meeting of September 16, 2014 be and the same is hereby adjourned.

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President

**ATTEST:**

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Secretary

**(SEAL)**

