

**LOUISVILLE REGIONAL AIRPORT AUTHORITY  
SPECIAL BOARD MEETING  
JANUARY 19, 2022**

A special January meeting of the Board of the Louisville Regional Airport Authority was held on January 19, 2022. Chairman Dale Boden convened the meeting at 3:19 p.m. via Zoom video conferencing software.

Board members present via videoconference: Mr. Cleo Battle, Mr. Dale Boden, Ms. Toni Clem, Mr. Mitchel Denham, Ms. Mary Rose Evans, Ms. Nikki Lanier, Mr. Brian Lavin, Mr. Pat MacDonald, Mr. John A. Moore, and Ms. Lesa Seibert. Not in attendance were: Mayor Greg Fischer. Mr. Tom Halbleib attended as counsel to the Board.

Staff members present via videoconference: Ms. Brenda Allen, Ms. Pat Apone, Ms. Natalie Chaudoin, Ms. Jorgie Dermody, Ms. Dodie Caulk, Mr. Josh Grimes, Ms. Noel Jolly, Mr. Dan Mann, Mr. Curtis Monroe, Ms. Kim Pemberton, Mr. Brian Sinnwell, Ms. Megan Thoben, Mr. Adam Thomas, and Mr. Darrell Watson.

Also in attendance via videoconference: unidentified caller from phone number 502-550-3142, Ms. Sarah Barker, Dave, Mr. Pat Dominik, Mr. Michael L. Jones, Mr. Dave Mayer, Mr. Zach Neds, Mr. Tom Nicolas, Mr. Jeff O'Brien, and Mr. Kevin Sandrella.

**CONSIDERATION OF MINUTES**

On motion duly made and seconded, the minutes of the special Board meeting held December 8, 2021 were unanimously approved.

**STAFF REPORTS**

**FINANCE REPORT**

Ms. Brenda Allen presented the Finance Report. The Finance Report is for the period ending December 31, 2021, which represents the first half of the fiscal year. Fiscal-year-to-date operating revenues exceeded the budget by 7.6% or \$2,600,000. Parking, ground transportation, concessions, and facilities and land leases are performing above anticipated levels. Passenger driven operating revenues are up 39.51% over December 2020 and up 3.6% over December 2019 which was a record year. Fiscal-year-to-date operating expenses are under budget by 16.4% which is \$3,200,000. This variance is largely due to timing of contracts, and budgeted payroll. Enplanements for December 2021 are up 135% from December 2020 and are only 9% lower than December 2019. Landed weight for both cargo and passenger carriers remain strong and exceeds landed weights for December 2019 and 2020. Fiscal-year-to-date operating income before depreciation is \$4,800,000 higher than the same period last year due to passenger related activity in the terminal, ground transportation and parking.

**CONSTRUCTION REPORT**

Mr. Brian Sinnwell presented the construction report. At Louisville Muhammad Ali International Airport, construction of the connecting taxiway into the future UPS Hangar development site is underway. This taxiway will interface with the UPS apron and includes relocation of major storm water infrastructure. A change order was issued to authorize contractor overtime to complete pipe work to accommodate the UPS schedule. Mr. Sinnwell advised the Board that recycled concrete slabs from our pavement rehabilitation projects are being used as subbase for this project. He also informed the Board that UPS has begun work on their site and the fence line is being adjusted to make the UPS worksite outside of the AOA and perimeter fence.

Work is also underway to install a geothermal heating and cooling system which will significantly reduce criteria pollutants, such as ozone, carbon monoxide and particulate matter associated with the combustion of natural gas. Reducing natural gas combusted for heating, and electricity for cooling, the geothermal system will reduce the greenhouse gas (GHG) emission associated with the SDF terminal. It is expected that the natural gas combustion will be reduced from approximately 10.7 million cubic feet per year to approximately 1.6 million cubic feet per year. The wellfield will consist of approximately 648 wells, each with an expected depth of 500 feet. A concrete apron will be constructed on top of the wellfield to provide additional aircraft parking.

Mr. Sinnwell discussed work in the Louisville Renaissance Zone area. Construction work is underway to construct a 324,000sf warehouse facility. A change order for work necessary to remediate unsuitable soils at the site of the warehouse will be issued to Kelley Services, Inc. While initial, design-phase due diligence efforts indicated that nominal remediation efforts and expenses would be incurred and reuse of the material was possible, an old MSD treatment plant and unsuitable soils were discovered during the excavation requiring remediation. This sitework and lime stabilization was diligently monitored and tracked by our consultant and contractor. Work is also underway on the project to extend the sanitary sewer to serve South Park Road.

## **CONSENT ITEMS**

### **1. Appointment of Part-time Safety and Security Officers — Approval**

The Director of Public Safety has reviewed the qualifications of Zachary Swanson and Michael Long, has concluded that they satisfy the qualifications set forth in the Board's November 18, 1998 resolution and recommends their appointment as airport Safety and Security Officers:

Mr. Mann recommended the Board appoint the above-named persons as part-time airport Safety and Security Officers, to serve at the pleasure of the Board until such time as the Director of Public Safety shall terminate the appointment; and authorize and direct the Authority's Director of Public Safety to administer the Oath of Office. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

### **2. Wood PLC— On-Call Material Testing, Inspection and Geotechnical Services Contract Amendment No. 3 — Louisville Muhammad Ali International Airport and Bowman Field — Approval**

On June 17, 2020, the Authority awarded the On-Call Material Testing, Inspection, and Geotechnical Services contract for Louisville Muhammad Ali International Airport and Bowman Field to Wood, PLC. These services are required by FAA Grant Assurances and are typically used on all construction projects at both airports. This contract is for a three-year period with the option of a two-year renewal. The Authority approved an initial contract amount of \$200,000, with an additional \$400,000 in two subsequent amendments, that has been nearly exhausted for services applied to multiple projects serviced by Wood, PLC. Therefore, airport staff recommend a contract amendment in the amount of an additional \$500,000 to continue employing Wood, PLC for services required for new and ongoing construction projects.

Mr. Mann recommended that the Board approve Contract Amendment No. 3 for On-call Material Testing, Inspection and Geotechnical Services to Wood, PLC. in the amount of \$500,000; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

#### **FINANCES, FACILITIES AND OPERATIONS COMMITTEE REVIEWED ACTION ITEMS**

Committee Chair Lesa Seibert advised the Board that the finances, facilities and operations committee met on January 11, 2022, reviewed the items presented on the Board agenda, and recommended that these items be presented for Board consideration at today's meeting. Committee Chair Seibert advised the Board that CMTA Energy Solutions Task Orders No. 1, 2, 3, and 5 were presented to the committee for review and discussion; however, only Task Orders No. 1 and 2 are being presented to the Board for consideration today. Mr. Mann advised the Board that Task Orders 3 and 5 had been removed from consideration because the Authority anticipates receiving \$13.3 million in funding from the Build Back Better Program which could potentially fund portions of the work in these Task Orders. The Authority is waiting on FAA guidance for use of the Build Back Better funds before proceeding with this work.

#### **IV.1.i. CMTA Task Orders No. 1 and 2 — Louisville Muhammad Ali International Airport — Approval**

At the September 15<sup>th</sup>, 2021 board meeting, the Airport Authority approved a contract with CMTA Energy Solutions (CMTA ES) for Construction and Energy Management Services for the next phases of Terminal Renovation work. CMTA ES has completed the design and bidding phase services for the first full construction package (Task Order 1) that will lead the terminal mechanical, electrical, and plumbing (MEP) upgrades, associated architectural improvements, and prepare for the initial tie-in to the new geothermal system and well field. The bidding process for the first construction package yielded favorable results with bids coming in below the engineer's rough order of magnitude cost estimate and with DBE participation at 22% even with the current supply chain interruptions and volatile construction market.

The first item for consideration is the approval of a Guaranteed Maximum Price (GMP) for construction and construction administration services to complete Task Order No. 1 in the

amount of \$31,110,167. Task Order 1 will focus on areas in the baggage claim and ‘back of house’ MEP work including major equipment procurement for baggage handling conveyors, building controls, HVAC equipment, submetering & transformer equipment, IT integration & switches, building lighting, Electric Vehicle charging stations, and general work to begin installation of new infrastructure. This work also includes complete renovation of the restrooms in the baggage claim area of the terminal.

The second item seeks Board approval for design work designated in Task Order 2. Task order 2A includes the design of all landside MEP work, the installation of new baggage claim equipment – including curbside bag belt work, rental car counter renovations, removal of the terminal ‘bridge’, renovation of the information booth area and design of new ticketing lounges. The cost for design of this work will not exceed \$1,280,420.

Mr. Mann recommended the Board approve Task Order 1 in the amount of \$31,110,167 and Task Order 2A in the amount of \$1,280,420, for a total not to exceed amount of \$32,390,587 for the construction and energy management services of CMTA ES and, authorize the Executive Director to execute the necessary contract documents and task orders subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann’s recommendation.

**IV.1.ii. General Services Administration (U.S. Customs and Border Protection) On-Airport Lease Agreement for a Portion of the LRAA Administrative Offices — Louisville Muhammad Ali International Airport — Approval**

The Authority entered into a lease with the General Services Administration (GSA) to lease 7,810 square feet of office and related space for the U.S. Customs and Border Protection Service (CBP) at Louisville Muhammad Ali International Airport for a term commencing May 17, 2012 and ending May 16, 2017. The lease also contemplates two additional 5-year renewal periods, the first of which expires May 16, 2022. Staff has been in negotiations for a new lease that would relocate CBP into a portion (9,255 sq.ft.) of the Authority’s Administration Building located at 700 Administration Drive.

The term of the proposed lease is 15 years, of which 10 years of the term are firm. Notwithstanding the foregoing, GSA may terminate the proposed lease by providing 90 days’ notice. Staff is recommending the Authority offer GSA an annual per square foot rental rate of \$26.19 for the first year of the proposed lease. GSA allows a portion of the \$26.19 rental rate to be subject to adjustment each year of the lease based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). GSA has requested the Authority construct various tenant improvements to the existing building to accommodate CBP. The cost estimate of such improvements is estimated at approximately \$1,700,000 and will be reimbursed by the GSA.

Mr. Mann recommended the Board authorize the Executive Director to negotiate a rental rate and other terms within the range of fair rental value in the event the General Services Administration presents a counteroffer to the rental rate or tenant improvements proposed subject to concurrence by the Board Chairman or Vice Chairman; and, authorize the Executive Director,

to execute the necessary contract documents with the General Services Administration subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

### **OTHER BUSINESS**

Ms. Lesa Seibert advised the Board that the 2022 ACI-NA Airport Board and Commissioners Conference will be held in Louisville April 24 through 26 at the Hotel Distil. The conference agenda is being finalized, and she encourages the Board members to attend.

Mr. Mann provided a 5G update to the Board. The industry learned 48 hours ago that the solutions it thought were in place for the 5G towers near airports were not going to work for Boeing aircraft primarily. The 777 and 747-8 cannot fly where the towers are for a host of reasons and the 737 Max and the 787 have significant constraints on runway length in bad weather. Notices to Airmen (NOTAMs) were issued at approximately 50 airports, including CVG and LEX. SDF does not have any towers within 2 miles of the airport, but we would be affected operationally by the impacts on the network. The supply chain for UPS, FedEx and DHL would be adversely affected by this issue. At about 5:00 p.m. yesterday afternoon, AT&T and Verizon volunteered to not activate the 5G towers on around the airports. The FAA and the FCC are in talks to try to resolve the problem, but as of now there will be some challenges for Boeing aircraft once the towers are operational.

There being no additional business the meeting adjourned at 3:54 p.m.

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Dale Boden, Chairman

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Dan E. Mann, Assistant Secretary