

## AIRPORT MANAGER'S REPORT – October 12, 2023

a. JNU Enplanement Numbers for CY 2022. The FAA has released the CY2022 enplanement numbers for JNU at 403,587, up from CY2021 at 306,512. This is still down compared to the CY2019 high of almost 460,000 enplanements. The CY2022 enplanement numbers do not reflect all actual activity and would have been slightly higher than reported, however, one operator on the airfield refused to report their enplanements. The Airport continues to rebound post-COVID.

b. Delta Air Lines Suspending Winter Flight Schedule to JNU. According to Delta Corporate Communications: *“Due to commercial and operational constraints, Delta will suspend its daily service from Seattle to Juneau beginning November 4, 2023, until June 6, 2024. As always, we monitor and adjust our route network based on customer demand, and we regret any inconvenience as we work to reaccommodate booked customers.”*

c. Update on Jordan Creek Greenbelt. Airfield crew is continuously cleaning up campsites and working with the Juneau Police Department (JPD) to move/trespass individuals that are living in the overgrown areas of the Jordan Creek Greenbelt. These are the areas that are too close to the creek that the City & Borough of Juneau (CBJ) has prohibited clearing by Ordinance. The problem is growing again, and a lot of Airport resources are going into cleaning up these campsites and disposing of biohazards (needles, human waste) and left behind items. As a reminder, on November 22, 2022, the Planning Commission denied the Airport's request to limb the areas next to the creek which would provide a clear line of sight into the area for safety. The request did not fit into the hardship waiver outlined by Ordinance, so the Planning Commission felt they could not grant the waiver (denied by a vote of 3-4). The Airport has been working on this issue for about ten years. This problem has been noted by the Federal Aviation Administration (FAA) and the CBJ insurance auditors as a problem. Use of this greenbelt corridor was carved out by the 1980s Corps of Engineers permit for use as a greenbelt and interpretive trail and will stay with the Airport. The Airport is trying to look at alternative ways to tackle this issue.

d. Emergency Vehicle Access Road (EVAR) Tree Limbing, Removal and Fencing. At the August 10, 2023, Board meeting, an email correspondence (dated July 29, 2023) from Laurie Craig was included in the packet. Staff, including USDA Wildlife Biologist John McComas, met with Ms. Craig on September 21, 2023, to discuss her concerns with the tree removal, limbing and fencing. Staff will continue to remove a limited number of 'problem' trees, limb only where necessary and install fencing along the EVAR in a judicious manner; removing only what is necessary for the purposes of safety and security.

e. TSA Mandate for Employee Screening Going Into Secured and Sterile Areas. See Unfinished Business, Item 2.

f. Insurance Liability Risk Audit. CHUBB Risk Engineering Services provided a liability risk survey on-site September 28-29, 2023. The comprehensive survey reviewed all aspects of airport operations (terminal, airfield, tenants, fueling, leases and assessed the Jordan Creek encampment issues). Staff anticipates the report within the next few weeks and will forward the recommendations for the specific tenants and divisions for action and follow-up. The intention of the risk survey is to help the Airport see issues of potential claims before they become a safety issue or compliance

matter. It is strictly for the benefit of the Airport and CBJ. It was a very helpful in-depth review. A couple of repeat issues such as the fueling signage, containment areas and overfill protection were noted; and the continuing problems in the Jordan Creek greenbelt campsite/activity were noted during the inspection.

g. Airport Fund Balance (AFB) and Capital Revolving Account Balance (CRAB) (Attachment #2). NO CHANGE since last month. The Airport Fund Balance page reflects updates to the FY23/24 budgets and reflects what has been submitted to the Assembly and approved by the Board.

h. CARES/CRRSAA/ARG Fund Balance. See Unfinished Business. Summary of the October 3, 2023, Finance Committee Meeting.

i. Hot Topics. The following is a list of on-going topics that staff is working on in addition to the regular Airport Project Reports:

- **UPDATE** – *Alaska Department of Environmental Conservation (ADEC) Compliance Order by Consent (COBC) Close-out*. On March 9, 2020, ADEC performed a compliance inspection of the Airport’s Storm Water Pollution Prevention Plan (SWPPP). Due to the inspection, a Notice of Violation was issued by ADEC and a COBC was signed March 1, 2021. The compliance order was issued for a two-year period and was adhered to for the duration. As of September 27, 2023, the COBC has been terminated and is **now closed out**.

- **NO CHANGE**– *Alaska Department of Natural Resource (ADNR) Land Conveyance Close-out*. During the Runway Safety Area (RSA) project, the Airport through the Environmental Impact Statement (EIS) public process and mitigation, acquired wetlands parcels from the State for the extension of the RSA on both the RWY 8 and RWY 26 ends, and to accommodate portions of the approach lighting systems. The Airport is still working with ADNR to convey these parcels to the Airport’s property. Once this is completed and recorded, the Airport Layout Plan and ‘Exhibit A’ will need to be updated to reflect the airport boundaries.

- **NO CHANGE** - *Mendenhall River Flooding Damage to Airport*. On August 25, 2023, CBJ Engineering and Airport Airfield Maintenance staff assessed the downstream end of the existing riprap that was damaged in the recent flood event. Approximately 110 linear feet of riverbank has lost riprap, exposing the original geotextile that was beneath the rock. The loss of riprap has left the top of bank undermined in places. It is estimated that the cost of repairing the damage (i.e., replacing riprap) at \$110,000 (based on 110 LF @ \$1K/LF). The Airport will need to proceed with repairs.

- **NO CHANGE**– *Juneau Douglas North Crossing Project*. Alaska Department of Transportation (ADOT) continues with the second crossing project over the channel between Juneau and Douglas. The Airport participates in the Technical Advisory Committee due to protection of aircraft approach corridors coming down the channel. JNU Airport will continue to voice concerns with any bridge option that will impact airport approaches, departures or future development. Please visit the ADOT website for the project [www.jdnorthcrossing.com](http://www.jdnorthcrossing.com) or make comment to the project email [JDNorthCrossing@dowl.com](mailto:JDNorthCrossing@dowl.com).

- **NO CHANGE** – *Runway 26 Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR) approach lighting*. After introduction by Senator Sullivan, the language that would include the MALSR in the FY23 Reauthorization Bill (that would allow the transfer, ownership and maintenance of approach lighting systems to the FAA upon completion) has gained support from the House. The language would add MALSR equipment to the list of allowable lighting equipment and allow the transfer of this to the FAA even if paid for through Airport Improvement Program (AIP) funding. This is now pending final approval within the Reauthorization Bill. A new five-year Corps of Engineers wetlands permit has been issued.
- **NO CHANGE** - *Title 49 (Jordan Creek) Variance Request*. Staff is still looking to work with the CBJ on Title 49 language for limbing after the Planning Commission denied the Development Department (CDD) during their rewrite of Title 49 for inclusion of safety or other ways to allow limbing in this area.
- **NO CHANGE** - *Encampments on Airport Property*. Airfield crew continues to clean up the illegal campsites and trash in the greenbelt areas around the creeks. They perform weekly clean-outs of these sites and belongings. Of safety concern are the number of drug needles they are finding in the greenbelt. See Manager’s Report, above, as this issue has escalated again.
- **NO CHANGE** – *Transportation Security Administration (TSA) passenger screening checkpoint equipment*. This project is on hold due to construction requirements for the larger equipment.
- **NO CHANGE** – *PFAS Testing and Monitoring*. Cox Environmental continues with their quarterly testing of groundwater, surveying the test wells to determine flow direction, including two private wells within the test radius.
- **NO CHANGE** – *Egan/Yandukin Intersection Improvements Project*. ADOT has narrowed down design alternatives for the project. Please visit ADOT website for the project at <http://dot.alaska.gov/eganyandukin>.
- **NO CHANGE** – *FAA Compliance Land Use/Financial Letter (January 2019)*. Staff continues to work on the remaining compliance items. Staff is looking to acquire the Loken/Channel Flying property due to through-the-fence operations.
- **NO CHANGE** – *Passenger Facility Charge (PFC) cap increase* JNU continues to discuss PFC increases with our DC Lobbyist and Congressional Delegation.
- **NO CHANGE** – *Capital Improvement Program (CIP) and Passenger Facility Charge (PFC) 10*. With FFY20 FAA AIP terminal grants covering the entire amount of FAA-eligible terminal construction, PFC (PFC9) collections may be abbreviated with less match required. Staff is monitoring the amount needed for the terminal project to assess when to start PFC10 application process.
- **NO CHANGE** – *Maintenance Programs* (roofs, heat pump equipment, baggage systems, etc.). Staff continues to develop maintenance contracts for specialized systems similar to what we do with airfield lighting and controls.

## ATTACHMENT #2

Date	CIP Revolving Balance*	Reimbursed Amount (+)	Forward Fund Amount (-) anticipate reimbursement	Encumbered Amount (-) permanent/ <u>no</u> reimbursement	Description
	<b>\$819,246</b>	-	-	-	<b>BUDGET</b>
Aug-18		\$23,438	(\$23,438)		PFC9 reimburse Master Plan match (portion)
Feb-16		\$3,000	(\$3,000)		SREF Geothermal remaining encumbrance
Jan-14		\$39,063	(\$39,063)		RWY Rehab match (portion) anticipate 2019 reimbur
Apr-15		\$32,849	(\$32,849)		RWY Rehab match (portion) anticipate 2019 reimbur
Jul-18		\$310,000	(\$310,000)		Sand/Chem/Fuel Design.
Nov-18		\$21,988	(\$21,988)		Sand/Chem/Fuel Construct match antic 2019 reimb (org \$106,250)
Apr-19			(\$477,000)	**	<i>NO LONGER REQ.Termnl Recon -less Float Pond Design (\$40k and \$108K) / Property Acq (\$50k)</i>
Jan-21			(\$50,000)		Property Acquisition Frwd Fund Specialist
Jan-21			(\$40,000)		Float Pond Frwd Fund Design
May-21			(\$108,000)		Float Pond Frwd Fund Design
	<b>\$144,246</b>				<b>AVAILABLE BUDGET</b>

\*Represents all three Capital Accounts: Airport Revolving Captial Reservec Acct (ARCRA), Airport Construction Contingency Reserve, Project Design

\*\*Terminal bonds have been sold; all funding is in place; temp forward funded \$675K to be credited once Controller's completes transfer back to acct

## ATTACHMENT #2

**NET REVENUES v EXPENSES**  
Juneau International Airport  
For Fiscal Years ending June 30

	Revised 2022	Actual 2022	Revised 2023	Projected 2023	Adopted 2024	Revised 2024	-
<b>Operations Revenues (a)</b>	<b>\$6,103,600</b>	<b>\$5,922,987</b>	<b>\$7,260,000</b>	<b>\$7,591,900</b>	<b>\$7,498,000</b>	<b>\$9,592,400</b>	<b>-</b>
<b>O&amp;M Expenses (b)</b>	<b>(\$7,941,600)</b>	<b>(\$8,376,776)</b>	<b>(\$9,045,200)</b>	<b>(\$9,203,100)</b>	<b>(\$8,919,500)</b>	<b>(\$9,711,100)</b>	<b>\$0</b>
<b>Operations Surplus (Deficit)</b>	<b>(\$1,838,000)</b>	<b>(\$2,453,789)</b>	<b>(\$1,785,200)</b>	<b>(\$1,611,200)</b>	<b>(\$1,421,500)</b>	<b>(\$118,700)</b>	<b>\$0</b>
<b>Non-Operational Expenses</b>							
Other (c)	\$0	\$0	\$0	(\$2,340,400)	\$0	\$0	\$0
GO Bond debt service--Expense	(662,625)	(662,600)	-	(660,375)	-	(657,125)	-
<b>Total</b>	<b>(\$662,625)</b>	<b>(\$662,600)</b>	<b>\$0</b>	<b>(\$3,000,775)</b>	<b>\$0</b>	<b>(\$657,125)</b>	<b>\$0</b>
<b>Non-Operational Revenues</b>							
Airport fund balance applied	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COVID-19 relief grants drawn							
CARES	\$0	\$0	\$0	\$0	\$0	\$775,825	\$0
CRRSA	-	1,559,564	-	1,764,887	-	-	-
ARPA	-	1,559,564	-	2,847,088	-	-	-
<b>Total (d)</b>	<b>\$0</b>	<b>\$3,119,128</b>	<b>\$0</b>	<b>\$4,611,975</b>	<b>\$0</b>	<b>\$775,825</b>	<b>\$0</b>
<b>Net Surplus (Deficit)</b>	<b>(\$2,500,625)</b>	<b>\$2,739</b>	<b>(\$1,785,200)</b>	<b>\$0</b>	<b>(\$1,421,500)</b>	<b>\$0</b>	<b>\$0</b>
<b>3-month Operating Reserve:</b>	<b>(\$1,985,400)</b>	<b>(\$2,094,194)</b>	<b>(\$2,261,300)</b>	<b>(\$2,300,775)</b>	<b>(\$2,229,875)</b>	<b>(\$2,427,775)</b>	<b>\$0</b>

**Note 1:** **Rent Abatements:** Revenue not collected due to Abatements (approx. \$1.25m) is not factored into the Budget Revenue line (a) for Adopted, Revised, Projected budgets, but is reflected in Actuals for FY22. i.e. budget lines for FY23 & FY24 are shown "whole" so that rates and fees can be accurately derived.

**Note 2:** **Board-Approved CARES Expenditures:** \$2,340,400 of Board-approved, grant-funded, expenditures are projected for FY23. These expenses are not included in the O&M expense line (b), so that they do not inflate the FY23 deficit for Rates and Fees calculations. The grant-funded expenses are shown on the Non-Operational Expenses line, Other (c).

**Note 3:** **Non-Operational Revenues, Total (d):** The CARES/CRSSA/ARPA grant draw for FY23 is projected at \$4.6M; this includes the operational deficit \$1.6M, GO Bond debt service \$660K, and Board-approved projects \$2.3M.

(a) See Attachment 1 for summary and Attachment 4 for detail by account.

(b) See Attachment 1 for summary and Attachment 3 for detail by account.

(c) Other includes: capital expenditures, transfer of sales tax to Airport fund, and transfers between Airport operations and

CIP projects, and other changes in restrictions of fund balance. At year end, the audited financial statements are not on a cash basis but on accrual--The Airport budgets/reports are revenues & expenditures – which are cash basis.