

Draft
Commonwealth Of Massachusetts
County Of Dukes County, S.S.
MARTHA'S VINEYARD AIRPORT COMMISSION MEETING

June 2, 2004 5:00 pm
Martha's Vineyard Airport

Notice of Such Meeting having been Posted as Required by Law.

Present:

Airport Commissioners: Chair Jesse B. (Jack) Law, Vice Chair John Alley, Frank Daly,
T. J. Hegarty, William (Bill) Mill,

Dukes County: E. Winn Davis- County Manager

Airport Staff: Bill Weibrecht - Manager, Sean Flynn - Assistant Manager,

Others: Marni Lipke – Recorder; Christina Rose - MVTV

* Late arrival or early departure (see * in text)

The meeting was called to order at 5:98PM.

1. Approval of Meeting Minutes

- May 5, 2004.

Ms. Lipke asked for two spelling clarifications from County Manager Mr. Winn Davis. Aside from those issues **MR. BILL MILL MOVED TO APPROVE THE MAY 5, 2004 MINUTES AS AMENDED FOR SPELLING; MR. FRANK DALY SECONDED; MOTION PASSE, 4 AYES, 0 NAYS, 1 ABSTENTION – MR. JOHN ALLEY** due to absence.

2. Update – Draft Environmental Impact Report

- Distribution of Document

Airport Manager Mr. Bill Weibrecht informed the Martha's Vineyard Airport Commission (MVAC) that the Draft Environmental Impact Report (D/EIR) was filed with the Mass Environmental Protection Agency (MEPA) unit on May 17th. It was advertised on Wednesday, May 22nd in the Environmental Monitor.

- Schedule of associated events

As for the schedule, comments were due back to the MEPA unit by Friday, June 25th, and the Airport was due a Secretary's Certificate on or about July 6th right now. Management had handed out disc copies to each of the Commissioners. These included the D/EIR, and the two volumes of appendices which were primarily the environmental reports that were associated with it; the Commissioners had heard about, the archeological report, etc. etc. which were included on the disc as well. If anyone needed a paper copy several were available and more could be prepared.

- Mr. Davis asked if the Report had been uploaded to the website. Mr. Weibrecht responded that it had not yet but would be. Mr. Davis stated he would upload one to the County website too. Mr. Weibrecht said this was fine.

- Mr. Weibrecht repeated that the link would be put on the web. Paper copies had been distributed to the Island libraries. The disc copy had been distributed, as required to everybody who had been a commenter on the first round, i.e. to everybody who had sent a letter. So the process was underway and on or about July 6th the Airport should be getting back the Secretary's Certificate.

- Mr. T. J. Hegarty stopped the conversation but was interrupted by Mr. Davis who stated he would give the Report to County staff to upload. Mr. Weibrecht explained the Mr. Davis should have received a copy as a commenter. Mr. Davis asked when that would have been. Mr. Weibrecht replied it

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would have been last week. The copies had actually been mailed on the 21st so if they had not been received please to let him know. Mr. Davis assented. In the meantime Mr. Davis should take the disc copy. A paper copy had been provided to the Sheriff as well. So everything was all set on that. Chair Jack Law moved on to the next item.

3. Airport Manger's Update

Mr. Weibrecht had a bunch of different topics and proposed he would try to be brief in running through them. The Commissioners should feel free to interrupt him if they had any questions.

- De-icer Selection and Purchase

Mr. Weibrecht had included in the Commissioner's package:

- information on a machine which basically would be the one the Airport selected and
- more information comparing it to the nearest competitor on the next page (see documents on file).

As one Commissioner said the chosen equipment seemed to win hands down and it did. The machine was probably more capable than any other machine in several different ways including pre-heating time, etc. The biggest item, which Mr. Weibrecht thought was more important for the MV Airport was that it came with a warranty that was longer than most, being 3 years; and that there were annual service calls included in that price where the company would come to the Island to service the machine, typically during the summer, in preparation for the upcoming season. As well as this they include an inventory of spare parts that would be kept at the Airport and then at the end of the warranty period could either be purchased or returned. (Ms. Lipke later clarified with Mr. Weibrecht that the annual service calls were free of charge for the duration of the warranty after which they were available as a paid service.)

- Mr. Mill asked if getting the de-icer would enhance the possibility of getting other airlines in the Airport. Mr. Weibrecht stated that this was the single biggest item—aside from slots on traffic control with US Air—that Colgan expressed as a hindrance to year round service. So, if the Commissioners remembered, when Mr. Weibrecht initially brought it to the MVAC for discussion that was the major focus (see 1/21/04 Minutes p.8-10).

- Mr. Weibrecht met with Colgan during the past week and Mr. Weibrecht would discuss this with the MVAC too. Mr. Weibrecht brought them the same information that the MVAC had in this package to show them that the Airport was serious and the Airport Commission had made a commitment to getting the service here, and quite honestly Mr. Weibrecht thought that the Colgan representative was knocked back on his heels a little.

- Mr. Daly asked about the Premiere and the Global and what the x in the middle meant. Mr. Weibrecht explained that the Premiere was the selected machine. The x's represented whether or not it had the listed capability, so that the more x's there were on the left the better the Premiere did. It was just a tracking item for Mr. Weibrecht to keep the sales brochures and information straight and to insure apples were being compared to apples. For example: if the listing was higher heating capacity and the x was on the left it meant the Premiere did better than the Global.

- As another for instance, not all de-icers were instantly heatable, in other words heating could take another 15 to 20 minutes. Other machines had to be pre-heated which meant all the material might have to be cycled through in order to hit a certain temperature and then it might be necessary to stop the machine to re-heat it during or in-between applications. Instant heat was important to the Airport because the Airport did not often have to stay ready for an all day operation, it was more likely to be some airplane showing up that needed it and Mr. Weibrecht could not tell the pilot to wait another hour and a half. If the Airport did not have that instant heat capability and had not kept the machine hot all

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day long then the Airport was basically not able to provide the service. Whereas if it was kept hot all day long the Airport was spending a lot of money on fuel, maintenance and wear and tear on the machine. However, as Mr. Mill inserted this machine heated in 90 seconds. Mr. Weibrecht agreed this one could do it in 90 seconds and it had an additional option that would bring the temperature up to a certain base level too.

- Mr. Davis asked about the Gourn Reels where there was an x in Global but there was an indication the machines were identical. Mr. Weibrecht explained there may have been a change and found that electrical rewind had been an option on the Premiere machine and a base item on the Global machine, so that it was about a \$118 extra or something in that ballpark if Mr. Weibrecht remembered correctly.
- Mr. Daly noted there was a significant difference in that one had a polypropylene tank and the other had a stainless steel and asked if there were problems with that. Mr. Weibrecht reported that stainless steel used to be a requirement for the storage of the material but that some of that had gone by the wayside. The poly tank was not necessarily lighter but Mr. Weibrecht thought it was more durable for the Airport's situation. The Airport had things that were stainless steel that did not seem to resist the weather here. Mr. Weibrecht did not see this as a detraction. Mr. Mill declared the Airport would certainly find out in 3 years and Mr. Weibrecht agreed. Mr. Daly was concerned about the 3 years, the lightness and assumed it would not be around a heat source that could really effect it.

- But the other difference was that one was electric while the other was a small diesel engine with 68 horsepower. Mr. Weibrecht felt this was just different styles, that it had a diesel motor that converted over, essentially diesel over electric. Mr. Daly conjectured that this meant that one had a diesel to a generator and then the generator picked up, where the other was direct diesel. Mr. Weibrecht assented that in the other the diesel drove the hydraulics directly Mr. Daly said this was okay and asked about the prime mover for the machine, was it diesel or gasoline. Mr. Weibrecht responded it was a diesel engine on a standard chassis the same as the Airport's small fuel trucks, a Ford F550—so there was a commonality of parts.

- Commissioners asked about a line on the chart which Mr. Weibrecht explained as a power steering option. Mr. Daly asked again about the engine. Both Mr. Weibrecht and Assistant Airport Manager Mr. Sean Flynn answered that it was a standard forward power stroke 550 diesel.

- Mr. Hegarty had a question about the ultraviolet (UV) rating on the poly tank. Mr. Weibrecht replied it was enclosed and covered. Mr. Hegarty asked if it was enclosed in fiberglass. Mr. Weibrecht replied that no, the entire tank sat inside a metal box. If Mr. Hegarty would take a look at the picture he would see the outside of that was not the tank itself. Mr. Hegarty concluded that there was a problem with UV but it was protected. Mr. Weibrecht agreed.

- Mr. Daly asked if it was not one of those things that rats would eat through. There was some laughter and other Commissioners maintained the Airport did not have any rats. Mr. Daly maintained that rodents—although not always rats—were a serious question. The Germans had a problem with this in World War II when they would park their tanks and when they came back the tanks had tremendous electrical problems because rodents had eaten away all the insulation. Of course this was good for the Allies but bad for them. Mr. Hegarty expanded that believe it or not rodents eating insulation in heating ducts was major problem on the Island. A lot of cars got towed in to a local service station every year. In fact there were people riding around the Island with glue boards jammed on top of their heating units and wires. In addition people who went away for the winter and covered their cars set up bait boxes underneath and on top of the radiator and air cleaner. Mr. Weibrecht also suggested moth balls but Mr. Hegarty replied that mothballs caused cancer and his department tried not to get anywhere near them.

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- Mr. Alley felt that to him one of the most important things was the support offered by Premiere. Mr. Weibrecht agreed. Mr. Daly said it was outstanding especially having the parts on site; he had never heard of a warranty like that. Mr. Weibrecht explained that they found it easier since it saved on shipping and kept the customers happy, so for the Airport it was almost a paradigm.
- Mr. Davis was a little confused by the bid where it was shown at \$107,800 with underlined options while Mr. Weibrecht was showing a figure of \$118,000. Mr. Weibrecht explained that one of the options that was not shown in the chart was the four wheel drive on the chassis, so the one shown was not actually the bid price and they still had to get final pricing on it.

Actually it was likely that the Airport would be looking at a bid closer to \$125,000 by the time all was said and done. There were still some adaptations to be worked out. Mr. Davis repeated that \$107,000 included everything underlined to some extent or another on the next page. Mr. Weibrecht agreed. Mr. Davis continue that things that were fully underlined brought it up to \$118,000. Mr. Weibrecht agreed. Mr. Davis found it puzzling at the wording that then with the chassis it would be \$125,000. Mr. Weibrecht explained that if Mr. Davis looked at the unit cost, the original base cost was \$97,600 so the final bid had to be done but Mr. Weibrecht just wanted to show the MVAC the machine. So it still had to be finalized although Management knew it was likely to be about \$125,000. There were still fittings the Airport needed to decide on as far as adapting to whatever the Airport selected for final storage on the ground in addition to the trucks. Chair Law noted this was a little cheaper than Management had originally projected (see 4/7/04 Minutes p.6 •22), but Mr. Weibrecht although agreeing noted the Airport still had to buy some tanks.

- Mr. Hegarty noticed the transportation cost delivered to Falmouth, Mass. by Premiere Engineering and asked if it was a trailer cost or did they have the de-icers driven. Mr. Weibrecht replied that they actually drove the units. They were light without material. In fact, Premiere came all the way to the Island to run the initial training and go through the equipment checks. Mr. Hegarty asked why the Airport would want those extra miles. Mr. Weibrecht explained that Premiere actually recommended it. A lot of the Airport trucks did not get a lot of miles because they did a lot of short hauls. So if the Airport were to have a major malfunction with the truck within, say, the first 1,000 miles of its use it would happen during the winter on the Airport ramp, if it was trailered all the way up. In addition the Airport would pay more to have it trailered because then the Airport would have to pay to have the training staff fly out. Chair Law agreed that he would rather have it driven up here to see what the truck was all about. Mr. Weibrecht had had the same question and Premiere had recommended this way. Mr. Flynn added that the warranty was in years not in ground miles.
- Mr. Daly then noted that in order for this unit to operate and function in its design capacity the fluid had to be heated up. Mr. Weibrecht said that was right. Mr. Daly assumed the Airport would park it inside a garage. Mr. Weibrecht said that actually this truck would probably stay outside, basically because he needed to keep the snowplows inside or else the whole drill was moot; if the runway was not open there would not be much activity for the de-icer.
- Mr. Mill asked where the de-icing liquid would be stored. Mr. Weibrecht replied that the de-icing liquid was likely to be stored down on the fuel farm in poly tanks. He had not decided on the final storage system itself yet. The material would probably come in totes which would be best for this Airport at this point.

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- Mr. Hegarty asked if the MVAC had discussed bulk delivery. Mr. Weibrecht replied that it had been talked about at different times, but even then they could deliver in the bulk cages. Mr. Hegarty then remembered the cage part.

Mr. Weibrecht noted that in the Airport's case a loader with forks was employed which allowed the Airport to take delivery from anybody so they did not have to send a trailer over to the Island. Mr. Hegarty did not see any pricing for this. Mr. Weibrecht predicted pricing would be about \$12 per gallon at 100% although the Airport would have to see what it did in the season. Mr. Davis confirmed the stuff did not break down over time so that what was bought was virtually good forever. Mr. Weibrecht said yes, as long as it remained sealed or in a closed container. Once it was mixed there were issues with having to continually retest; and in fact it was tested before shooting it, which was basically a freeze check to make sure it would freeze at the right level.

- Mr. Hegarty asked if this would go out to bid. Mr. Weibrecht replied that no, it was an aviation item so it was actually excluded from the 30B requirements. Chair Law added that the Airport just got the price for the best vehicle and asked if there were any other questions. Mr. Hegarty meant the price of the fluid. Mr. Weibrecht replied that this was absolutely aviation material.

- Chair Law asked to confirm that it was not hazardous. Mr. Weibrecht replied that it was on the list because of its BOD demands, i.e. its oxygen demands, so it was hazardous if it was introduced to a fresh water source which was why the Airport would collect it. But Mr. Law confirmed that it was transportable and the Airport could probably send its own dump truck up to get it. Mr. Weibrecht agreed that the Airport might very well be able to.

- Mr. Hegarty confirmed that the Airport did have a reclamation system. Mr. Weibrecht confirmed it describing the flow going into a segregated tank which was then pumped off and treated and put back into the ground. Mr. Hegarty noted the residue was trucked off. Mr. Weibrecht agreed it was sucked out the back. Mr. Hegarty confirmed there would be zero impact to the Airport's groundwater. Mr. Weibrecht replied this was exactly it.

- Chair Law asked a question to which Mr. Weibrecht replied that the problem was that the material had very low BTU which made it more expensive to dispose of, so whatever the Airport did for final pricing would have final disposal wrapped in the charge. This meant any customer buying the service from the Airport would pay a price per gallon some part of which would be for disposal. Typically a minimum price was established since every time the truck was started it cost \$x.

- Mr. Hegarty thought the most important thing besides the fact that the Airport would now be able to provide safe service in the winter time was that naturalists here on the Island wanted to be assured that nothing was seeping in to the ground water and what did hit the ground was in a collection tank in a closed loop and was treated; so it was a win-win situation.

- Mr. Weibrecht added that in all the new designs such ramp areas were included at both ends of the Airport so the Airport was thinking into the future and not just the existing system. Chair Law asked if there was anything else on the de-icer before moving on. Mr. Weibrecht was hoping to pick up the pace on the rest of the items.

- **Contract Tower Program**

For those of the Commissioners who were not necessarily familiar with the air traffic control tower at the Airport it was operated through a contract whereby the Airport was reimbursed by the Federal government for the service. It was one of what was originally 16 towers that came out in a pilot program and which had now grown to 224 different facilities. The MVAC had heard Mr. Weibrecht mention the contract tower program before when last year at the Airport's budget time it had become a

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hot topic during national discussion on the final Federal Transportation budget. It symbolized the privatization fight at the Federal level where the National Air Traffic Controllers Association (NATCA)—the Air Traffic controllers union—came out and fought vociferously against the program as well as putting more of these towers out to contract. Consequently the program has been quite a hot topic and even drew the President's attention where he was ready to veto any budget move to eliminate the program. Now the fight was about to start again. Mr. Weibrecht recently attended a 2 day meeting down in Washington of the contract tower airports or sponsors, the contractors themselves, and the Federal Aviation Administration (FAA). The Dept. of Transportation (DOT) Inspector General was also there. It was supported at the Administration level mostly because the numbers were actually better than the FAA numbers were for safety and lack of issues but also because they could do it for about \$1,000,000 per tower cheaper. One of the recent changes to the program was that in 2001 they were supposed to have done a cost benefit analysis in each of the towers but that was put off because of the events of 2001 and the changes in traffic. In 2003 they did in fact do them\ studies and they were just starting to come out now with the published results. If an airport dropped below a certain cost benefit ratio then the locality became responsible for the short fall in cash. For example Worcester had to pay about \$80-90,000 to keep their tower there and the Worcester Airport would have to come up with the cash.

- Right now the program was out to bid at a national level. At the moment it included the Airport tower for the moment at least on a regional basis. The contracts were put out by regions and the MV Airport had been segregated as well as 15 other towers because of the Vineyard's special circumstances as an island and because originally this Airport was put out that way. Right now the Airport was included in that bigger bid so there could in fact be a change of contractors come October 1 or whenever the Federal budget was approved. This was something the MVAC would hear more about. On behalf of the MVAC, Management had notified the different Congressional representatives from the Vineyard districts—and other districts—that the Airport supported the program and it had worked out well. Mr. Weibrecht could tell the Commissioners that if the program were to go away it would be at least several years before the Airport had a tower again which would be very little short of chaos for at least 3 months out of the year. This topic would come back onto the MVAC's radar screens over the next 60 to 90 days as the budget started to formulate.

- Mr. Hegarty did not mean to digress but he asked if the MVAC had to vote on the de-icer. Chair Law replied that no nothing final had been done yet and Mr. Weibrecht was just apprising the MVAC of what was going on. Mr. Weibrecht corrected him that actually MVAC had already appropriated money on the purchase. Mr. Hegarty asked if the approval process was complete. Mr. Weibrecht replied that the money had already been done all the way through the process, so the it was in place to make the purchase. Mr. Hegarty asked if this included the County Financial Advisory Board. Mr. Weibrecht and Mr. Davis answered him yes, and that the State had already approved. Mr. Weibrecht explained that the State had just done this in the last couple of days in the supplementary budget which the Airport had been waiting for as the final piece.

- Mr. Daly asked if Mr. Weibrecht was saying there was a possibility that the Airport could go into a non-towered situation. Mr. Weibrecht said this was right. If the contract program was hurt the Airport was likely to lose the tower.

The controllers union would tell the MVAC that this was not true because it would just become an FAA tower, but Mr. Weibrecht could tell the MVAC that that assurance was not true because the FAA

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Administrator said it was not true. The Administrator explained that the FAA did not have the money to fund and run those towers as FAA towers anymore. Mr. Hegarty asked if there was a write-in campaign. Mr. Weibrecht reiterated that the Airport had already voiced its support for the contract tower program and the letter writing campaign was happening at all levels. When the issue came up again the letter would go out again. Mr. Hegarty asked further how about the State representatives and Federal representatives. Mr. Weibrecht replied that at the State levels no, but at the Federal levels yes, since they were the ones. Mr. Davis suggested Mr. Weibrecht forward him the letter and the County Commissioners would sign it. Mr. Weibrecht agreed. Mr. Weibrecht predicted that Management would start the process again in August probably as the budget started to formulate. Mr. Hegarty asked if more letters to more politicians should be solicited. Mr. Weibrecht replied absolutely, Management just wanted to make sure they were sent at the most critical times and right now there was a kind of lull.

- Scheduled Airline Service

- Mr. Weibrecht reported that US Airways would start their service with 4 daily flights to LaGuardia on Sunday, June 6. On June 26 the schedule will increase to 8 daily flights and would add other cities such as Washington National and Philadelphia.
- As he had stated before, Mr. Weibrecht met with Colgan Air and the good news that came out of that meeting was that at the moment it looked like they would continue their LaGuardia flights through Columbus Day which was 45 days longer than it had been. The Airport could look forward to good advance bookings on those flight once they were posted on the schedule which should happen at the end of this month. If that were to be the case, the Airport had included money in some of the advertising lines of its budget to put the word out in July and August when people were here and might consider a fall trip back if they knew that the service was going to be there.

So that was something the Airport would have to keep an eye on, but Colgan was very positive in their attitude about at least stretching out the season—although they were still evaluating the year round service. The other question Mr. Weibrecht had for them was that US Airways seemed to be the airline in the most financial trouble right now and he had asked Colgan what their plan was for afterwards. Obviously they did not like to let details out if they had a bigger plan for something different but Mr. Weibrecht had been assured that if the service was to require an independent kind of posture they planned on being independent for some time.

- Mr. Mill asked what had happened to Boston and Maine. Mr. Weibrecht responded that Boston and Maine had changed their focus yet again. They were serving markets where in spite of the markets they were serving they were carrying people even though they did absolutely no advertising. Some of the other markets the Airport was also looking at. Boston and Maine were still in operation and had not turned in their certificate but they had just decided not to serve the same places they had been serving.
- Mr. Daly asked about Baltimore Washington International Airport (BWI). Mr. Weibrecht replied BWI was served by PanAm and this was one of those markets that sold itself. Right now there was little or no interest from other carriers to do BWI because they were essentially feeding to another mother carrier—in this case Southwest—so US Air did not have an investment in Baltimore as they formally had.
- On the horizon however was a company called Independence Air which the Commissioners would read about in some of the information in the packet (see documents on file). Independence Air was a renaming and re-organization of Atlantic Coast Airlines which served this Airport through 1997-98-99. At that time as Atlantic Coast they were primarily a United Express carrier and also for Delta as well. They were now starting their own larger operation to do domestic service on a national level and they

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would start service at the end of this month. Independence Air had a soft spot in their hearts—for lack of a better term—for the Vineyard for a bunch of different reasons. Management was trying to convince them and had re-initiated discussions to try and get them to look at the Vineyard for next season. Right now their regional jets would be tied up starting up all of their service routes until their bigger airplanes came and then the regional jets could go back into their normal mode. But the cities matched up fairly well and were really attractive: White Plains, Stewart, Newark. Added to that they would be able to feed to their own system hubbed through Dulles next year which also had some provenance to the Vineyard.

- Mr. Davis thought he had seen them advertise Boston to Washington/Reagan for \$39. Mr. Weibrecht amended that it would probably have been through Washington/Dulles but they were going into Boston, Providence, Rochester, Syracuse, Burlington and were hitting all their old markets. As Mr. Weibrecht had said Independence had had an interest in being here and the Airport was re-approached two seasons ago to try for the Boston run on the Delta side which just did not come together at that time due to ground handling-- the big issue being that Cape Air could not do the security for them.

The Airport no longer had that issue because the Transportation Security Administration (TSA) was now here. Mr. Weibrecht was confident that the Airport would be able to get at least seasonal service out of them and if the market would bear it, year round.

- Mr. Hegarty asked if Independence Air was an off-shoot of United or Colgan. Mr. Weibrecht replied that no, they had separated completely from United, completely from Delta and were now becoming their own competitor. Independence Air was the name of the new airline. Right now, however it only had the small feeder aircraft; over the next 60 days they were supposed to take delivery of the larger aircraft and be able to do longer flights. Mr. Hegarty confirmed that they would eventually go from the Vineyard to Dulles. Mr. Weibrecht responded that if they were to serve the Airport, Management thought that would be the most logical connection out of the gate but Management would also try and get them to look at something else. For example, if they did White Plains now they might put an add-on to the flight. Mr. Hegarty remarked that this would be to Dulles and then White Plains or Independence Air to Newark. Mr. Weibrecht agreed.

- Mr. Alley stated it would be a significant increase to the Airport's air traffic if Independence Air did service the Airport. Mr. Weibrecht agreed absolutely. Mr. Alley remembered that the Airport had one summer of service by People's Airline where people had lined up to get on People's Air and then Continental bought them out and that was the end of them. So that would be great if Management could work that out.

- Boston Peak Pricing Program

Mr. Weibrecht had sent the Commissioners a copy of the entire plan and in tonight's package there was a summary sheet (see documents on file). It seemed to Mr. Weibrecht that the Vineyard had received everything it needed and had probably gotten more than was expected within the program. Mr. Weibrecht wanted to thank everybody for this as there was broad support for it, from the County Commissioners to passengers writing letters, etc. Boston management did the right thing and Mr. Weibrecht thought they had done the Vineyard a great service with this exclusion program. The Commissioners would see the details of the plan and there would come a time very shortly when Management would come a time very shortly when the MVAC would have to come back to and take an official position on the policy itself, whether or not the Airport thought it would work for it; but right now Mr. Weibrecht had not been able to find anything that was fatal or anything that was not included that would be fatal.

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- Speaking of this Mr. Hegarty asked how Peak Pricing might effect Independence Air. Mr. Weibrecht responded that it would effect them going from here to Boston however for them to serve from here to Boston was not likely. Their goal would be to get a passenger on their larger airplane at their other end or to establish point to point destinations tickets. Mr. Hegarty then asked if Peak Pricing effect runs such as taking off from the Vineyard and landing at Newark or landing at Dulles. Mr. Weibrecht responded that Dulles did not look like one of the ones that would go to Peak Pricing but if it did the year round would be the only way an airline would get an exclusion and quite honestly Mr. Weibrecht did not think that exclusion would show up in other places.

That being said right now Independence Air was not flying 9 seat airplanes which meant that whatever Peak Pricing program came in, those higher fees would be distributed over that higher number of seats and therefore would be less of an impact to the customer. So it would be less of an issue with those other airlines.

• MR. MILL MOVED THAT THE MV AIRPORT COMMISSION COMMEND AIRPORT MANAGER BILL WEIBRECHT FOR HIS SUCCESSFULLY ADVOCACY OF APPROPRIATE REGIONAL EXEMPTIONS FOR THE PEAK PRICING PROGRAM, INCLUDING WORK, GARNERING SUPPORT FROM AIRLINES, STARTING A LETTER WRITING CAMPAIGN, JOINING WITH COLLEAGUES, ETC. AND DOING A GREAT JOB IN ELIMINATING WHAT COULD HAVE BEEN A DISASTROUS SITUATION; MR. DALY AND MR. ALLEY SECONDED; MOTION PASSED UNANIMOUSLY, 5 AYES, 0 NAYS, 0 ABSTENTIONS. Mr. Weibrecht thanked the MVAC and Chair Law congratulated him and commended him for a good job.

• Summer New Hires

A class was started on May 22 which initiated some of the Airport's new hires for the summer. In addition they were raked through the coals with the Airport this past weekend and did fantastically, especially some of the people who were new to the desk and had not seen the Airport's summer season yet. The Airport was lucky in getting two that actually had experience, one with the MV Airport and one with experience elsewhere. Mr. Weibrecht commended his staff on a fairly productive, safe Memorial Day. In spite of the weather on Friday the Airport was basically at minimums from about 3:00 to about 10:00 in the evening. The Airport handled about 1350 operations over the four day weekend, give or take a few and pumped some 23,000 gallons of fuel. At several points the Airport did run completely out of parking and then it would dump out and start again, so in most cases it was never that those airplanes sat there for the whole weekend. Cape Air boarded about 500 passengers during the period and again Mr. Weibrecht could not say enough about the staff. Mr. Flynn and Mr. Weibrecht were at the Airport for part of the weekend but the staff did most of the running of the Airport so it was a fantastic weekend over all.

• FAR Part 139 Airport Inspection

Just two other Airport updates. Later this month the Airport would be undergoing its annual 139 Airport Compliance Inspection which could be a trying time for everybody involved with the Airport encompassing: certification processes, trainings, drills and actual testing of the employees in different ways. This time the Airport had a new inspector and Management was always concerned about the unknowns. This inspection was required because the Airport handled aircraft with greater than 30 passenger seats. That rule was about to change as of December when it would drop down to 10

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passenger seats and there would actually be multiple categories. Mr. Weibrecht mentioned this to the MVAC before so that the Commissioners would know it was coming.

Many of the things that the MV Airport would be required to change—because there would be changes associated with the change in classification—the Airport had already met or exceeded. In essence what would actually happen was that staff would take a lot of time changing or reformatting paperwork to what the Inspectors wanted it to show. Management was ready for this.

- TSA Space Issue

Management was just told last week, when they met with Mike Kiel who was the Deputy Federal Security Directory working under the direction of Providence—and whom the MVAC had met on several different occasions—that he had accepted a different position with the TSA out in California where he will be taking over two airports. So for the summer it was likely that the MV Airport would be sharing the Hyannis Deputy Federal Security Director whom the Airport had worked with before. He had actually been assigned to both airports before Mr. Kiel came. Mr. Teal had been a great guy to work with and there had been a good relationship because of Mr. Teal himself, especially as it was a completely new organization which had to come in and set up shop from scratch, not an easy job at all. This was the last of Mr. Weibrecht's items.

4. Old Business

- MV Lot 14 LLC

Mr. Flynn reported on MV Lot 14 LLC Mr. Folino, who had been before the MVAC which had approved two sublets, both with conditions on them (see 4/21/04 Minutes p.1-8#2). Mr. Flynn just got off the phone with Mr. Folino and one of the tenants still had one truck remaining there and Mr. Folino would deal with that issue tomorrow. Mr. Folino's leases were still being reviewed by Airport Counsel Marcia Cini's office so they would be back to the MVAC fairly soon and then back to Mr. Folino. Mr. Folino was aware of the conditions on them and meeting those conditions. Mr. Folino has asked permission to put his construction trailer related to his own business back on his property. Management and the MVAC had not have any issue with this before because it was associated with his own use of the property. So, in case they were driving by, the Commissioners would see that one of the trailers that had not been there would be coming back—however Mr. Flynn repeated it was associated with Mr. Folino's business.

- Continental Propane

This was a saga more than anything else, which Mr. Alley probably knew as well as anybody. Management received a phone call informing them that Propane Continental, (which used to be Cornerstone Propane, which used to be Kingston, which used to be something else, and on and on) would either be changing their name or going bankrupt. They were a tenant at will on one of their pieces of property in the Business Park. Mr. Flynn pointed out the lot on the map. Their piece was subdivided by a lease boundary such that the tanks sat on one side and the building sat on the other side and in addition there was a 30 ft. fire lane that ran up the side of it. Continental Propane had a current lease on one piece and no lease but was a tenant-at-will on the other.

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When Mr. Flynn first came to the Airport there was an attempt to combine the two lots back together again as one piece by implementing an amendment to the piece that had a lease. The local Manager, a gentleman by the name of Adrian Turkotte did not take advantage of it at that time (see 8/2/00 Minutes p.3-4 Lot 31). The opportunity was given to them and for some reason, unbeknownst or unexplainable to Management it had fallen through the cracks. As Management having gotten word that they would change their name again and not wanting the tenant-at-will lot to become subject to bankruptcy sent them a Notice to Quit. That got their attention. As it turned out the Board of Directors had fired everybody out of the corporate offices at Propane Continental/Cornerstone Propane and had hired a company to come in and run these two corporations. A gentlemen by the name of David Kennedy came to Mr. Flynn and wanted to resolve the issue. Ms. Cini's office counseled that it was still advisable for the Airport to amend the lease and to put the split lot onto the one lease, or it might be the will of the MVAC to have the company depart at some point. This matter would come before the MVAC in an official manner at some point in time. Mr. Flynn would be meeting with Mr. Kennedy shortly to see how far he was willing to go to have that happen and the matter would be brought back before the Commission.

- Chair Law asked if this was Amerigas. Mr. Flynn replied that no, Amerigas was next door which was the first lot. He considered it the proverbial shell game; who's on first, what's on second.
- Mr. Hegarty asked if this was Vineyard Propane which was Cliff. Mr. Flynn replied that it used to be. Mr. Hegarty continued that it was now Danielle & Rogers. Mr. Flynn asked if he was ready for the answer as the question had opened up a can of worms. Mr. Hegarty replied yeah. Mr. Flynn began. Cliff Estrella started up Amerigas. He still had the lease on that property and leased it to Amerigas, as an individual. He had a shell that he operated under. Mr. Estrella leased that one to Amerigas and leased this piece of property to start Vineyard Propane. He then sold off Vineyard Propane to Kingston Oil and went to work for Kingston Oil. Kingston Oil got bought off by Propane Continental which got bought off by Cornerstone Propane. They bought Danielle & Rogers. Mr. Estrella went to work for them. Mr. Hegarty clarified that he worked for Danielle & Rogers which was now Cornerstone. Mr. Hegarty wanted to see if he had got it right and knew who the Airport was dealing with and asked if the first lot was the lot in question or was it a separate business. Mr. Flynn replied that it was a separate business, Amerigas. At which point Mr. Hegarty said everything was copasetic. So that now the Airport was dealing with the other two lots. Chair Law said the lot was an empty building...but Mr. Flynn corrected that the building was not empty, the company ran their business out of it.
- Mr. Hegarty noted that there was a fire lane in the back, a parking area and asked if Management was saying that these were two lots not one lot. Mr. Flynn clarified that it was one lot that had been leased in two parcels. Mr. Mill asked if this was to the same person. Mr. Weibrecht inserted that the tenant was awarded the entire lot. Mr. Flynn explained that it was one lot but the entire lot was not leased; it was leased in two separate square footage amounts. Mr. Alley explained that they had had an option on half of it.
- Mr. Hegarty asked how long the option had been unexecuted. Management replied since they had come to the Airport. Mr. Hegarty asked if this was a similar situation as with the gas station where the MVAC retroactively put a price in motion (see 1/7/04 Minutes p1-3#2). Mr. Flynn responded that this was a little different but along the same lines. Mr. Weibrecht pointed out that there were two separate lot numbers in that case and Mr. Flynn agreed saying that the Mobile Station was a bid that had been hanging forever and the Continental Propane was a lease that had been hanging forever, i.e. an option to renew versus a failure to sign. Mr. Hegarty maintained that they had both stalled in order not to pay.

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Mr. Flynn explained that one had been legitimately paying but avoiding an increase. Mr. Hegarty interrupted asking when Mr. Flynn had sent the Notice to Quit. Mr. Flynn replied that it was sent in May but because of the way the law worked since Continental Propane was not in technical delinquency they had until the following pay cycle which would be the end of June. As a matter of fact today Mr. Kennedy had left Mr. Flynn a voice mail that he would try to make it to the Airport on Monday.

- Mr. Weibrecht made it clear that Management had acted in case the company filed for bankruptcy. Mr. Flynn agreed saying they did not have a right to the half parcel if they filed or tried to switch names. Mr. Hegarty considered that the Airport was covered but proposed that it would be proper for the tenant to meet with the MVAC to explain this. Mr. Flynn wanted to sit down with him and see how far he was willing to go for first; to see what offer he was willing to throw on the table. After Mr. Flynn got to that point then yes, Mr. Flynn would suggest that he come before the Commission. Mr. Alley proposed that Management go through this very long history, sort it out and bring the MVAC the result. Mr. Weibrecht stated Management would try to find a plausible solution to put together. Mr. Flynn suggested that some of the options might have the MVAC deciding to say, "Thanks very much for stopping by. Have a nice day." Mr. Hegarty went on that if someone said to Mr. Hegarty that well, they were either going to change the name which the Airport had essentially prevented them from doing by this Notice to Quit—correct him if he was wrong—or file for bankruptcy, then...but Management inserted that no one at Continental Propane had said that and that if Mr. Hegarty were to ask them that question nobody would give him a straight answer. Mr. Hegarty tried again saying that someone had called Management and said they were going to change the name, followed by a Notice to Quit, and so on, and now someone was calling to say they wanted to work this out. So if the Airport worked this out and then lifted the Notice to Quit and then the next day they filed for bankruptcy, it would become an asset and the Airport was stuck. Mr. Weibrecht agreed that Mr. Hegarty had got it. Mr. Flynn reminded him that this was on half a lot anyway. Mr. Hegarty insisted that at least half a lot would be freed up and that would put the pressure on and...Mr. Flynn assured him that this was the feeling Management had had, that they wanted to leave the Airport's options open, and that was what the MVAC would have to decide.

- Chair Law stated that one half had a building and one had a tank. Mr. Flynn agreed that one had two tanks which was really the business. Mr. Hegarty suggested that all they would have to do was move the two tanks. Mr. Flynn agreed, certainly, certainly or if they did not move them, they would become an asset to the Airport which could dispose of them as it saw fit. There was a general discussion, with many people speaking together about the Airport in the propane business, Amerigas buying the tanks, general laughter, etc.

- Anyway Mr. Flynn recognized that there were a lot of options of which this was one; but that he needed to get down the path a little before he could say it was an option. Mr. Mill confirmed that Mr. Flynn was going to meet with Mr. Kennedy Monday. Mr. Flynn replied that they were playing phone tag at this point but were hoping to get together. Chair Law figured the best option at this point was to get as much money as the Airport could for the property; that was the end number. Mr. Davis objected that they would lose their storage. Mr. Hegarty agreed with Chair Law but asked what good it was to get money on paper and then have the company file for bankruptcy. Mr. Weibrecht said in Propane Continental's favor that they actually had a good payment history. Mr. Flynn added that this location, right in the MV Airport Business Park was their highest yielding location, so Mr. Flynn advised the MVAC that many other people/companies had leases with the Airport, had gone bankrupt and had

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continued to make payments while they were at the Airport, a process which the Courts had allowed because of that fact that this was a high yield location for the company.

- So this was the gist of this item which Mr. Flynn mentioned so the MVAC would know what had happened. He would not normally execute a Notice to Quit like that without having come to the MVAC but it was a matter that Management had acted on given the circumstances.

- Sprint / Nextel

The Airport had a pole on the grounds. The prime lease holder was Sprint. Both Nextel and Verizon had co-locations on that pole. Again Mr. Flynn did not want to keep everyone at the meeting all night so he would be brief. Last year Verizon filed with the Zoning Board in West Tisbury to modify the site without filing with the MVAC (as some Commissioners might remember), so the Airport filed a letter of objection with West Tisbury because in the rush to rent Verizon had not come before the MVAC. In reality it was the responsibility of Sprint because they were the prime lease-holder (see 3/6/02 Minutes p.1 #2). Now the Airport was experiencing the same exact thing again; Nextel had filed for a variance with the West Tisbury Zoning Board, and had not come before the MVAC. As the information was received only last week just before the holiday Mr. Flynn had done everything he could to get hold of Sprint on the telephone. There was nobody home at Sprint which was unusual. Mr. Flynn did not know what was happening. Consequently Mr. Flynn would most likely file a letter with the West Tisbury Board of Appeals objecting to any alteration of that site. So it was a matter of beating the carpet again to see what was underneath it.

- Mr. Hegarty asked if the MVAC had not voted at a February meeting to go ahead. Mr. Weibrecht replied that the MVAC had ultimately so voted but with another pole.

Mr. Hegarty agreed about it being on another site within the zoning laws, to which Mr. Weibrecht assented. Mr. Weibrecht continued however that it was the same players on this pole. Mr. Hegarty repeated that this was a different pole that had already been discussed. Mr. Weibrecht explained that in this case there was an assumption by Sprint who was awarded the Request for Proposal (RFP) that they could just sublet to whomever they wanted. Management had gone around and around to prove that this was not true and that in fact the Airport had the right to determine a percentage back to the Airport. So first there was that battle. Now Sprint assumed that since the numbers associated with the sublet had been determined, i.e. what the Airport's percentage would be, they could now throw up whatever they wanted as far as structures and they typically started by going straight to the Towns. So the Airport would get these notices and Management would go back and look to see were they fine or in good standing, etc. So this was a recurring problem with these companies which was why the MVAC was hearing about this particular one in particular. It could come to this table again.

- Mr. Hegarty suggested that the MVAC could vote it down. Mr. Flynn guessed that with this particular sublease the MVAC probably would refuse. Mr. Flynn had an objection to this one in what they were trying to do. This was a choice the MVAC would get to make and Mr. Flynn would explain it when it came up. Mr. Hegarty confirmed that no one from the company had come before the MVAC. Mr. Flynn explained that when he had called Nextel, Nextel informed him that they had filed it with Sprint and had the name of who they had filed it with, but they never actually spoke with anybody at Sprint. It was impossible to get hold of anybody at Sprint. Nextel just did their paperwork trail and never got a positive response back from Sprint. They had said that they had filed it with Sprint and Sprint was supposed to file it with the Airport. This was very true but it never happened.—Mr. Mill joked that they did not say, “Can you hear me now?” which got a general laugh and some joking.—

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So Mr. Flynn continued that Sprint being the prime lease holder was supposed to have notified the Airport and had not, nor could Mr. Flynn get hold of anybody at Sprint offices. Mr. Weibrecht reiterated that the Airport would object to it until they got a response. Mr. Davis noted this was a telecommunications industry attitude, that they did not care what Towns or anybody else said but just went ahead. Mr. Flynn agreed but added that the great thing about the Telecommunications act was that they had tried to pull this off at the Airport but the FAA grant assurances outweighed any and all other injunctions.

- MV Pools

MV Pools had submitted a landscape plan to reconstitute the buffer as well as a plan for a 7 foot mini-storage unit. These were available for the Commissioners to review if they wished. Mr. Daly asked if the plans met Business Park Regulations to the satisfaction of the Management who answered that they did.

5. New Business

Mr. Hegarty brought up the issue of Cars Unlimited buffer and parking compliance. Mr. Flynn said he would check the lot.

Chair Law asked if Mr. Flynn had been talking to Donorama/ Tabor Trees & Land as the lot seemed to need some attention. Management replied that they had some general housekeeping issues. Management would check the lot again. Mr. Hegarty observed they had gotten rid of the dumpster that was overflowing. Mr. Weibrecht noted that the dumpster seemed to have shown up loaded. Mr. Flynn repeated that there were some other general housekeeping issues to discuss with them.

Mr. Hegarty had another question and noticing that Mr. Cazeault had planted some cedar trees lined up in his buffer he asked if Mr. Cazeault had satisfied Management's conditions. Management replied that in general he had, although Mr. Flynn had to go over one point with him. Mr. Weibrecht explained that the trees were to repair the buffer zone which had been destroyed. Management asserted that he was almost there and that Mr. Cazeault (Lot 37) had done the right thing. Although one could technical it to death, the gentlemen had stepped up to the plate in very short fashion and put in native indigenous plantings at great expense and put down wood chips to keep the soil from eroding away. With a little effort and at his next convenience Mr. Flynn thought the buffer could be gotten to exactly what it needed to be. It was his opinion that the MVAC did not have to hold the man's feet over the fire. It was felt Mr. Cazeault was where he needed to be. Mr. Flynn was waiting on one other thing from Mr. Cazeault and that was just a new plan of the building. When Mr. Flynn last spoke to him, Mr. Cazeault had told him that the footprint of the building had not changed, in other words that the square footage of the building did not change, the only alteration was just that the configuration of where the doors were. Consequently Mr. Flynn was just waiting for the final paperwork. Mr. Weibrecht explained that the building had been designed for Accura Cab and Mr. Cazeault had in essence taken over that plan and did change things. Mr. Hegarty felt this was good and was glad to get the issue off the books and that it was not bad. Mr. Flynn stated it was 60% there.

Mr. Flynn noted there were a couple of things out in the Business Park that he was continuing to work on and as they got to a point where he thought the MVAC should know about them he would

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bring them forward. Mr. Hegarty guessed A Street. Mr. Flynn agreed there were a couple issues on A Street.

- Mr. Flynn would get requests from tenants which Mr. Flynn did not bring before the MVAC until Management got some action from them. Then when they got to that point of resolution, or when the Airport needed to take the next step (which was getting close on a few of them) he would bring them before the MVAC.

- Chair Law observed that the Registry of Motor Vehicles (RMV) looked good. Mr. Flynn responded that it did and was actually new. For those of the Commissioners who did not know, the RMV was now in the Airport Business Park (see 2/4/04 Minutes p.1-2#2). Although the RMV had put out small signs as a quick fix to try to direct people to their new offices, the Airport was working with them on some more permanent signage. They were now working out the way with the least amount of traffic and the least amount of turns. Mr. Daly asked if the signs would be from the road to the Registry. Mr. Flynn assented. Mr. Law asked if they were going to take the big signs for the Registry and put them on the road.

Mr. Flynn replied that they were going to put the big signs out on the main road but they were going to go with the little signs inside the Park. Right now though drivers had to go through a lot of turns to get to it. Mr. Weibrecht added that they would be an add-on to the ladder sign of the Vineyard Transit Authority (VTA) so there would not be any specific signage around the lot once a driver got there. It would just take some time to get used to the new route. The Commissioners were urged to visit the site if they had not already seen it as there had been a dramatic change.

Mr. Weibrecht asked Mr. Davis when the County Financial Advisory Board meeting would be. Mr. Davis thought the Board would be starting with the Airport budget issues probably around 7:15 to 7:30. It was going to be the Board's primary activity. Probably if Management got there at 7:00 it would be the safest thing.

Mr. Davis reported that they were hoping to have a joint workshop with the Advisory Board, but not to vote, as it was discovered today that there was a miscalculation with the Registry budget so they had to go back and revisit it. However, they wanted the Board to be involved early on and to understand the problems so that when they got to the end it was hoped it would not be necessary to drag them kicking and screaming but more by the nape of their neck.

Mr. Weibrecht stated he would appreciate it if they could just get through the bulk of the Airport's part of the budget even if there remained questions or issues or changes. Mr. Davis stated they would start with the Airport and hope. Management understood that usually they did travel as a package but once they were approved for the Airport then Management knew that they did not need to provide additional information or continue to attend the meeting. So whatever Management could do to help. Mr. Davis commended Chair Law on a good meeting and Chair Law thanked him.

7. Adjournment

MR. ALLEY MOVED TO ADJOURN AT 6:08PM; MR. HEGARTY SECONDED; MOTION PASSED UNANIMOUSLY.

Documents on file:

Agenda 6/2/04

Hoyle Tanner & Assoc. Inc. memo re; D/EIR

– Environmental Assessment MV Airport Improvement Program, 5/20/04
D/EIR copy (CD)
Shay letter to Mr. Weibrecht – MV Airport 5/10/04
Summary of MassPort’s Proposed Demand Management Program 5/17/04
MassPort letter to Mr. Weibrecht / CapePorts 5/18/04
De-icer chart
De-icer photo
Premier Engineering & Manufacturing, Inc. Proposal 6/2/04
Fortune article Airlines – Why the Big Boys Won’t Come Back 6/1/04