

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, AUGUST 15, 2007

4:00 P.M.

**IN THE MARY BRENNAN BOARD ROOM, T. F. GREEN AIRPORT
2000 POST ROAD, WARWICK, RHODE ISLAND**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:08 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen Hittner, M.D.; James Forte; Joseph Cianciolo; Robert Sangster; Michael Traficante; Russell Hahn.

BOARD MEMBER ABSENT: Joseph Larisa.

ALSO PRESENT: Mark P. Brewer, A.A.E., President and CEO; Peter Frazier, General Counsel; Brian C. Schattle, Chief Financial Officer; Marci A. Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Traficante and seconded by Mr. Forte to approve the minutes of the Board Meeting of July 18, 2007, with one correction. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report from Chair, Board of Directors:

Dr. Hittner welcomed Mr. Russell Hahn to the Board Meeting. Mr. Hahn was appointed to the Board on July 12, 2007 by Governor Carcieri.

Dr. Hittner reported that the Bypass Ramps had officially opened on August 9, 2007 and the opening event had received positive media coverage.

4. Report from President and CEO:

Mr. Brewer welcomed Mr. Hahn to his first Board Meeting and noted

that he had already received briefings from the staff on airport issues.

Mr. Brewer reported that passenger numbers for July 2007 were down 0.89% versus July 2006. Mr. Brewer noted that the focus continues to be on air service marketing efforts.

Mr. Brewer reported that RIAC hosted a joint NASAO/FAA meeting in Newport on May 31, 2007 and June 1, 2007 which focused on national and regional aviation issues, including the proposed FAA Reauthorization Bill. Mr. Brewer reported that all six New England State Aviation Directors, the FAA Regional Administrator, and the FAA's Airports Division Manager and several of her key staff attended the meeting.

Mr. Brewer gave an update on the search for a new Senior Vice President of Planning, Engineering and Environmental and indicated that there are several new candidates for consideration by the Search Committee. Mr. Brewer indicated that staff is still reviewing the potential for interim staffing.

Mr. Brewer reported that staff is working on the Board Delegation Table and the FY08 Action Plans which will be presented to the Human Resources Committee and the Board in September.

(a) Update on the Lottery.

Board Members and Corporation Personnel discussed a proposal to introduce Keno at the airport. Corporation Personnel stated that they would revisit the issue at a future date after completion of the Terminal Improvement Project.

5. Discussion Item:

(a) Presentation on Foreign Object Detection (FOD) System Technology.

Mr. Paul Thompson, representing QinetiQ, gave a presentation to the Board on Tarsier, an automatic FOD Detection system, which locates FOD on airport runways. Mr. Thompson gave an overview of the system's operation. Mr. Ed Herricks, representing the University of Illinois Center of Excellence who is responsible for evaluating these types of systems for the FAA gave an overview of the evaluation process.

6. Operations and Capital Committee Report:

Mr. Forte reported that the Committee had met at 2:30 p.m., and there were items on the consent agenda for approval by the Board.

6.1 Consent Items:

A motion was made by Mr. Cianciolo and seconded by Mr. Forte to

approve the items on the consent agenda. The motion was passed unanimously.

(a) Consideration of and Action Upon Approval to Negotiate and Enter Into a Memorandum of Understanding for the Development of Quonset Business Park and Quonset State Airport.

WHEREAS, the Quonset Development Corporation (QDC) issued a Request for Proposals (RFP) in October 2006 for the development of Quonset Business Park and received a proposal from Island Global Acquisition Ltd. (Island Global); and

WHEREAS, as part of the Island Global proposal a portion of Airport Property was identified for potential development; and

WHEREAS, RIAC staff, the QDC and Island Global have determined the need to enter into a Memorandum of Understanding (MOU) to serve as an outline of the business terms regarding the leasing and development by Island Global of 43 +/- acres of Davisville Waterfront District and 32 +/- acres of Quonset State Airport currently classified as non-aviation use; and

WHEREAS, the only binding sections of the MOU will pertain to exclusivity and deposit; and

WHEREAS, in consideration of the execution of an MOU and the

posting of a deposit (currently being negotiated) from Island Global, the QDC and RIAC will agree not to make, accept, negotiate or entertain any other offers for sale, purchase, lease or financing of all or any portion of the designated property; and

WHEREAS, the MOU will constitute a statement of the present material intentions of the parties, and except as related to exclusivity and Island Global's deposit as to which the parties intend to be legally bound, the MOU is not intended to be legally binding on any party; and

WHEREAS, until the parties execute definitive documentation in the form of a Development Agreement for the project any of QDC, RIAC or Island Global may, in their sole and absolute discretion, terminate discussions with respect to the project, for any reason or for no reason, without liability to any other party.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to negotiate and execute a Memorandum of Understanding with the Quonset Development Corporation and Island Global Yachting Acquisition Ltd. to serve as an outline of the business terms regarding the leasing and development by Island Global of 43 +/- acres of Davisville Waterfront District and 32 +/- acres of Quonset State Airport.

(b) Consideration of and Action Upon Amendment to the Procurement Rules.

WHEREAS, the Rhode Island Airport Corporation (“RIAC”) has adopted Procurement Rules that are based upon the State Purchasing Regulations issued pursuant to Rhode Island General Laws § 37-2-39; and

WHEREAS, Rule 9.10 of the RIAC Procurement Rules addresses the solicitation methodology for securing construction contracting management services; and

WHEREAS, the State of Rhode Island is in the process of updating and amending the State Purchasing Regulations with respect to construction contracting management by promulgating new State Purchasing Regulations 8.11.1, 8.11.2, and 8.11.3; and

WHEREAS, the Board of Directors deems it to be in the best interest of RIAC to also update and amend the RIAC Procurement Rules to replace Rule 9.10 with new Rules 9.10.1, 9.10.2, and 9.10.3, so as to conform these Procurement Rules to the new State Purchasing Regulations 8.11.1, 8.11.2, and 8.11.3; and

WHEREAS, the proposed amendment must be promulgated in compliance with the Rhode Island Administrative Procedures Act (the

“APA”).

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. That the Board hereby approves an amendment to the Procurement Rules, substantially in the form attached hereto, that would replace Rule 9.10 with new Rules 9.10.1, 9.10.2, and 9.10.3 in the form presented; and

2. That the President and officers of RIAC are hereby authorized and directed to give public notice of the opportunity to submit comments orally and/or in writing on such proposed amendment and thereafter to transmit the proposed amendment to the Office of the Rhode Island Secretary of State in order for the amendment to become effective twenty (20) days thereafter.

3. That the President and officers of RIAC are hereby authorized and directed to take any and all other action which any one of them, acting singly, deems necessary or advisable in order to effectuate the purposes of these resolutions.

(c) Consideration of and Action Upon Approval to Extend the Agreement for an Interim Air Monitoring System at T. F. Green Airport.

WHEREAS, current legislation requires that the Rhode Island Airport

Corporation (RIAC) provide an air monitoring system at T. F. Green Airport; and

WHEREAS, while developing the scope of the permanent air monitoring system RIAC has been utilizing an interim system provided by R.I. Analytical Laboratories, Inc. (R.I. Analytical) since April 2007; and

WHEREAS, R.I. Analytical is an approved vendor listed in the State's Master Price Agreement (MPA) for laboratory services; and

WHEREAS, the original agreement in an amount not-to-exceed \$173,340 was projected to run from April 26, 2007 through September 2007; and

WHEREAS, funding for this interim system is included in the approved Fiscal Year 2008 Operating and Maintenance (O&M) Budget through September 2007; and

WHEREAS, the interim testing process needs to be extended to December 2007 to allow the development of a formal Work Plan for permanent Air Monitoring in cooperation with the Rhode Island Department of Environmental Management (DEM), the Rhode Island Department of Health (DOH) and other interested parties as a result of legislative action; and

WHEREAS, extended services from October through December 2007 are not budgeted; and

WHEREAS, a scope and fee proposal has been received from R.I. Analytical in an amount not-to-exceed \$144,990 for the months of October through December 2007.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to extend the agreement with R.I. Analytical for air quality consulting and sampling services related to the interim air monitoring system at T. F. Green Airport to include the period from October through December 2007 in an amount not-to-exceed \$144,990.

(d) Consideration of and Action Upon Approval of a Construction Contract Amendment for the New Airfield Maintenance Facility at T. F. Green Airport.

WHEREAS, on September 29, 2005, the Board of Directors of the Rhode Island Airport Corporation (RIAC) authorized RIAC to enter into a Construction Contract Agreement with H. V. Collins to perform construction services associated with the Airfield Maintenance Facility; and

WHEREAS, RIAC staff recommends that a Disaster Recovery Room be included on the second floor of the new Airfield Maintenance Facility to restore RIAC's computer system in the event of an emergency in a timely manner; and

WHEREAS, RIAC has received a scope and fee from H.V. Collins to furnish labor and material to construct a Disaster Recover Room in the amount of \$139,836; and

WHEREAS, this project is included in the Fiscal Year 2008 Capital Improvement Program budget in the amount of \$18,043,761 to be funded through proceeds from the 2000 and 2005 Airport Revenue Bonds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a Construction Contract Amendment with H.V. Collins to construct a Disaster Recovery Room in the new Airfield Maintenance Facility at T. F. Green Airport in the amount of \$139,836.

7 Finance and Audit Committee Report:

There was no report.

8. Human Resources Committee Report:

Mr. Sangster reported that the Committee had met prior to the meeting, but reported that the majority of the meeting had focused on legal matters in executive session.

9. Executive Session:

(a) Pending Litigation (Parking, Coleman, Costa and Zisiades) and Potential Litigation (One Non-Public Matter) - R.I.G.L. § 42-46-5(a)(2).

(b) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Dooney) - R.I.G.L. § 42-46-5(a)(7).

At approximately 4:40 p.m., a motion was made by Mr. Forte and seconded by Mr. Cianciolo to go into Executive Session. By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen Hittner, M.D.

James Forte

Joseph Cianciolo

Robert Sangster

Michael Traficante

Russell Hahn

NAYS: None

ABSTAIN: None

At approximately 5:20 p.m., a motion was made by Mr. Forte and seconded by Mr. Traficante to reconvene to the Open Session. The motion was passed unanimously.

A motion was made by Mr. Hahn and seconded by Mr. Traficante to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen Hittner, M.D.

James Forte

Joseph Cianciolo

Robert D. Sangster

Michael Traficante

Russell Hahn

NAYS: None

ABSTAIN: None

10. Future Meetings:

The next meeting will be held on Wednesday, September 19, 2007, at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

11. Adjournment:

At approximately 5:25 p.m., a motion was made by Mr. Forte and seconded by Mr. Cianciolo to adjourn the meeting. The motion was passed unanimously.

Respectfully submitted,

Kathleen C. Hittner, M.D. Chair

Rhode Island Airport Corporation

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS MEETING

AUGUST 15, 2007

NAME AFFILIATION

Doug Dansereau RIAC

Patti Goldstein RIAC

Bruce Wilde RIAC

Michael Mini RIAC

Richard Licht Tillinghast Licht

Amanda Marques Senate Fiscal Office

Robert Goff New England Parking

Neal McNamara Nixon Peabody

Don Pillsbury RIPA

Sue Pillsbury RIPA

Michael Zaram Citizen

Ed Herricks University of Illinois

Paul Thompson QinetiQ

The minutes of the Executive Session of the Board of Directors Meeting of August 15, 2007 have been sealed in accordance with R.I.G.L. § 42-46-4.