

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE MEETING

WEDNESDAY, AUGUST 16, 2006

3:00 P.M.

**IN THE CONFERENCE ROOM, 2220 SOUTH COUNTY TRAIL
EAST GREENWICH, RHODE ISLAND**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Operations and Capital Committee was called to order by Chairman, James Forte, at 3:03 p.m., in the Conference Room at 2220 South County Trail, East Greenwich, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: James Forte; Kathleen Hittner, MD.; Don Pillsbury (Ex-Officio member).

COMMITTEE MEMBER ABSENT: Robert Sangster.

BOARD MEMBER PRESENT: Michael Traficante.

ALSO PRESENT: Mark P. Brewer, A.A.E., President and CEO; Marci A. Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; Brian Schattle, Senior Vice President of Finance and CFO; Peter Frazier, Chief Legal Counsel; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes: Mr. Forte moved that the minutes of the Operations and Capital Committee Meeting of June 21, 2006 be approved. Dr. Hittner seconded the motion. The motion was passed unanimously.

2. Report from Chair, Operations and Capital Committee:

There was no report.

3. Report from Senior Vice President of Operations and Maintenance:

Ms. Greenberger gave an update on the terminal security project.

Ms. Greenberger reported that the “Wings over Westerly” event will be held at Westerly Airport on September 16, 2006.

Ms. Greenberger gave a brief security update.

4. General Aviation Report:

Mr. Tibbetts gave an operations report for the General Aviation airports indicating that there has been an increase in fuel sales. Dr. Hittner asked if the runway construction project at Westerly Airport will have an impact on revenues and Mr. Tibbetts indicated that an analysis had been done and that the impacts to revenues are minimal.

There was a general discussion of the budget for the General Aviation airports.

5. Discussion Items:

(a) Update on Value Engineering.

Mr. Brewer reported that in January 2006 the Board had approved the Guaranteed Maximum Price (GMP) contract with Skanska for the construction and other fees associated with the T. F. Green Airport Terminal Security Project. It was noted that as part of the final negotiations with Skanska, both parties agreed that there needed to be a certain number of value engineering/scope deletion items as part of the GMP to come in line with the anticipated project budget. Mr. Mini reported that there is a list of 14 possible items that have been identified by Skanska and RIAC, and these items were discussed with the Operations and Capital Committee.

(b) Discussion of Capital Improvement Program (CIP) (i.e., Land Acquisition Program, Draft Environmental Impact Statement, Airfield Maintenance Facility, Easement Acquisition, In-Line EDS Baggage System/Security Checkpoint Modification and Terminal Building Improvements and Other Projects at the General Aviation Airports.)

Mr. Cox gave an overview of ongoing capital improvement projects, including updates on the EDS Project, the Airfield Maintenance Facility, and the Fuel Farm. Dr. Hittner asked if replanting had started at Westerly Airport and Ms. Pope reported that there had been a meeting on this project with the neighbors to go over the proposed plan and planting schedule.

Ms. Pope gave a brief EIS update including an overview of the recent meeting with the federal agencies.

6. Action Items:

(a) Consideration of and Action Upon Approval to Amend the Current

Contracting Authority for the Capital improvement Program.

Mr. Schattle reported that in 2001 the Board adopted a revised policy to the contracting authority for capital projects, and staff is recommending a further update to this policy in an effort to promote expeditious review of change orders and contract amendments while maintaining project control oversight. After discussion of this item, the Committee recommended one amendment to the resolution whereby any change order between \$50,000 and \$100,000 will require the approval of the President and CEO, or his designee, the Chair of the Operations and Capital Committee or his designee, and the Chair of the RIAC Board.

A motion was made by Dr. Hittner and seconded by Mr. Forte to approve the following resolution as amended:

WHEREAS, on January 17, 2001 the Board adopted a revised policy to the contracting authority for capital projects for approval of change orders and contract amendments associated with the Capital Improvement Program (CIP); and

WHEREAS, RIAC management recommends a further update to this policy in an effort to promote expeditious review of change orders and contract amendments while ensuring responsible project control oversight; and

WHEREAS, all change orders must be within the approved budgeted amount for the project; and

WHEREAS, any amendment which will exceed the previously approved budget will be presented to the Board of Directors for approval.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorizes the President and CEO, or his designee, to amend the current contracting authority as defined below for the CIP, subject to Board approval.

1. Any change order less than \$50,000 will require the approval of the President and CEO, or his designee;

2. Any change order between \$50,000 and \$100,000 will require the approval of the President and CEO, or his designee, the Chair of the Operations and Capital Committee or his designee, and the Chair of the RIAC Board of Directors, and shall be reported at the next regularly scheduled meeting of the Operations and Capital Committee;

3. Any change order that exceeds \$100,000 shall require the prior approval of the RIAC Board of Directors.

The motion was passed unanimously.

A motion was made by Dr. Hittner and seconded by Mr. Forte to approve items (b) through (e) at the same time. The motion was passed unanimously.

(b) Consideration of and Action Upon Extension of the Contract for Glycol Management Services for T. F. Green Airport, North Central Airport and Quonset Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the Operating and Maintenance (O&M) of airport facilities at the six Rhode Island airports; and

WHEREAS, RIAC has contracted with Inland Technologies International, Inc. (Inland) to provide Glycol Management Services at T. F. Green Airport, North Central Airport and Quonset Airport; and

WHEREAS, RIAC's contract with Inland began with an initial term of one year on October 1, 2004, with two one-year extensions at the option of RIAC; and

WHEREAS, RIAC is currently conducting negotiations with Inland to perform Glycol Management Services for Fiscal Year 2007 and does not expect these services to exceed the Fiscal Year 2007 O&M budget of \$580,000.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to extend the contract with Inland Technologies International, Inc. for Fiscal Year 2007 in an amount not-to-exceed \$580,000 to provide Glycol Management Services for T. F. Green Airport, North Central Airport and Quonset Airport, subject to Board approval.

(c) Consideration of and Action Upon Approval of Contractor Task Order for the Replanting of Indigenous Foliage at Westerly Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has contracted with the firm of North Eastern Tree Service, Inc. (North Eastern) to perform on-call Vegetative Management Services; and

WHEREAS, RIAC management recommends replanting appropriate On-Airport vegetation having growth rates and height limits consistent with FAA guidelines at Westerly Airport; and

WHEREAS, RIAC received a scope and fee from North Eastern for On-Airport vegetation replanting and maintenance in the amount of \$65,000 and is currently conducting negotiations; and

WHEREAS, the approved Fiscal Year 2007 Operating and

Maintenance (O&M) budget includes \$65,000 for these services.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to negotiate and execute a Task Order with North Eastern Tree Service, Inc. to provide On-Airport vegetation replanting and maintenance at Westerly Airport in an amount not-to-exceed \$65,000, subject to Board approval.

(d) Consideration of and Action Upon Approval of a Consultant Task Order for the Taxiway "A" Rehabilitation Project at North Central Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with HNTB Corporation (HNTB) to provide on-call architectural and engineering services; and

WHEREAS, RIAC has received a scope and fee from HNTB to provide design and bid phase services associated with Taxiway A Rehabilitation Project at North Central Airport in the amount of \$160,757 and is currently conducting negotiations; and

WHEREAS, the project is included in the approved RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$633,450; and

WHEREAS, based on engineering reviews of the scope and the fee proposal received from HNTB of \$160,757 for design and bid phase services, it is likely that additional funds beyond the original budget will be required to complete this project; and

WHEREAS, once the design phase is completed and actual construction costs can be more reasonably estimated, RIAC will apply for an FAA grant for the total revised cost and request a budget adjustment; and

WHEREAS, this task order will initially be funded through the General Purpose Fund with 95% (\$152,719) reimbursement from the FAA upon receipt of a Federal AIP grant offer.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to negotiate and execute a task order with HNTB to provide design and bid phase services for the Taxiway A Rehabilitation Project at North Central Airport in an amount not-to-exceed \$160,757, subject to Board approval.

(e) Consideration of and Action Upon Approval of a Consultant Task Order for the Taxiway “F” Hold Apron Rehabilitation Project at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Parsons Brinckerhoff Quade & Douglas (PB) to provide on-call architectural and engineering services; and

WHEREAS, RIAC has received a scope and fee from PB to provide design and bid phase services associated with Taxiway F Hold Apron Rehabilitation Project at T. F. Green Airport in the amount of \$211,102 and is currently conducting negotiations; and

WHEREAS, the project is included in the approved RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$817,158; and

WHEREAS, based on engineering reviews of the scope and the fee proposal received from PB of \$211,102 for design and bid phase services, it is likely that additional funds beyond the original budget will be required to complete this project; and

WHEREAS, once the design phase is completed and actual construction costs can be more reasonably estimated, RIAC will apply for an FAA grant for the total revised cost and request a budget adjustment; and

WHEREAS, this task order will initially be funded through the 2005

Airport Revenue Bond funds with 75% (\$158,327) reimbursement from the FAA upon receipt of a Federal AIP grant offer.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to negotiate and execute a task order with PB to provide design and bid phase services for the Taxiway "F" Hold Apron Rehabilitation Project at T. F. Green Airport in an amount not-to-exceed \$211,102, subject to Board approval

(f) Consideration of and Action Upon Grant of Easement to Electric Boat.

Mr. Frazier gave a brief overview of this issue indicating that the recommendation is that the Committee authorize the President and CEO, or his designee, to execute modified temporary and permanent cantilever crane easements granting the equivalent or lesser rights as previously granted, subject to legal and Board approval.

A motion was made by Dr. Hittner and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is a party to a lease agreement effective January 1, 2005, with Electric Boat relative to property at Quonset Point; and

WHEREAS, under the terms of a prior lease agreement with Electric Boat, RIAC has previously granted Electric Boat both a temporary and permanent easement (“Easements”) for its use and operation of a cantilever crane at its facilities at Quonset Point; and

WHEREAS, the current lease provides for the continuation and/or modification of the Easements to allow for Electric Boat’s continued operation of a cantilever crane; and

WHEREAS, RIAC has been advised that the Easements need to be modified to reflect new ownership interests in abutting land and to update the boundaries of the Easements; and

WHEREAS, the Quonset Development Corporation has requested RIAC to enter into modified temporary and permanent cantilever crane easements.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorizes the President and CEO, or his designee, to execute modified temporary and permanent cantilever crane easements granting the equivalent or lesser rights as previously granted, subject to legal and Board approval.

The motion was passed unanimously.

7. Future Meetings:

The next Operations and Capital Committee Meeting is scheduled for Wednesday, September 20, 2006 at 3:00 p.m., in the Conference Room, 2220 South County Trail, East Greenwich, Rhode Island.

8. Adjournment:

Mr. Forte moved to adjourn at approximately 3:45 p.m. Mr. Forte seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

James Forte, Chairman

Rhode Island Airport Corporation

Operations and Capital Committee

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE MEETING

AUGUST 16, 2006

NAME AFFILIATION

Patti Goldstein RIAC

Jason Doyle RIAC

Brenda Pope RIAC

Michael Mini RIAC

Ahmed Shihadeh RIAC

Billy Cox RIAC

Robert Goff New England Parking

Steve Tibbetts Landmark Aviation

Steve Eustis Skanska