

The regular monthly meeting of the Gallatin Airport Authority was held September 16, 2003 at 3:00 p.m. in the Airport Conference Room. Board members present were Steve Williamson, John McKenna, Yvonne Jarrett and Richard Roehm. Tom Nopper, Vice-Chairman, was absent. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Director and Cherie Ferguson, Clerk.

The first agenda item was to review and approve the minutes of the regular meeting held August 14, 2003. Richard Roehm moved to accept the minutes as mailed, John McKenna seconded the motion, which carried.

The second agenda item was the public comment period. There were no public comments.

The third agenda item was to consider Real Estate Transfer Agreements for the purchase of neighboring properties. Ted Mathis, the Airport Director, said that an agreement to purchase 217 acres from the Sandes has been signed by the Sandes. They have retained 10 acres and all their buildings. As part of the agreement, the Airport Authority will pay relocation costs for 5 semi loads of farm equipment to the Sandes' property in the Madison Valley.

The purchase price of \$1,265,000 includes the 217 acres, an avigation easement over the 10 acres the Sandes retained, the first right of refusal to buy if the Sandes decide to sell the 10 acres, a mile and a half of a wheel-line system and 3 quarters of a mile of a main line sprinkler system, a 110" water right on the Spain Ferris Ditch and a 1,000 gallon per minute well and pump.

Mr. McKenna moved to accept the real estate transfer agreement between the Gallatin Airport Authority and Vernor and Arlene Sande and the Belgrade Alliance Church pursuant to the agreement. Mr. Roehm seconded the motion and it passed unopposed.

Mr. Mathis said he hoped he would have the agreement from the KMC partners next month.

The fourth agenda item was to consider options for improved radar coverage at Gallatin Field. Mr. Mathis said that we are considering radar acquisition from two fronts. The first is the Congressional front and Senator Baucus assured us that he will put language in the current bill that we hope will be passed by the end of the month. The Senators put their most pressing projects in as priorities and Senator Baucus said our radar will be one of those. The projects can then come out of committee as a priority item on the list or as a priority on the list plus some funding. If it were to be on the list with additional funding, Mr. Mathis believes the FAA would move to put radar at Gallatin Field.

The second front is that we have been working with the regional FAA office for several months with the idea that we could cost share with the FAA. Mr. Mathis participated in a conference call on the 3rd of the month and it was very encouraging. The FAA has a system that they recommend for use at Gallatin Field. They have approval from the Air Traffic Control Division to use it at Gallatin Field and they have approval from Salt Lake Center to tie it in. They are asking how much we are willing to help financially to make it happen.

The FAA estimates that it would cost three million dollars if they were to install the system. About \$1.5 million of that is for the unit itself and the Stars Lite display in the control tower. Mr. Mathis said there are two ways we could proceed with this; one would be to pay out the \$3 million, the other way is to offer a lesser amount and do the site preparation, build the tower the equipment sits on plus make other improvements. A tower for the antenna and a building for the equipment to sit in may be available from the Billings

airport as they have those items on hand because their old system has been replaced by a new ASR11 system, which should be in operation by March.

The system we could install here is a Raytheon ATCBI-6. It is beacon-only radar and would greatly enhance our IFR capabilities and fill in the gap between 12,000' and 4,573'. It could be enhanced later if the opportunity arose.

The FAA has 152 systems on order but Mr. Mathis doesn't know when we might be scheduled to get one after we make the offer. He said that he is more enthused about the possibility of getting radar now than he has been in the last 15 years. The Board members decided to wait until the bill that Congress is working on is released before taking any action and they thanked Mr. Mathis for all the good work he has done in pursuing radar for Gallatin Field.

The fifth agenda item was to consider participation in a study to determine the feasibility of establishing a public transit system in the Bozeman-Belgrade-Four Corners area. Mr. Mathis said that Gallatin County and the cities of Bozeman and Belgrade have funding to study to see if it makes sense to have a mass transit system in Bozeman and from Bozeman to Belgrade and the Four Corners area. At the meeting he attended, Mr. Mathis was asked if we wish to participate. A representative from the state called and told them that they have funding for buses available at this time. Mr. Mathis said that all the transit systems in the state require substantial community financial support along with the Federal help they get. He said he has no recommendation for the Board.

After some discussion, the Board members said that if they want to include us in the study, we will provide data as required. We aren't opposed, but we're not strongly for it either.

The sixth agenda item was the report on passenger boardings and flight operations - Brian Sprenger. Mr. Sprenger reported that August 2003 was a good month all the way around. There were 587 air carrier operations, 953 air taxi, 2,920 General Aviation (GA) itinerant and 35 military, for a total of 4,495 itinerant operations. Local general aviation operations were 2,397, for a total of 6,892 tower operations in August, which is up 2.01% over August 2002. There were 242 landings of aircraft over 12,500 pounds, which is up 11.52 %.

Mr. Roehm asked if fees for landings are the same throughout the country. Mr. Mathis said that fees vary but that based on our contracts with the airlines, our fees for general aviation landings must be at least 10% more than the air carrier users. He said that the biggest discrepancy we have is that we start charging at 12,500 lbs. gross landing weight (GLW). A lot of airports are lowering it to 11,000 or 8,500 lbs. Mr. Mathis said that he doesn't believe that our current system is fair because a lot of corporate jets and turboprop aircraft are close but don't weigh 12,500 lbs. GLW. If the planes weigh over that, they generally have to have more than one pilot.

Mr. Sprenger said that the total landings of 242 aircraft over 12,500 lbs. is the highest ever at Gallatin Field. It is higher than last month, which also was a record-breaking month. He said that regarding total tower operations for the period January through August this year, our airport was the second busiest airport in the state, after Billings. Last year we were 5th, behind Billings, Missoula, Helena and Great Falls. The numbers were fairly close though, with us having only 100 more operations than Great Falls.

Mr. Roehm pointed out that our numbers continue to grow and asked if that is a good justification for radar. Mr. Sprenger said that it is and we are constantly pointing out our growth to the Congressional delegation and added that most of the other airports in the state

have adequate infrastructure but that we spend quite a bit of time trying to keep our infrastructure ahead of our growth.

Mr. Sprenger reported that passenger boardings were 32,623, up 3.1% from August a year ago. For both years, August was a record-breaking month. Year to date is up 1.6% compared to the same period in 2002. September is looking very good and Mr. Sprenger expects that it will be at or above last year's level.

Mr. Sprenger said that America West has postponed their entry into Missoula and are reconsidering their expansion plans, particularly with regional jets.

The seventh agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that after he received a letter from Gallatin Field Carkeep Condominium Association – Dr. Jude – he subsequently received letters from two condominium owners supporting Dr. Jude's request for longer leases. Mr. Mathis' recommendation to the Board was to not change the five-year lease extension term. The Board members concurred with Mr. Mathis and agreed to leave the lease term the same.

Yvonne Jarrett said that she recently took a charter flight and the TSA screeners had three tables set up on the ramp. Ms. Jarrett asked what would happen when the weather is bad. There was some discussion on how the charters operate and the screening rules that govern them. The charter operators or organizers could choose to use the main terminal building to have the luggage screened as long as it is not too busy at the terminal building at the time they need to use it. The charters are usually ground handled by Yellowstone Jetcenter or Arlin's Aircraft Service, so the screening could be done in one of their hangars. Mr. Mathis pointed out that the ramp by Central Copter Inc.'s new operation is stressed for the larger aircraft and the screening could be done in their hangar or yet to be completed operations building as well.

Mr. Mathis reported that the audit is underway but it probably won't be available at the October Board meeting.

He then showed a video of the construction projects that are currently in process. He said that Central Copter's operation is a first class operation and that everything is spotless. They are going ahead with all the buildings and the landscaping that they had requested.

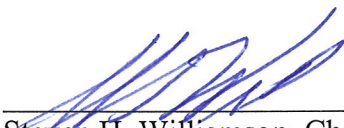
Contractors are working on the well building across the street from the National Guard complex, grooving runway 12/30 is progressing and our maintenance personnel are starting to rehabilitate the used jetway we recently purchased. Arlin's installed a new state of the art jet fuel storage tank, and Yellowstone Jetcenter purchased 2 new jet fuelers.

The terminal expansion project is underway and there haven't been too many inconveniences upstairs yet.

The Board members want Morrison-Maierle to get the sprinklers moved so the turf runway can be ready next year. The City of Belgrade will put in the new pump by October 15th and there will be additional seeding done this fall.

The eighth agenda item was to consider the bills and approve for payment. After review and discussion, Mr. Roehm moved to pay the bills; Ms. Jarrett seconded the motion, and it carried.

The meeting was adjourned at 3:58 p.m.



Steven H. Williamson, Chairman