

The regular monthly meeting of the Gallatin Airport Authority was held July 14, 2016 at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, Carl Lehrkind, Kendall Switzer, Karen Stelmak and Kevin Kelleher. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Troy Watling, Assistant Director of Finance, and Shannon Rocha, Recorder.

Ted Mathis, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board and said members of the public are welcome to comment on a specific agenda item when it is being discussed. There is a sign in sheet if anyone would like to talk during the public comment period.

Mr. Mathis started by congratulating Carl Lehrkind on being re-appointed to the board.

1. Review and approve minutes of the regular meeting held June 9, 2016.

Mr. Mathis asked if everyone had received their copy of the minutes and if they had any corrections or additions. There were none.

MOTION: Mr. Kelleher moved approval of the minutes of the regular meeting held June 9, 2016. Ms. Stelmak seconded the motion and all board members voted aye. The motion carried.

2. Public Comment Period

Mr. Mathis asked if there were any other public comments besides those relating to a specific agenda item. There were no public comments.

3. Consider request by Mr. Robert Shropshire that the Gallatin Airport Authority establish helicopter operating procedures for Reach Air Medical Services operating at hangar 117

Mr. Mathis read the letter sent to the Gallatin Airport Authority by Mr. Robert Shropshire: Dear Brian Sprenger, I request both the following be put on the agenda for the Gallatin Airport board meeting. That the Gallatin Airport Authority requires Reach to taxi to/from the runway at all times. This would be the most proactive action the GAA could do to avoid any mishaps to Reach and to the general aviation community. If the Gallatin Airport Authority cannot require Reach to taxi to/from the runway at all times then I request the following:

- Takeoff/land away from the fuel truck by TBD feet.
- Takeoff/land away from any open hangar door by TBD feet
- Takeoff/land away from any transient airplanes by TBD feet
- Takeoff/land away from people in pilot shelter area by TBD feet
- Helicopter pilots will be cognizant of all general aviation activities and will treat them with respect.

My suggestion for TBD is 50 yards minimum. Sincerely yours, Robert Shropshire.

Mr. Mathis asked Mr. Shropshire if he had anything to add to his request.

Mr. Shropshire said yes and took the podium. Mr. Shropshire said he thought 50 yards would be the minimum. He was informed by Mr. Sprenger that there are 195 feet between the Reach hangar and his which is just a little over 50 yards. He said he just wants to feel that he and his property are safe. With the helicopter taking off and landing he doesn't feel safe. He said that 50 yards is a little shy of what he would like. Mr. Shropshire also requested that distance for transient airplanes.

Mr. Shropshire said it feels like there is a mood that if Reach wants or needs to take off, they can just come over and let him know and then do what they want. He said they are nice about it. But if there are no hangar doors open or no obstructions, he requests that that be part of the MOU to not make him close his door when they can taxi down.

Mr. Shropshire said he appreciates everyone's time in reviewing the video. He asked for questions and the board had none.

Mr. Mathis said he asked Mr. Sprenger to put together a brief history since the initial complaint. Mr. Sprenger read a prepared statement as follows:

On September 12, 2015 we received a letter from Mr. Robert Shropshire regarding air ambulance operations taking off and landing on the taxiway between hangars (117) and (130) stating, "This is dangerous. Their disregard for other airplanes on the taxiway, airplanes inside their hangars, transient airplanes tied down in the transient parking area, and a fuel truck only feet away from their rotors is an accident waiting to happen." In addition, on September 18, 2015, Mr. Shropshire provided us with a video showing his aircraft's wings "rocking" inside his hangar (with his hangar door open) during a Summit operation, loose items were also blown around. The board has subsequently seen this video.

There is approximately 195' between hangars 117 and 130.

After reviewing the letter and video, a meeting was set up by the Gallatin Airport Authority between Mr. Shropshire and Summit Air Ambulance. The FAA was also present at this meeting. During the meeting, the representative from the FAA was specifically asked if the Summit operation adjacent to their fuel truck was in violation of any helicopter operating procedures and his response at that time was "no." However, due to concerns and wanting to

mitigate any potential conflicts, we agreed to modify operating procedures. A Memorandum of Understanding (MOU) was agreed to on October 15, 2015 whereby Summit would "execute vertical takeoffs in front of hangar 117 only during an actual call-out (emergency). All other takeoffs and landings would be accomplished by the aircraft taxiing east beyond hangars on taxiway M prior to takeoff and landing." It was also agreed that "someone from Summit Air Ambulance would notify Mr. Shropshire during an emergency call-out if his hangar door was open and Mr. Shropshire was in proximity of his hangar." After six months, the Airport, Summit Air Ambulance and Mr. Shropshire were to meet and evaluate the MOU.

It was determined prior to this meeting that Summit had been doing flight training on the ramp in front of hangar 117, - we asked that they discontinue doing this at hangar 117 and to perform flight training at another location. Take-offs and landings must also occur on their exclusive use leased ramp (approximately 100 x 100) and not on the taxiway between ramps.

Six months later on April 15, 2016, a meeting was convened with Mr. Shropshire, Dillon Kundert, and Steve Nicholl from Reach (Summit had been renamed during this time frame), Airport Director Brian Sprenger, Deputy Airport Director Scott Humphrey, and Airport Board Chair Ted Mathis to evaluate the MOU as stipulated. It was indicated at this meeting by the Airport Authority that they were aware of a couple situations whereby Reach did not ground taxi to hangar 117. Reach responded that during two emergency situations, they did indeed depart and land adjacent to their hangar due to taxiway congestion. They had to restock the helicopter and refuel as time was of the essence. Reach indicated in emergency situations they needed the flexibility to air taxi or depart and land at hangar 117. Reach also indicated that "ground taxiing" is only possible for helicopters with landing gear and that while their current

helicopters have landing gear, there could be a time whereby they would have skid type helicopters and the only option would be to "hover taxi" (below 25' AGL) or "air taxi" (generally above 25' AGL and below 100' AGL). Mr. Shropshire indicated this was not satisfactory so consequently the MOU previously agreed to was not continued. However, the Airport Authority reiterated to Reach that ground taxiing in non-emergency situations and whenever practical is preferred with landing gear equipped helicopters. Reach agreed.

After this meeting, at Mr. Shropshire's request, the FAA again reviewed Reach operations and determined that they continue to operate within regulations and within the parameters of their operating plan. According to the Gallatin Airport Authority Rules and Regulations, "The Airport Director may prohibit aircraft landing and taking-off at any time and under any circumstances when he deems such landings and take-offs likely to endanger persons or property, except for emergency landings." As a Part 135 Operator, Reach is subject to constant regulatory surveillance by the FAA and the FAA has not provided any indication of unsafe operation by Reach. As Mr. Shropshire's specific concerns have been addressed by the FAA and there is no indication of Reach operating outside of approved FAA parameters, we are unable make a determination that Reach operations are likely to endanger persons or property.

On May 12, 2016, the Gallatin Airport Authority installed a camera so that the area in question could be viewed and recorded. In review of the video, we continue to see Reach ground taxi at various times indicating that Reach is at least attempting to ground taxi whenever possible.

At the June 9, 2016 Airport Board meeting, Mr. Shropshire indicated that he desired the Airport Board to address this issue. However, when asked if there had been any occurrences

such as the one on September 12, 2016, Mr. Shropshire said no, but believed it would happen again.

On June 14, 2016, Reach entered into a new MOU with the Airport Authority to minimize rotor wash by encouraging Reach to ground taxi wheeled helicopters in non-emergency situations when taxiway M is not restricted.

On June 16, 2016 we sent Mr. Shropshire a letter essentially detailing what has been discussed here and presented Mr. Shropshire the procedures necessary for him to have an agenda item placed on the Board agenda.

On July 6, 2016, we received a written request by Mr. Shropshire to have this issue placed on this month's agenda.

To recap, we have received no indication from the FAA that Reach's operation is unsafe. Consequently, we do not believe this is a safety issue but a good neighbor issue. As we do with areas throughout the airport, we attempt to mitigate and minimize potential conflicts between various operators because our airport serves so many diverse interests. In this case, we have worked with Reach to minimize landings and take-offs at their ramp through the MOU and the relocation of flight training as well as encouraging Reach to advise Mr. Shropshire whenever possible of their pending operations. We understand that total landings and take-offs at this ramp have declined substantially through these efforts. We are also unaware of any further occurrences or issues since we have implemented the MOU's. Therefore, staff's recommendation would be the continuation of the current MOU.

Mr. Mathis asked if any of the public had any input.

Steve Nicholl from Reach handed out a paper to the board and took the podium. Mr. Nicholl introduced himself as a pilot with Reach. He mentioned that Dillon Kundert, Lead Pilot and Ellen Steiner, Regional Program Manager were also present. Mr. Nicholl said they have been operating at the Bozeman Airport for 4 years. They were previously Summit Air Ambulance. They are not a medical transport operation. They are an emergency medical service. They are part of the Gallatin Valley Emergency Response Program. They are dispatched through 911. Expediency is an issue for them. When the ATC and the FAA is called from the ground, Reach has priority over everyone else in the air.

Mr. Nicholl continued by saying they also take some responsibility for how they got to where they are now. Summit was purchased by Reach a little over a year ago. They became a new company and switched over to Reach's 135 certificate so all the current pilots with Summit were treated as new hire pilots with Reach. In a short amount of time they had to train 4 pilots here, 4 pilots in Helena, and bring in 2 instructor pilots from California and get them trained on our local area operations. He said they made some mistakes during that change over. They were used to operating off their ramp. They receive approximately 400 calls each year. They all had to go through an extensive training program with Reach. In hindsight, what happened September 12, 2016 hadn't happened before and it will not happen again. They have changed their training policy.

Mr. Nicholl reported they have over 60 years and 30,000 plus hours of accident free and incident free experience. They understand things change and growth occurs at the airport. They would like to do anything they can to work with people operating around them. We would like to work with a reasonable request like letting Mr. Shropshire know when they are taking off.

Mr. Nicholl said the bottom line is that anything that delays them from taking off is delaying patient care. That is their job. He referred to their proposal (the paper he distributed to each board member), they have taken a measured distance of 3 blades lengths out, which is the typical pattern for rotor down wash. They have given that distance plus area from any open hangar, aircraft, or other operation. Their operation manual is FAA approved and it has specific guidelines for distance that they can operate from.. Their goal is to be good neighbors. They feel very strongly their operation is safe. They would like to use this airport and others for specific training.

Dillon Kundert, Lead Pilot for Reach took the podium. He asked that the board remember the emergency aspect of their operations. It takes 2 minutes to walk over and ask Mr. Shropshire to close the door and that is a big step for them. It is another 2 minutes to taxi down to the runway. Any extra time increases their launch time from their preferred range of 6-8 minutes to 12-15 minutes. One quarter of their flights are training exercises. Their proposal references the letter that Mr. Shropshire had written. Mr. Shropshire's proposed limits would put them off of their commercial ramp. They have moved the fuel truck over for better public access. He thinks this has created more of a hazard for Reach because they now have traffic that park between the fuel truck and grass and exits by driving between the helicopter and their hangar door. Reach has purchased a fuel cell which will replace the fuel tank in time.

Mr. Kundert said Ellen Steiner came because they were worried that this will affect the patient's care. Explaining to Big Sky why it takes 15 minutes to get off the ramp in Bozeman is a huge issue for them.

Mr. Switzer asked if they had to practice emergency procedures without an emergency call out. Mr. Kundert said they don't do practice runs per say. The FAA has mandated they perform risk assessments before each takeoff. That requires them to go through a computer program. That has added 2 minutes to their launch time. Flight training is better served outside of the hangar area. They don't necessarily run through monthly drills, if they had a new crew member they would do that away from the base.

Mr. Kelleher asked if Reach had any fixed wing operations. Mr. Kundert said the PC12 was shipped to their Helena location. Mr. Kelleher clarified that they have rotor and fixed wing operations in front of their ramp and Mr. Kundert confirmed this. Mr. Kelleher asked how many county areas Reach serves. Mr. Kundert said it was 7 or 8 counties across 150 nautical miles. They are all serviced with one helicopter.

Mr. Switzer asked if Reach is the only air ambulance. Mr. Kundert replied that they are the only one out of Bozeman. There are also operations in Butte, Billings, Helena, Great Falls, Missoula, Kalispell, Idaho Falls, and West Yellowstone.

Mr. Kelleher asked Mr. Kundert if he would consider landing on top of the hospital platform dangerous. His response was no.

Mr. Lehrkind asked Mr. Sprenger how Reach's proposal affects the current MOU.

Mr. Sprenger said the letter from Reach is using a 60 foot limit and Mr. Shropshire's was a 150 foot limit. The one exception is that they would operate in the fueling parameters approved by FAA. Mr. Kundert said that is 10 feet if taxing up to it and 15 feet if landing at it. Mr. Sprenger said a 10 feet limit is similar to what the airlines operate within. At the General Aviation self-fuel area, pilots most likely operate within 10 feet. Staff believes that the MOU

currently in effect is sufficient and it would not be advantageous to change anything at this time. The 60 feet is not what Mr. Shropshire is looking for but the MOU has already been agreed to by Reach and is similar to what Mr. Shropshire agreed to back in October with the exception making provision during times of congestion on taxiway M.

Mr. Mathis asked for any further input. Mr. Shropshire came to the podium. He said he appreciates Reach being here. His opinion is that 60 feet is not near enough. It happened once and he never wants it to happen again. He doesn't know how to prevent that. He is scared about that. He doesn't mind Reach taxiing by his hangar. It is the taking off and landing that is his problem.

MOTION: Mr. Lehrkind moved to deny the request by Mr. Robert Shropshire dated July 6, 2016 in favor of staying with the current Memorandum of Understanding as set up by the Bozeman Yellowstone International Airport, the FAA and staff. Mr. Switzer seconded the motion.

Discussion: Mr. Switzer said he appreciates everyone trying to make this work. He doesn't think that we, in good conscience, can limit the response of a 911 helicopter no matter what the situation. If it is your family or relative out there, 60 seconds is an eternity. We cannot be responsible for limiting that at all.

Mr. Kelleher said he feels similar. If he sees sirens or a fire engine he pulls over and stops. Time is of the essence on the medical end. We are charged with taking care of the flying public, and all the public that uses Gallatin Field. We can provide a quality service like Reach. He was able to sign his family up for \$65/year for a quick response pick up if ever needed. Having been in a bad automobile accident on Hwy 191, and not being able to get a helicopter

into where he was took an extra 20 to 30 minutes. What does Mr. Shropshire know that the FAA doesn't know? The FAA says it is a safe operation. We have to leave that judgement to our Federal agency. Mr. Kelleher thinks the hackles of the public would be up if we didn't do anything but support this operation. We have to be as expeditious as possible in getting that aircraft in the air. Mr. Kelleher said he doesn't mind them taking off and landing by his hangar at all and he sees it as an extremely valuable public service that we need to do our utmost to help improve here at Gallatin Field.

Mr. Mathis asked for any other discussion or comments. There were none.

All board members voted aye. The motion carried.

Mr. Mathis asked Mr. Sprenger to continue to monitor these operations as he has and keep the Board apprised of any significant changes. He thanked everyone for their effort on this.

4. Consider real estate transfer agreement with Airport Road Limited Partnership

Mr. Lehrkind excused himself during this portion of the board meeting due to his family relationship.

Scott Bell with Morrison-Maierle came to the podium. He said they have been working on the agreement with the Cook family for some time. They have done all the surveying. Mr. Bell showed the areas on the map. This is meant to be an equal land swap. The Airport property was appraised for \$1,000/acre more than Cook's property.

It would be a transfer of roughly 123 acres of un-encumbered land for 251 acres. The agreement leaves a 40 acre piece of which there would be a road easement. The most it can be subdivided is into 4 lots or 1 for every 10 acres. The agreement with the highway frontage

property would be 1 per 40 acres of residential. Part of the agreement is also a road easement on Dollar Drive.

The gravel pit has been completely mined out so there is no additional mining being done. In order to close the gravel pit, there is about 1 foot over the whole area that needs to be covered. The DEQ recommendation is for the airport to assume the gravel pit permit from Cook and reclassify it as an industrial site instead of a gravel pit. That would allow the airport to continue to slowly fill the pit back up as we have excess materials.

There is a house on the property. Gene Cook's granddaughter lives in the house now. The proposed agreement would allow her to stay and live there for up to 7 years. After that the house would most likely be torn down.

Mr. Switzer confirmed there were no issues with fly over. Mr. Bell confirmed there were none and that any remaining property that the Cooks have will have an avigation agreement. Mr. Switzer also asked if they could use material from construction of the new runway to fill the pit. Mr. Bell said yes if there is any excess they could use that.

Mr. Bell said part of the closing agreement between Cook and TMC will be to allow some of their buyers to waste material in that area.

Mr. Mathis asked what assurance we have that the material in there to date is not hazardous and will not be in the future. Mr. Bell said there are monitoring wells that are being sampled for oils and asphalts.

Kevin Cook representing Airport Road LLC came to the podium. Part of the agreement is monitoring. Their wells and two or three neighboring wells are monitored on an annual basis.

They have all the test results. They have had one strike that was retested and found to have no issues. They have never had any issues.

Mr. Mathis asked does the agreement with TMC include something that they will not haul anything hazardous or toxic. Mr. Cook said yes, and there is a sign at the entrance that says it is for clean fill only. It is not monitored on a daily basis but they haven't had a problem in the past.

Mr. Kelleher asked what the projected timeline is to fill the pit. Mr. Bell said that is really hard to project. In the last 4-5 years it was filling slowly. But this last year they have probably put as much as they had in the 4 years prior. Mr. Cook said they have closed certain entrances to concentrate the fill on the south end.

Ms. Stelmak said if the house is not a concern and neither is the environmental aspect, she is in support of it.

Mr. Mathis thinks it is a good trade. He commended staff for working out the agreement and thinks it is fair and equitable.

Mr. Kelleher said he agrees.

MOTION: Ms. Stelmak moved to approve the real estate transfer agreement with Airport Road Limited Partnership. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried. Mr. Lehrkind did not participate in the discussion or the vote.

5. Consider Land Acquisition priorities

Mr. Sprenger emphasized that we have enough land to accommodate current operations and expectations. The trade of the land gives us an opportunity to plan for future needs and requirements. Mr. Sprenger showed the land acquisition location on the map.

Ultimately we may need larger areas for protection zones for our runways. In recent years, the FAA has said roads are not appropriate in runway protection zones.

Through the land trade, we have opened up opportunities to re-route traffic if needed. There is currently no anticipation of that happening, however, Scott Bell and Kevin Cook made sure there were easements for that possibility.

Mr. Sprenger outlined various road re-route options. One particular area is now for sale and the real estate agent has approached us to purchase this land. It would allow us to bring certain aviation developments inside the road system. It would also be preferable for the local neighbors.

The current asking price is \$10,000/acre. We are only able to purchase land at appraised fair market value. They may be willing to split the land into 2 parcels. We could consider just purchasing one parcel.

The purchase would allow some future control and protects the corridor for the future. We may never use it, but property is slowly filling up here in the Valley.

Mr. Mathis asked how this fits into this year's budget. Mr. Sprenger said although it was not planned in this year's budget, in our long-term budget we have been allocating \$300,000 per year for potential land acquisition. Due to the timing of other projects this year, we could accommodate up to about \$600,000 for a land purchase as a re-allocation within the capital budget. Mr. Mathis said he likes the idea of moving forward with the purchase. It is imperative that we give no indication that there would ever be a road there and that a road not be part of the agreement. Mr. Sprenger said it may be 20-40 years before we use it if ever, but the point is protecting for the possibility.

Mr. Lehrkind asked if there were structures on the land. Mr. Bell said to his knowledge there are not. Mr. Lehrkind thinks we should seize the opportunity if we can figure out a way to make it happen.

Ms. Stelmak agreed. She thinks that being proactive is important. A portion of that property would be a wise purchase.

Mr. Kelleher said he agrees with the assessment as well.

MOTION: Mr. Lehrkind moved to approve the Airport Director negotiating a buy-sell on parcel 2 of the land acquisition exhibit and to bring to the Board for consideration, understanding the Board may or may not approve the negotiated buy-sell. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

6. Consider request by Cloud Nine Aviation, LLC to construct a 100' x 100' commercial hangar

Mr. Sprenger showed the location on the map. In February of this year, Cloud Nine Aviation was approved for a hangar. They were then considering a different location. That location didn't work out so they are back to requesting the original location. Mr. Sprenger said staff recommends approval of the request.

Mr. Lehrkind asked what taxiway the proposed hangar location would be off of. Mr. Sprenger reported it is off of taxiway Uniform right off of Oscar.

MOTION: Ms. Stelmak moved to approve the request by Cloud Nine Aviation, LLC to construct a 100' x 100' commercial hangar. Mr. Lehrkind seconded the motion and all board members voted aye. The motion carried.

7. Consider request by Bridger Aerospace to adjust leased area and hangar orientation

Mr. Sprenger showed the location of the area on the map. We had an approved agreement with them to begin construction but they found that the cost had gone up and so they have pared the plan down some. They have asked for a re-orientation. The taxiway will have to be longer but we would not have to extend the road at all. It would also allow space for an additional hangar.

We are waiting to hear back on the parking lot size. Our minimum standard is 10 parking spaces. Right now there are 24 planned parking spaces. That is still being validated. Staff recommends approval of the request.

MOTION: Mr. Kelleher moved to approve the request by Bridger Aerospace to adjust leased area and hangar orientation. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

Mr. Mathis said he noticed the first hangar location by the gate had moved some dirt but hasn't progressed since then. Mr. Humphrey said that is Brandon Wilson of Shedhorn Construction. He is a homebuilder. We have been in contact with him. It is his high season right now so as soon as the season slows down he will be back in full force on his project.

8. Consider request by Big Sky Jet, Inc. to operate flight training and scenic/introductory flights at BZN

Mr. Sprenger said this agenda item is primarily to get the paperwork in order for something that has already been in operation for some time. During the sale of Sunbird Aviation many years ago, we missed this. Greg has submitted a request to operate. He has the space and has provided us with the required insurance.

MOTION: Mr. Switzer moved to approve the request by Big Sky Jet, Inc. to operate flight training and scenic/introductory flights at BZN. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

9. Report on Paved Parallel Runway Project – Scott Bell

Mr. Scott Bell reported on the status of the project. The environmental document has been approved. It is time to advertise the bid opening for Runway 11/29 to become a paved runway. Mr. Bell drew the board's attention to the drawing.

Mr. Bell reviewed what is in the bid package. 11/29 is going to be 75' x 5,050' paved runway. It will have 12.5' shoulders so it will basically be 100' wide. There will be blast pads on each end of the runway and it will be lighted.. There will be precision approach path indicators (PAPI) on the runway.

The project will also include constructing taxiway C1 (from A1 across runway 30 over to runway 29) and C3 (mid-filed taxiway across to runway 11 and also tie into taxiway Charlie). Taxiways C1 and C3 are designed as 35 foot wide with 12.5' shoulders. There will also be one connector taxiway, Charlie 2 from 11/29 back to C. The project also includes 2 run up areas on the 29 and 11 ends.

The cost of the project is currently estimated at \$8.5 million. We are hoping that the bidding climate is good and we may see the cost come down. We will advertise in the next week and plan the bid opening at the August 11, 2016 board meeting.

Partial funding for the project includes this year's entitlements. The funds have been programmed.

Mr. Sprenger said the September board meeting might be the appropriate time to do a shovel and ribbon cutting.

Mr. Lehrkind asked Mr. Bell how far we can get assuming we have a nice fall. Mr. Bell said we will give the contractors flexibility to start. We are hoping to have the runway by the June or July timeframe next year, for sure by the end of the fall 2017.

10. Election of officers

MOTION: Mr. Kelleher moved to approve the following slate of officers for the coming fiscal year:

Chairman – Ted Mathis

Vice Chairman – Carl Lehrkind IV

Secretary – Kendall Switzer

Ms. Stelmak seconded the motion and all board members voted aye. The motion carried.

11. Report on passenger boardings and flight operations – Scott Humphrey

Total operations for June 2016 versus 2015 were down 10% at 6,613 versus 7,356. June had a cold start. That puts our rolling twelve-month operations at 80,629. Corporate landings were up 27% at 220 versus 172. Enplaned passengers were up 6.1% at 48,646 versus 45,850. Rolling twelve-month enplanements were just under 531,000. Total deplaned passengers were up 6.9% at 54,198 versus 50,654. Airline landings are up 1.6% at 574 versus 565. The load factor is up 1.4% over the previous June at 83.6%.

We have the first numbers for American. 75.8% for enplanements out and 95% load factor in, so an overall load factor of 85%.

Fuel dispensed for May was up 30% at 493,000 gallons versus 378,810.

Right now August is 6% better on 17% more seats. For the year we are sitting at 8.2% better in enplanements.

All the car rental companies, except Hertz, ran out of cars on Saturday.

The board thanked Mr. Humphrey for his presentation.

12. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported on the following:

Discretionary Funding – We are finally getting that resolved. He offered to take the board around after the meeting to see the projects.

ACIA Jumpstart – Met with 8 airlines. Our incumbents are all very bullish.

United – is extremely bullish on Bozeman. All national park areas are seeing strength. They continue to up gauge San Francisco and included Mondays, Wednesdays and Thursdays this summer.

Delta – is bullish as well. They added Atlanta service over the winter.

American – was extremely surprised about our performance and it exceeded their expectations. We don't know the fares yet but they are filling the seats. They discussed increasing lift out of Bozeman next summer.

Frontier – remains status quo. They did indicate they see the potential in the Bozeman market and they want to get back to year round. They also expect to get to daily service in the summer.

Southwest – they have a lot of changes going on that are positive for future consideration of smaller markets. Of the 15 top markets in revenue that they don't serve in the

U.S., we are number 14. If you take all those other markets, and how close they are to another Southwest market, half are within 100 miles and about one quarter are within 125 miles. All but one are within 150 miles and that one is Bozeman. So they are not getting any of our passengers. They were surprised. We may be in position in a couple of years. Their focus is the top 100 markets. We are just about there.

Jet Blue - interested in continuing discussions. Have done some things in Reno and Palm Springs so they have experience in seasonal service. Right now their focus is Cuba.

West Jet – They are extremely interested if we can come in with a very high guarantee.

Day shift law enforcement – Mr. Sprenger reported on a typical day for our day shift law enforcement:

During the first 1.5 hours they are at the checkpoint then responded to a suspicious bag left by the up escalator - Helped an elderly passenger – Checked items at the loading dock for the restaurant – Reviewed video camera system for an issue at the security checkpoint – Responded to a burglar alarm at hangar 95 – Phone call for lost luggage – Door alarm at Gate 3 – Dignitary detail for supreme court justice – 3 inspections for United – 4 badge inspections – Fence security check – Escort District Attorney for California – Delta item left at the loading dock – Exit alarm – Curb side patrol – Exit lane alarm review – Brief TSA on dignitary arriving later this week – Coordinated a VIP flight for today – 43 baggage door and gate alarms – Conference call with security contractor. This was a busy day. This gives us an idea of all the little things that happen at the airport that we don't hear about.

Annual Leave – Monday July 18 through Thursday July 21.

13. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

MOTION: Ms. Lehrkind moved to pay the bills and Ms. Stelmak seconded the motion. All board members voted aye and the motion carried unopposed.

14. Adjourn

The meeting was adjourned at 3:47 p.m.

A handwritten signature in cursive script that reads "Ted Mathis". The signature is written in black ink and is positioned above a horizontal line.

Ted Mathis, Chairman